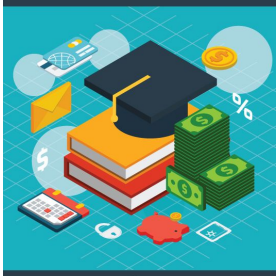
HOW TO COMPARE COLLEGE AID OFFERS



FINANCIAL AID BREAKDOWN

In 2016-17, the average undergraduate received:

$8,440 in grants (federal, state, college and private)

$4,620 in federal loans

$1,340 in other aid (tax credits and deductions, work study)

24% Families who cite cost as the deciding factor when making their final college choice.

143 How many different terms college award letters used for the "Federal Direct Unsubsidized Loan" in a 2018 study.

26 How many of those terms didn't even include the word "loan."

COMPARING COLLEGE AID PACKAGES

"Cost to attend minus aid received" sounds like a simple enough way to determine out-of-pocket costs, but it's not always easy to tell which college's offer is best. Here's how to set up a better apples-to-apples comparison:

1 DECODE THE OFFER.

Terms aren't always clear, so start your review by going through the package line by line to determine what's what. When in doubt, call the college to ask what a particular line item means. Note any conditions — for example, awards only offered to freshmen or that require a minimum GPA. Separate out scholarships and grants (which don't have to be repaid) from loans (which do).

2 CRUNCH COSTS.

The college's cost estimate should include tuition and room and board, as well as indirect costs like travel to and from campus and textbooks. (Check that those are reasonable, too, based on details like your hometown and major.) Fill in the blanks for any missing expenses so you can better compare different colleges.

3 CHECK COLLEGE POLICY.

If you've banked private scholarships, or expect to, ask the college about its displacement policy. Colleges typically reduce need-based aid to reflect your windfall. Some offset grants first, others, loans. That can make a big difference on which college aid package is more generous.

4 THINK LONG TERM.

Make a multi-year projection, considering how costs will change over the duration of your student's education. As charges rise, aid may cover a smaller portion of the bill. Some colleges also "front load" grants, offering less such aid for upperclassmen. Depending on the terms, a college offering a smaller amount of annual aid as a four-year award might be the more valuable offer. (CollegeNavigator.gov offers college-specific breakdowns of average aid for freshmen and for all undergraduate students.)

5 ASK FOR MORE HELP.

If your financial situation has changed since filing for financial aid — and an award letter doesn't reflect those new circumstances — you might amend your Free Application for Federal Student Aid, or appeal to the college.

SOURCES: CNBC REPORTING FROM KELLI B. GRANT; DATA FROM COLLEGEBOARD, SALLIE MAE, NEW AMERICA.

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