

# Paying for College



## Avoid 5 Assumptions About College Financial Aid

As you compare award offers, understand what you're looking at to make the best decision.

When it comes to deciphering college costs, there are warnings at every stage of the decision-making process: Don't [rule out a college based on sticker price](#); be wary of [comparing net price calculator outputs](#); and understand that [not all student loans are created equal](#). Each disparity places much of the onus on future college students and their parents to thoroughly read and research in order to make well-informed decisions.

Even when an accepted student receives [financial aid award packages](#) from colleges, the necessary sleuthing isn't complete.

"I think every college thinks they are providing adequate information ... But when you're in the position of the parent and trying to track that information for multiple schools, it's all presented in completely different ways under completely different names," says Jane Kulow, a future college parent who [blogs about her family's college decision process](#). "It takes, truly, a lot of detective work." As you research and weigh your college options, avoid making these five assumptions:

**Assumption 1: All components of your packages are free money.** Financial packages might include two distinct categories of aid: money you won't have to do anything for, and money you will. It may sound like a simple premise, but it's important to realize what is essentially a gift—[scholarships](#) or grant aid—and what you'll have to work for or pay back: work-study positions and [loans](#).

Early research into financial aid options helped Laura Turpin to differentiate the components of each of her daughter's three aid award packages. "Luckily, I've read enough ... to know what to look for [and] knowing the difference between what you don't have to pay back and what you do have to pay back, and then the differences between the different loans, ... different interest rates, stuff like that," she says. With her grip on various kinds of aid, she's since mapped out each of her daughter's offers in a categorized spreadsheet to help them keep track.

[Learn about the [benefits of federal loans](#).]

**Assumption 2: Your awards will be renewable.** Once you've discerned what is scholarship or grant aid, realize that those totals may fluctuate in subsequent years.

"If you've been offered a merit award from one particular institution, you'll want to find out: Is that merit award renewable? Do I need to maintain a high grade point average?" notes Linda Parker, director of financial aid at [Union College](#) in Schenectady, N.Y.

Need-based aid, including Pell grants, are typically subject to congressional budget negotiations each year and are also not guaranteed for a student's entire time in college.

[Find out what [federal aid changes](#) are coming in 2012.]

**Assumption 3: The total you see is what you'll actually pay.** "One piece of advice I got was to dig deeply into each college's website for all of the fees and the add-on things that they don't typically include in tuition and room and board," says future college parent Kulow. Understand that your financial aid award package might not include an accurate final estimate once additional costs such as travel and books are factored in.  
[Find out [how to get free textbooks](#).]

**Assumption 4: The total cost will hold steady until graduation.** Unless you're attending a school with a [tuition guarantee](#), there's a good chance that your college costs will be higher each year. That's muddying the college decision for Turpin and her daughter, who has been accepted to both public and private schools. With budgets on the brink in many states, Turpin is wondering how drastically the costs at their public options may change. "I think it's more of a crapshoot as far as how much their tuition will rise," she says. "I think all state schools have that issue."

**Assumption 5: You can't negotiate.** If you're very displeased with the financial aid package from your top-choice school, it usually doesn't hurt to contact admissions officers. If there have been any drastic changes to your family's financial situation, for instance, or if you've received a much better offer, it's worth trying to appeal.