



**NASFAA**

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS



# STARTING WITH STUDENTS:

FINDINGS FROM NASFAA'S CONSUMER  
TESTING STUDY OF THE U.S. DEPARTMENT  
OF EDUCATION'S COLLEGE FINANCING PLAN

PREPARED BY ASA RESEARCH, LLC  
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## Executive Summary

The consumer voice—in this case, that of students and parents—is essential to truly understanding the information needed for the critical decision making of the college application and enrollment process. Financial aid has increasingly and necessarily become an important component of this decision process, which will ultimately effect students’ and families’ futures. Particularly for students whose parents have not experienced the college application process before, presenting this critical information in a meaningful, straightforward, and easy-to-understand manner is of utmost importance, and collecting consumer feedback will help ensure that proposed informational products adhere to these goals.

The National Association of Student Financial Aid Administrators (NASFAA) contracted with ASA Research (ASA) to consumer test the “College Financing Plan” document, recently released by the U.S. Department of Education to replace the previous “Financial Aid Shopping Sheet.” The goal of this consumer testing study was to ensure that the document is clear and helpful to students and their families, and to assess whether any changes are needed to help improve the communication of financial aid concepts. ASA conducted six focus groups at the high school and college level with a total of 66 students and parents. In addition to focus group discussions, participants responded to written questionnaires testing their comprehension of key financial aid concepts and financial aid award scenarios presented in the documents. Participants were asked to provide feedback to both the new College Financing Plan and the old Financial Aid Shopping Sheet, not to assess their preference, but rather to assess the level of clarity of both the content and formatting in each document, and any changes needed for improvement.

## Findings

Several common themes emerged that reinforce our findings from previous NASFAA Financial Aid Shopping Sheet studies. Perhaps the most prominent theme to emerge, while tangentially related to the questions asked of participants, is the common perception among students and families that loans and work-study—anything other than grants and scholarships—are not financial aid. In fact, the question “what is considered financial aid?” was often raised by the participants as they were attempting to complete the questionnaires, or in the beginning of the focus group discussions.

The majority of students and parents in the six focus groups only consider “free” money that does not need to be repaid, or is not dependent on working at a job, to be financial aid. This idea is important for agencies and institutions awarding financial aid to understand in order to effectively convey information about financial aid packages in a relatable way. Students and families must understand key concepts such as the difference between subsidized and unsubsidized loans, the pros and cons of various types of awards, and longer-term costs and implications.

Also consistent with previous findings, and related to financial aid terminology, the concepts and data points that are useful to professionals in the field of higher education may not be relatable to consumers—the students and parents who are making decisions about college and financial aid. The majority of participants did not find information about their Expected Family Contribution (EFC), graduation rates, or median borrowing to be a good use of space on the document. Rather, they expressed a desire for more details about loan terms, work-study specifics, and the bottom line for various scenarios. Many focus group participants were low-income and the first in their families to attend college and they place the bottom line—what are they going to have to pay—above all other factors when making the decision about where to attend college.

## Recommendations

Through both qualitative focus group feedback and quantitative questionnaire responses, we found that students and parents are still confused about basic financial aid concepts after reviewing the documents.

We offer the following recommendations to improve the College Financing Plan document:

- 1. Eliminate terminology that is not meaningful to consumers.** The majority of students and parents with whom we met do not understand terms that are common among financial aid professionals, such as EFC. They understand this term is related to the Free Application for Federal Student Aid (FAFSA) and used in calculating their financial aid package, but the number associated with this term does not hold meaning to students and families when making decisions about financial aid and college enrollment. In addition, graduation rate and median borrowing information is not useful to students and parents at this point in the college decision process—they may have previously looked at that information when deciding where to apply, but at this point they are simply interested in the bottom line of how much they will need to pay. Further, prospective students intend to graduate and repay their loans, and thus do not find these statistics relatable.
- 2. Include loan terms and make them explicit.** Students and their parents do not understand the difference between subsidized and unsubsidized loans; nor do they understand the loan repayment terms at this point in their decision process. They are often skeptical of borrowing and want the terms to be made clear and upfront before making a major decision about how to pay for college—a decision that will likely impact their long-term finances.
- 3. Include definitions for all types of financial aid, including work-study.** Just as the grants and scholarships section of the College Financing Plan includes a brief description, loans and work-study should also include definitions in their respective sections. Many of the students and parents with whom we met do not know what work-study is, how that is different than campus jobs, and whether the student's earnings are sent directly to the institution or issued to the individual student. Clarification is needed to help students and their families make these crucial decisions.
- 4. Highlight specific contact information and next steps as much as possible.** After reviewing the College Financing Plan document, the majority of students said they would not know the next steps to receive financial aid and enroll in college. The financial aid office contact information is provided, but consumers need the name and contact information of at least one specific staff person who can help them, along with an outline of next steps. This information should be bold, highlighted, and easy to find.
- 5. Conduct additional consumer testing.** This study is a starting point, but additional research among larger groups of diverse student populations is needed to fine-tune the College Financing Plan document components. It may be that different versions of the document are required for different types or levels of students—the needs of high school students may be different than those of first-year college students, seniors in college, or non-traditional aged adult students who are working and living at home raising families. While this study attempted to assess the needs of a variety of students, the sample sizes are not large enough to determine differences between groups with statistical significance.

