



Welcome, counselors!

- To get an editable version of this presentation, click the **Download as Pptx** button above.
- Before presenting to students, we suggest you delete this introductory slide.
- This presentation is meant to be used along with these docs:
 - Lesson Plan: Comparing Financial Aid Offers
 - Main student worksheet

Comparing Financial Aid Offers

in collaboration with Going Merry



Learning Objectives

- Today, we will go over:
 - How to compare your aid offers
 - How to use Going Merry Insights to calculate the “true costs” of college attendance
 - What a “financial gap” is and why it matters
 - What a financial aid appeal is, and whether you should do it

FIRST THINGS FIRST...

Types of Financial Aid

Types of financial aid

Grants & scholarships

Government grants

- Federal
- State

College institutional scholarships

External / Private scholarships

Work-study

Student Loans

Federal student loans

- (1) Low interest (but limited \$) ones:
- **Subsidized** ("free" during college)
 - **Unsubsidized** (interest accrues during college)
 -
- (2) Parent PLUS - market interest rates (not necessarily cheaper)

State student loans (less common)

Discussion




Types of Financial Aid

Videos :

- [The three types of financial aid](#) (2 mins)

Discussion questions:

- What is “financial aid”?
- What are the types of financial aid?
- Which is the best kind of financial aid?
- Besides financial aid, how else might a student pay for college?

 *Did you know?* Every year, the government has \$135 billion (with a B!) budgeted to provide in financial aid, allocated based on the FAFSA®.

Discussion



(Answers)

Types of Financial Aid

What is “financial aid”?

Financial aid is money to help you pay for college.

What are the types of financial aid?

Grants & scholarships, Work-study, Student loans

Which is the best kind of financial aid?

The free type!

*Grants and scholarships (whether they're from the government, your college, or an external foundation or company) are the best because they are free money that you do **not** need to repay.*

Besides financial aid, how else might a student pay for college?

There are three other common ways students pay for college:

1. **Parental contributions** - Parents pay for it.
2. **Student contributions** - Through your personal savings or by working student jobs during the summer (or even the school year).
3. **Taking out private student loans** (with private, for-profit companies)

College Cost Insights

Using Going Merry's
"College Cost Insights"
to compare your offers

(FREE) Tool:

[Going Merry Insights](#)

Note that students need to be registered for Going Merry to be able to use this.

Video :

[Anatomy of a financial aid award letter](#)

This will provide some guidance on where to look for different numbers within the award letters.

NOTES:

- *Unfortunately, our Insights product doesn't (yet!) work for students who plan to go to community/junior college (only for 4-year colleges).*
- *Insights will still work even if a student only got accepted to one college (or is only considering one college). They can simply use the exercise to "budget" or understand their true college costs.*
- *Although the product shows as "sponsored" by Earnest, this is purely like an ad on the website, and **no student data** will be shared with Earnest.*

If you've been accepted to multiple colleges, you are likely comparing them in a variety of ways. Today, we'll be discussing how to compare them on a financial basis -- that is, how to figure out which college "makes the most financial sense," by using the Going Merry Insights tool.

College Cost Insights

Using Going Merry's
"College Cost Insights"
to compare your offers

Using the Insights tool, you will complete several steps:

1. **Put in information from your financial aid award letters** (including how much you've been offered in scholarships, grants, work-study, and loans).

**Discussion questions during this: How were your different award letters structured? Was it difficult to find the information required for each one? Did you feel they were difficult to compare?*

2. **Put in information about how much you and your parents can jointly contribute -- this should be the maximum realistic amount.** (Don't just put 0, or we will assume you have a big "financial gap" that needs to be filled with student loans.)

**Discussion questions during this: Have you spoken to your parents about what they will or will not pay for? Do you have a clear idea of how much you can contribute, based on savings and student/summer jobs?*

3. **Check out your recommendations and calculations.**

Choosing Your Priorities



What is most important to you?

Video :

[Explanation of how the results/ recommendations work](#)

You likely noticed that you ended up with three different types of “recommendations.” This is because, depending on your preferences, “what makes more financial sense” might be based on:

1. Which college leads to the most “long-term wealth”? For this, we considered both the costs AND your future earning potential if you graduate from there.)
2. Which college costs the least in “real” terms (taking into account loan payments, etc.)? This is the option that minimizes student debt, but ignores future earning potential.
3. Which college allows you to pay the least upfront/now? (even if it means paying more in loans later - so this ignores future debt repayments AND future earnings.)

