

## **Financial Aid Q & A: The Basics**

### **What is cost of attendance (COA)?**

This refers to the total direct and indirect costs of a student's education expenses for an award year. Tuition, mandatory fees, room and board, books and supplies, transportation expenses, and personal expenses make up the traditional components of a student's COA. A cost of a computer can be included as part of the student's personal expenses as well. Some institutions may include other institution-specific expenses in a student's COA budget.

### **How much does college cost?**

Just as the cost of an automobile depends on the make and model, college costs can vary widely. If your son or daughter attends a local community college and lives at home, your out-of-pocket costs for the entire academic year may only be a few thousand dollars. A state-supported public university will have a total cost of education anywhere from \$10,000 to \$17,000 a year. An Ivy League college education can easily cost \$45,000 annually. (These costs are for the nine-month academic year and include tuition and fees, books and supplies, transportation expenses, room and board, etc.)

### **What is the difference between need-based aid and merit-based aid?**

Need-based aid is allocated based on the financial need of the family. Merit-based aid takes into account factors such as grades, test scores, talent, and skills, (e.g. music or drama).

### **How can I reduce my college costs?**

Actually, there are quite a few ways to do this:

- Reduce your college budget.
- Earn college credit on an accelerated basis (reducing the length of time you are in school).
- Earn college credit outside the traditional classroom.
- Make use of payment alternatives.
- Tax credits.
- Combine higher education and course-related employment.
- National and community service.
- Tuition prepayment plans.
- Take courses during the summer at a local college.

### **What are the most important financial aid tips to remember?**

Just be sure to apply for everything you can, including federal, state, and school or college aid, as well as private scholarships. Also, you must maintain academic eligibility as you progress through school. There are specific eligibility requirements that must be met and certain limits to each aid program that may affect eligibility down the road. Write down the college deadlines for each school of interest and adhere to the deadlines.