Further, the majority of students—without being prompted for a preferred document—indicated a strong preference for the older Financial Aid Shopping Sheet rather than the newer College Financing Plan, due to the simpler, more straightforward layout. At the same time, participants appreciate the level of detail in the College Financing Plan. Additional consumer testing can help refine the College Financing Plan to include the preferred features of both documents, and to ensure that the information included is needed, meaningful, helpful, and clear.

Finally, while clarity of documents is critical, the value of in-person guidance cannot be overstated. Many focus group participants indicated that they plan to meet with advisors at their high school or college to help clarify information in their financial aid award letters. These standard documents are a good starting point for comparing financial aid options across institutions; however, some revisions to both format and content will enhance the comprehension of key concepts.

# Starting with Students: Findings from NASFAA’s Consumer Testing Study of the U.S. Department of Education’s College Financing Plan. Prepared by ASA Research, LLC

The U.S. Department of Education recently released a “College Financing Plan” document to replace the previous “Financial Aid Shopping Sheet” document. This document is often used as a standardized cover sheet to accompany students’ financial aid award letters from institutions. NASFAA contracted with ASA Research (ASA) to consumer test the new document with high school seniors, college students, and parents of high school seniors. The goal of this consumer testing was to determine whether the document is clear and helpful to students, and to assess whether any changes are needed to help improve the communication of financial aid concepts to students.

## Methodology

ASA conducted six focus groups: three with college students at different institution types (one community college, one private four-year institution, and one public four-year institution), two with high school seniors, and one with parents of high school seniors. All focus groups were conducted in the Washington, D.C. metropolitan area—in two Virginia suburbs, one Maryland suburb, and one in Washington, D.C.

It should be noted that no for-profit institutions contacted were available to participate. In addition, the postsecondary institutions available to participate do not currently use the Financial Aid Shopping Sheet. However, it may be that students who participated—at both the high school and college levels—have received the Financial Aid Shopping Sheet from other institutions to which they were accepted.

The high school students who participated are all low-income, first-generation college-going seniors enrolled in Advancement Via Individual Determination (AVID) classes. Because of participation in AVID, it is likely that these students spend more time in school focusing on the college and financial aid application process than students who do not participate in AVID.

Participants were provided with financial incentives to participate, and guaranteed anonymity of responses (see Appendix B for a sample focus group protocol). Students were generally enthusiastic about the opportunity to provide feedback, and to play a role in helping to make the financial aid process easier for future students. Participants were highly engaged in focus group discussions and contributed thoughtful feedback and written responses. Table 1 displays the number of participants in each focus group; additional demographic information can be found in Appendix A.

**Table 1. Total number of participants, by school/institution/participant type**

Focus Group	Number of Participants
Community college	11
Private 4-year	12
Public 4-year	11
High school (2 groups)	26
Parents of high schoolers	6
<b>TOTAL</b>	<b>66</b>

In each focus group, ASA presented participants first with a sample of the new College Financing Plan document (labeled “Document A;” see Appendix B). Each sample was pre-filled with realistic numbers which NASFAA based on actual tuition and financial aid amounts for each institution type (note, the public 4-year institution sample was used for the high school and parent groups). Participants were asked to respond to a brief written questionnaire about the document to assess their levels of comprehension of financial aid concepts and award details, and to gather quantitative ratings about the document. The focus group facilitator then led participants in a discussion about their reactions to, and perceptions of, the document. This process was then repeated for the Financial Aid Shopping Sheet document (labeled “Document B;” see Appendix B).