Choosing Your Priorities



What is most important
to you?

Have students discuss (as a class or in breakout groups):

1. Which metric do you feel is personally most important, and why?
Example reasons include:
 - You care to pay the least overall (option #1) because you just want the most genuinely affordable college, and you don't want to rely on being able to earn more later on (which option #3 assumes)
 - You care about paying the least upfront/now (option #2) because you only need government loans, and you plan to get most of those loans forgiven anyway by doing stuff like working in the public sector for 10 years
 - You care about your "long-term wealth" / return on investment (option #3) because you're willing to pay a little more for college, if it means a better economic future later on.
2. Are you surprised by the results / recommendations? Why or why not?
3. Are you surprised by the average future earning numbers? How so?
4. Has this exercise affected how you evaluate your college offers?

Financial Gap

Your “financial gap” and what to do about it

What is a financial gap?

Your financial gap is how much money you need to “find” to be able to pay for college.

Mathematically, it's the total cost of attendance, minus all your financial aid, minus the maximum you and your parents can contribute.

Why do you think the financial gap matters so much, in these sorts of calculations?

Going Merry assumes you'll need to take private loans to fill this “financial gap,” because that is the most common way families handle such gaps. Since loans cost you more long-term than what you're borrowing now (that's how they work), the more you need to borrow, the more your “real” cost of that college.

Financial Gap

Your “financial gap” and
what to do about it

Besides taking private loans, what are other, different ways to lessen your financial gap? Another way of thinking of this question is: Where else can you find money to pay for college? Other ways are:

- Winning external scholarships (but of course this isn't guaranteed), Student/summer jobs (so you can increase your student contribution)
- Convincing your parents (or other families) to increase their contribution, if they are able to
- Appealing to your college for more aid (see section below)

Try adding \$1000 or \$2000 to your max family contribution and running the calculations again. How much changed?

Appeal

Appealing for more financial aid

Videos :

[Financial Aid Appeals \(intro\)](#)

[Reasons/Strategies for Appealing](#)

Discuss:

What is a financial aid appeal? (First question + video)

Who can/should appeal? (Second question + video)

In the next few sections, there is more guidance around how to appeal and write an effective appeal letter. Students can do this part on their own, at home.

Appeal

(Answers)

Appealing for more financial aid

Have your students go to [the “appeal” tab of Insights](#) -- there, they’ll see embedded versions of the videos, as well as short paragraph descriptions to read.

What is a financial aid appeal? (First question + video)

A financial aid appeal is a request to your college to reconsider your financial aid package and offer you more aid. Think of the appeal process as a negotiation for more financial aid.

Who can/should appeal? (Second question + video)

You have a good case to appeal if any of these are true:

1. You got accepted to a more prestigious college, of the same type
2. You got a better price from a similarly-ranked college, of the same type.
3. You had a change in financial circumstances, from what you reported on the FAFSA, which might be:
 - Reduction in income, OR
 - Increase in expenses

You can theoretically appeal even if none of these cases are relevant for you, but you have a lower chance of getting any extra money.

Practical Exercise

Your practical action plan

Your practical action plan

Based on what you learned today, write a list of actionable things you want to do, either to help you make your final decision about college **or** to help make college more affordable to you.

Examples of things students might add to their list:

- Apply for financial aid (FAFSA, CSS Profile, or state aid portal) - NOTE: This is probably the #1 most important thing, if a student hasn't done this yet!
- Decide on a college, taking into consideration the costs
- Look for student jobs (either part-time during the school year, OR for full-time during the summer) - NOTE: ideally, students should have a "goal amount" that they are trying to earn before college begins
- Speak to my parents or other family members about their likely contributions
- Work on my appeal letter(s) and submit them
- Apply to more scholarships - NOTE: ideally, students should come up with an achievable goal, e.g. "apply to 1 scholarship every 2 weeks" or "apply to 5 scholarships before summer starts"
- Look for private student loans - NOTE: We recommend that students check out the "Loans" tab of the Insights product, to first learn more about how student loans work.