**Calculating the Cost of**

**College**

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Calculating the Cost of College

Terms to Know

**Cost of Attendance (COA):** Represents the amount of money that a student might spend to maintain themselves at that institution for a 9-month academic year. These expenditures by the student (parent) that represent the Cost of Attendance are called direct costs and indirect costs.

**Direct Costs:** Expenses that are paid directly to the institution.

* These include:
  + **Tuition and Fees:** All students will pay the same amount for tuition and fees, unless the student is part time.  If the student is in a special program such as nursing or engineering, there may be additional costs which will need to be considered. There may be other fees not part of the average student budget. For instance, if a student brings a car to campus and has to pay for a parking sticker or purchase a computer.  These fees will generally not be part of the COA.
  + **Room and Board:** If the student contracts with the institution for room and board these become direct costs. It is important to remember that when calculating eligibility for financial aid,  the  COA for  a  resident   student will reflect only the average cost of a dorm room with a roommate and meal plan paid by most students. Should the student actually decide to spend more than the average, perhaps by requesting a private room or a platinum meal plan, those discretionary choices will not be recognized in the aid process, and will not result in more aid.

**Indirect Costs:** Expenses not paid directly to the college, but important to consider when determining what the real cost of attending college will be.  Indirect costs are based on averages and are decided by the individual colleges, which can vary depending on where the college is located.

* These include:
  + **Books and Supplies:** Cost will vary depending on where the student attends college and which major they are in. There are certainly ways a student can save money on books by purchasing them through an on line resource such as textbooks.com, borrow books from the library (very inconvenient), or even rent them. Supplies could be a costly expense if the student is a fine arts major.
  + **Transportation:**  There are generally three different costs under transportation. The FAFSA application will ask a question of the student whether they plan on living with parents, live off campus, or on campus.  The college will use this information to come up with the correct transportation budget, which affects the amount of financial aid the student can receive.
  + **Personal Expenses:** Represents what a student may need to spend for items such as laundry, social activities, personal hygiene products, etc. It is generally not a lot of money, and will not reflect on what a student actually spends on things such as cell phones.

**Expected Family Contribution (EFC):** The amount of money your family can reasonably be expected to contribute. Recalculated each year using income and financial data. Stays constant regardless of the college a student attends. In other words, if your family has to pay $10,000 each year at College A, then you will have the same EFC at College B, C, and D.

* To determine your family’s EFC use the FAFSA4Caster to get an estimate of your family’s EFC: <https://fafsa.ed.gov/FAFSA/app/f4cForm?execution=e1s1>

**Net Price Calculators (NPC):** A tool that you can use to estimate your *actual* cost to attend a particular college or university. Net Price is the difference between the “sticker price” (full cost) to attend a specific college, minus any grants and scholarships for which you may be eligible.

* **How do NPCs work?**
  + First, the Net Price Calculator looks at the sticker price.
  + Then, using the financial information you enter into the calculator, the Net Price Calculator estimates the amount of money your family would be expected to contribute to pay for college.
  + Finally, the Net Price Calculator evaluates your eligibility for financial aid at specific colleges by matching your financial and personal characteristics to the criteria that schools use to distribute financial aid (need-based grants as well as merit-based scholarships).
* **How can the NPC help me?**
  + Net price is the key to understanding what a specific college is likely to cost, and allows you to better compare your out-of-pocket expenses from one college to another.
  + It can help you widen your college choices beyond those institutions that you think you can afford. It is possible that your net cost will be lower at a college with a high sticker price or higher at a college with a lower sticker price. You may find that some colleges you thought were financially out of your reach may be very affordable.
  + Remember, “financial fit” is just one of many factors you will want to consider in choosing a college.

*from www.collegeboard.org*

How to Use the Net Price Calculator

1. Start with one college/university on your list.
2. Go to the college/university homepage.
3. Using the search bar at the top of the page, type in “Net Price Calculator”
   1. If this does not work, try to access the calculator from your school’s financial aid website.
   2. Sometimes, it is easier to just Google the NPC for your school.
      1. Example: “Denison University Net Price Calculator”
4. Work with your parents to gather the tax and financial information requested by the NPC.
5. Fill out the Comparison Worksheet for each school as you complete the Net Price Calculators for each one.
6. Review the “Net Price Calculator: A Guide for Students and Families”
7. Understand that the sticker price is not usually the TRUE cost for *you* to attend each college/university.

Resources:

**College Navigator – Website:** [*http://nces.ed.gov/collegenavigator/*](http://nces.ed.gov/collegenavigator/)

* Great website to get a quick overview of how much financial aid students at each college receive on average.
* **CSS Profile (application for financial aid to more selective schools) – Website:** [*http://student.collegeboard.org/css-financial-aid-profile*](http://student.collegeboard.org/css-financial-aid-profile)

**FAFSA4Caster (to estimate your family’s expected family contribution to pay for college) – Website:** <https://studentaid.ed.gov/sa/fafsa/estimate>

**Resources regarding Federal Student Aid – Website:** [*www.studentaid.gov*](http://www.studentaid.gov)

**Understanding Financial Aid - Prezi:** [*http://prezi.com/fcfkp01cquru/launch-financial-aidabbreviated/?utm\_campaign=share&utm\_medium=copy*](http://prezi.com/fcfkp01cquru/launch-financial-aidabbreviated/?utm_campaign=share&utm_medium=copy)

**What is a Net Price Calculator? – YouTube Video by College Counselor, Lynn O’Shaughnessy:** [*http://www.youtube.com/watch?v=Fy2dUOqNiaE&feature=player\_detailpage*](http://www.youtube.com/watch?v=Fy2dUOqNiaE&feature=player_detailpage)

Fun Fact!

The GHS Class of 2015 received an average of $7076 of merit-based aid per year

(not including need-based aid!).