The idea behind presenting both documents A and B was not to ask participants to choose one document over the other. Rather, focus group facilitators collected feedback about specific components of each document to assess participants’ preferences, the level of clarity of both the content and formatting in each document, and suggestions for improvement.

ASA researchers<sup>1</sup> conducted two previous Financial Aid Shopping Sheet consumer testing studies for NASFAA: one in 2012, also focused on undergraduate college student financial aid scenarios, and a second study in 2016 focused on graduate-level law school students.<sup>2</sup> Some high-level findings of those studies are referred to below, however, comparisons between comprehension scores among the various studies cannot be made due to relatively low sample sizes.

<sup>1</sup> The authors of this study conducted previous studies for NASFAA as JBL Associates, Inc. (later acquired by Coffey Consulting, LLC).

<sup>2</sup> See NASFAA (2013). No clear winner: Consumer testing of financial aid award letters (<https://www.nasfaa.org/uploads/documents/ektron/1bb3383b-54a1-40ee-b697-d1caee60d8f7/ca8b5d1a01794622b1aa3cb7220a98312.pdf>); and NASFAA (2016). Market Research on Law School Student Aid Award Letters and Shopping Sheet Information ([https://www.nasfaa.org/uploads/documents/Market\\_Research\\_on\\_Law\\_School\\_Student\\_Aid\\_Award\\_Letters\\_and\\_Shopping\\_Sheet\\_Info.pdf](https://www.nasfaa.org/uploads/documents/Market_Research_on_Law_School_Student_Aid_Award_Letters_and_Shopping_Sheet_Info.pdf)).



# Focus Group Feedback

The focus group feedback is organized below first by document, in the same order the documents were presented at the focus groups: 1) College Financing Plan ("Document A"), and 2) Financial Aid Shopping Sheet ("Document B"). The feedback specific to each document is followed by overarching feedback that applies to both documents, and finally, suggestions for improvement to the College Financing Plan document, compiled directly from participant responses based on their reactions to both documents.

## College Financing Plan

### Initial Reactions

Overall, participants felt the layout of the College Financing Plan is user-friendly, but it may provide more detail than needed:

- "It is really complicated. It looks simple like you should be able to understand it, but it is really not."
- "The document provides a lot of information, but it may be too much for someone who is just getting out of high school."
- "[The document is] ...hard to read the first time...have to keep going back to understand."

On the other hand, one participant said, "having it all in one place is helpful."

### What They Liked

Participants pointed out specific components of the College Financing Plan document that they appreciated.

- **Net Cost:** Participants liked that the net cost on the College Financing Plan document is in a different color than the other items on that page, making it stand out. One participant felt it could be highlighted even more with a larger font size. Two participants suggested moving net cost to the top, followed by the numbers that go into that calculation; however, the majority voiced that they like the current order of items that go into the calculation.
- **Grants and scholarships:** A few participants mentioned liking that grants and scholarships are separated into two sub-groups on the College Financing Plan document.

### What is Unclear or Confusing

In addition to positive feedback, participants pointed out several components they thought could use improvement due to lack of clarity or usefulness.

#### Net Cost

While participants appreciated having the net cost highlighted, several were confused about the net cost calculation, and whether on-campus or off-campus housing was taken into account in the calculation: "I was a little confused on how they got the price of the net cost."

#### Estimated Family Contribution

On the new College Financing Plan document, Estimated Family Contribution (EFC) appears as the first item at the top of the page (on the Financial Aid Shopping Sheet document, this item appeared at the bottom of the page). The majority of college students and parents either did not understand the concept of EFC or did not feel that information would be helpful when reviewing financial aid options. One parent did not understand why this amount was different than net costs, listed on the form as "College Costs You Will Be Required to Pay": "At the top of form, it says Estimated Family Contribution is \$3,000, then at bottom it says we are paying \$10,000. What is the difference?" Several participants were further confused by the two different EFCs listed (federal and institutional methodology) and did not understand what that meant for their financial aid package. Below is additional feedback about EFC:

- "The [EFC] box is not helpful, I know how much the family will contribute if I talk to [my parents], you can't figure it out by a calculated estimate. It is not useful."
- "[EFC] does not help with my decision—it is confusing if you don't know what family contributions will be."
- "I don't get why they include EFC, what would that be tied to?"
- "The EFC for the FAFSA and the institution are different? Why is there a disparity?"
- "We need more information on the document explaining calculations of family contributions."

Interestingly, the high school students said they are familiar with the term EFC, and that it is helpful to include in the document. It may be that these students recently received information about the FAFSA process from the school's college and career center, or through AVID.

#### Housing Costs

Several participants felt that including both on- and off-campus housing costs is confusing:

- "Sometimes they include things that you don't think you are going to pay...so for example if you are not going to stay on-campus, if you are going to commute, and they put something like room and board."

- “If a person who applies is in-state, they should take the off-campus side off because it kind of distracts you” [because the student in that scenario may live at home].
- One participant suggested calculating two different costs of attendance—one with on-campus housing, and another with off-campus housing costs—to show both options.
- One parent mentioned private four-year institutions that require on-campus housing for freshmen, thus making off-campus housing irrelevant in that scenario.

Participants were confused not only by having both on- and off-campus housing amounts in the document, but also by the layout of that section, with housing to the left or right, and other items placed in between those two columns.

## Financial Aid Shopping Sheet

### What They Liked

While the purpose of the focus group was not to ask for a preference between the two documents, and the facilitators did not ask participants to choose between the two, the majority stated they preferred the Financial Aid Shopping Sheet document over the College Financing Plan document, when asked for their initial reactions and impressions of the Financial Aid Shopping Sheet document. Participants felt the Financial Aid Shopping Sheet document was more straightforward than the College Financing Plan document:

- “Everything is more simplified, not too wordy, there is more room if you want to take notes.”
- The Financial Aid Shopping Sheet “seems more clear.”
- “I preferred this one, it’s more specific.”
- “I liked this one...more straightforward” [than other documents they have received from the institution].
- “I like the second one more because important stuff is at the top of the page.”
- “I like the way this one is set up.”
- “I feel like they give the same information, but it is put in a way that when you see it is like, ‘oh that makes sense,’ the way it is organized.”
- “The first document is too detailed, the second one is better...easier to follow.”

### What They Did Not Like

While the majority of focus group participants favored the Financial Aid Shopping Sheet document, others appreciated the level of detail of the College Financing Plan document, and felt the Financial Aid Shopping Sheet document could have more specificity:

- “I don’t like this one because it is not very specific. The other one is more specific, you understood where exactly the money is coming from. It’s not like grouped together too much. Your grants and scholarships are combined too much; you can’t really see exactly where the money is coming from.”
- “With the second document, [the Financial Aid Shopping Sheet], I didn’t really like the grant and scholarships part. It wasn’t specific enough. The first one separates this out and it is more clear, but in the second one everything is more combined.”
- “If you want to compare bunch of schools, this one [the Financial Aid Shopping Sheet] would be better because it is concise, and you can see the totals right away. But if you are thinking about actually going to that school and you want to know what you really have to pay, then the first one is probably better because it is more detailed and you can choose what loans you are going to take out and what you are not going to take out.”
- “I didn’t really like this one because of the [lack of] loan options.”
- “The first document, [the College Financing Plan], gives more information about loan options. It talks about private loans, federal loans, and it shows other campus jobs. The second document only talks about Perkins loans, subsidized and unsubsidized loans.”
- The “grants and scholarships section is better in the first document, [the College Financing Plan]. The second one doesn’t have need-based information.”

## Feedback Consistent Across Both Documents

The feedback below was consistent among participants' reactions to both documents.

### Graduation Rate/Median Borrowing

The majority of participants felt that information reflecting graduation rates and median borrowing is not helpful at this point in the college decision process—they may have looked at this when initially deciding where to apply, but at this point, students and parents are simply interested in the bottom line, and where they will pay the least.

- "...there is this all this information on the side about graduation rates. It is kind of distracting because you can find that stuff online. It is supposed to be more personal toward your financial package, but this is general information that you can find somewhere else."
- "...didn't understand 'green part' and how it relates to the other information."
- Graduation rate is "not something that I cared about."
- "It is useful in different scenarios, like admissions or counseling, but not here."
- "...not really helpful because it seems very general and you don't really know if it really applies to you."
- "I think it is something you should consider when you are applying or maybe like when you are picking. Because I feel like this paper should be about how much money you got not really like trying to sell you on the college."
- "Retention rate might be more helpful than graduation rate."
- "Graduation rate is not affecting how much I am going to pay...I know that I am going to graduate, so it doesn't affect my decision."
- "I am already choosing to graduate; the graduation rate is getting in the way of other financial information."

In addition, several students were confused by the use of "median" and preferred to see an average amount borrowed because that is a term they understand.

### Financial Aid Perceptions

Almost all participants consider only grants and scholarships, not loans or work-study, to be financial aid:

- "I do not consider work-study to be financial aid...the FAFSA does ask you about it, but a lot of people don't see it. It is easy to miss, because it is an optional click, not a required 'yes' or 'no' answer, when asked if you want to be considered for it."
- "I don't consider [work-study] a job because it directly goes to pay for books and other school expenses...not an actual check. It could be explained that depending on the college or the job, it may not be an actual paycheck, or it may go directly to [my student account/bill] for tuition."
- "I don't consider work-study financial aid. I feel like they don't give you enough."
- "It is like getting a job. You are working for it."
- "I consider loans to be separate, but we know that the government is considering it to be part of the financial aid."

### Work

Nearly all participants felt that the student in each scenario would have to work to afford the cost of attendance. Indeed, all but one of the scenarios provided had a remaining balance that could not be paid through financial aid. The majority of students who participated in these focus groups are from low-income families and rely on financial aid; the idea of families contributing money to the cost of college is not likely something they could consider. In addition, several students indicated being apprehensive of borrowing, and may not have taken the loan amounts provided into consideration as a way to pay the remaining balance. It may be that these students would rather work than take out loans to pay for college.

### Format

Participants were divided on whether they prefer to receive the document by mail or electronically. Some noted that "if it is online you can just print it." Several suggested receiving the document by both mail and email, particularly for side-by-side comparison. Participants noticed that the Financial Aid Shopping Sheet is downloadable and appreciated that option.

### Purpose

There was a consensus that the purpose of the document is to inform students about the costs of attendance and options to pay for college. The majority of students said they could make a decision about enrollment based on the information provided in the documents. Two of the parents, however, said they would need additional information.

### Suggestions for Improvement

Participants were asked to provide suggestions for improving the College Financing Plan document, based both on their reactions and feedback to that document, as well as specific components (either content or formatting) they may have preferred from the Financial Aid Shopping Sheet.

## Additional Information Needed—Loans and Work-Study

While participants felt the College Financing Plan provided a lot of detail, they also felt it was lacking in certain areas. Specifically, students and parents would like to see additional information about loan options, loan repayment terms, and work-study:

- “I want to know more about the work options, what the work is. It just didn’t have a lot of information.”
- “For freshmen...loans might be confusing.”
- “Grants and scholarships [have descriptions] on the front, but on the back, there was no information about work-study...brand new students might not know that there are extra steps to take, to accept or decline work-study or loans.”
- The document should include “the period of time there is before a loan is repaid...need to specify repayment terms.”
- State what the different loan options are (i.e., subsidized, unsubsidized).
- State the difference between federal work-study other campus jobs.
- Information about repaying loans should be placed where the loan amounts are located.
- Defining what the different types of loans are (subsidized and unsubsidized), their interest rates, and the total amount students would have to pay would be helpful.
- Tally up the loans—so they know the total amount of loans—at the bottom.

## Make Terms and Conditions More Visible

Participants felt that student loan terms and conditions should be in bold, not in fine print, and be clearly stated to increase transparency and understanding.

## Include All Financial Aid Options on the Front Page

Several participants suggested including all types of financial on the front page, as they currently appear in the Financial Aid Shopping Sheet. Some pointed out that having loans and work-study options on the back of the sheet, after net cost, further confirms their perception of financial aid being only grants and scholarships. One participant suggested including loans in a second net cost figure, so that students and parents can review the remaining costs not only after grants, but also after loans are taken into account.

## Other

- One student noted that tuition varies depending on whether a student attends full-time or part-time, and they would like to see specifications about what the tuition listed on the document is covering (i.e., number of credit hours).
- One participant suggested separating private loan options from federal loans.
- Several participants voiced that the glossary is helpful. One student suggested listing the glossary terms alphabetically for easier reference.

## Document Name

Several participants felt the name “College Financing Plan” was “straightforward” and “fits.” Others felt it was too general a name, or that “financing” either had a negative connotation or implied loans but not other forms of financial aid. Participants made the following suggestions:

- “Cost of Attendance Sheet”
- “Breakdown of Costs”
- “Estimated Resources”

## Next Steps

The majority of focus group participants conveyed that, after reading the documents, the next steps for receiving financial aid are unclear. Nearly all high school students needed additional information and clear instructions to understand next steps; currently, they rely on the college and career center at school for information about financial aid. A participant suggested adding the financial aid website to the contact information. The name of an individual person to contact at the financial aid office may also be a useful addition.



## Comprehension

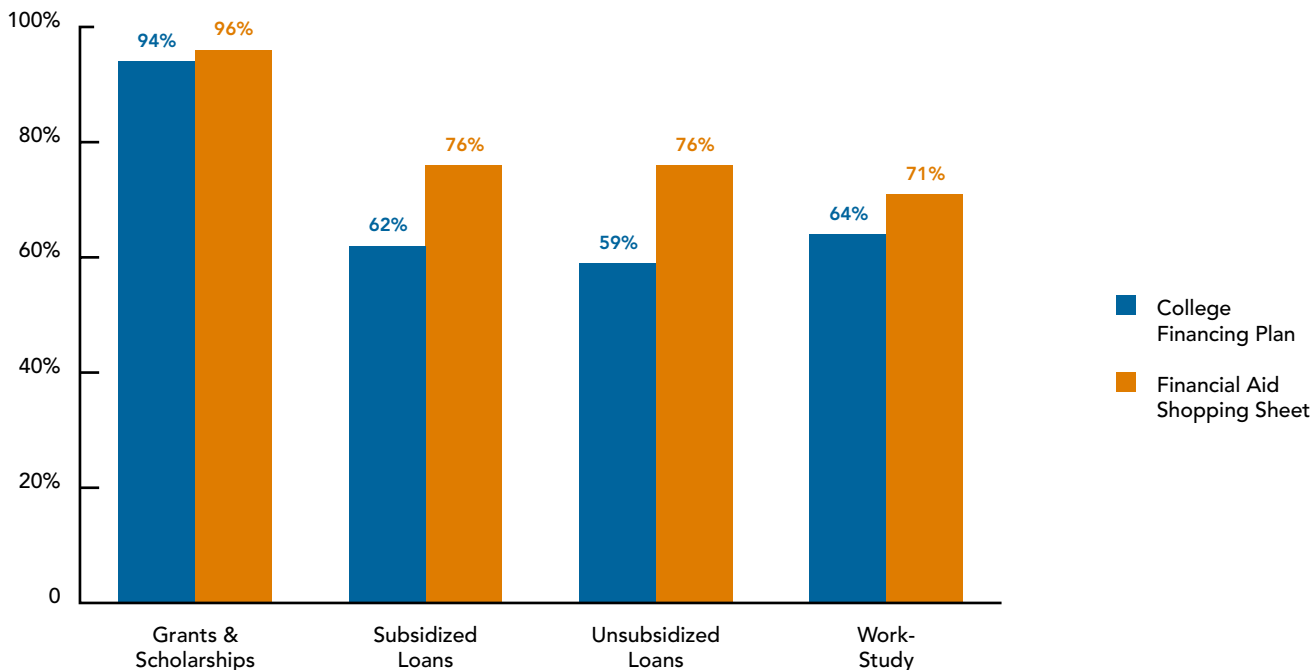
The written questionnaire responses to questions testing comprehension, and gauging perceptions and levels of satisfaction, are summarized below.

### Content Identification

Respondents were asked whether various types of financial aid were included in each document. A large majority (90%) responded correctly that cost of attendance, grants and scholarships, net cost, and various types of financial aid were included in each document.

Respondents were then asked which type of financial aid was being awarded to the student in each scenario. While nearly all (94% and 96% on the College Financing Plan and Financial Aid Shopping Sheet documents, respectively; Figure 1) were able to recognize the award of grants and scholarships, a smaller percentage responded correctly about loans and work-study options: between 59 and 64 percent on the College Financing Plan document, and 71 to 76 percent on the Financial Aid Shopping Sheet document (note: the College Financing Plan document provides both work-study and campus job amounts. This question only tested participants about work-study). This smaller percentage responding correctly about loans and work-study, compared with grants and scholarships, particularly on the College Financing Plan, may be explained by the former options being listed on the back side of the College Financing Plan—it could be that respondents simply did not notice those options. It may also be that, in agreement with focus group responses, respondents do not consider loans and work-study to be “financial aid.”

**Figure 1. What type(s) of financial aid is the student in this scenario being formally awarded? (percentage responding correctly)**



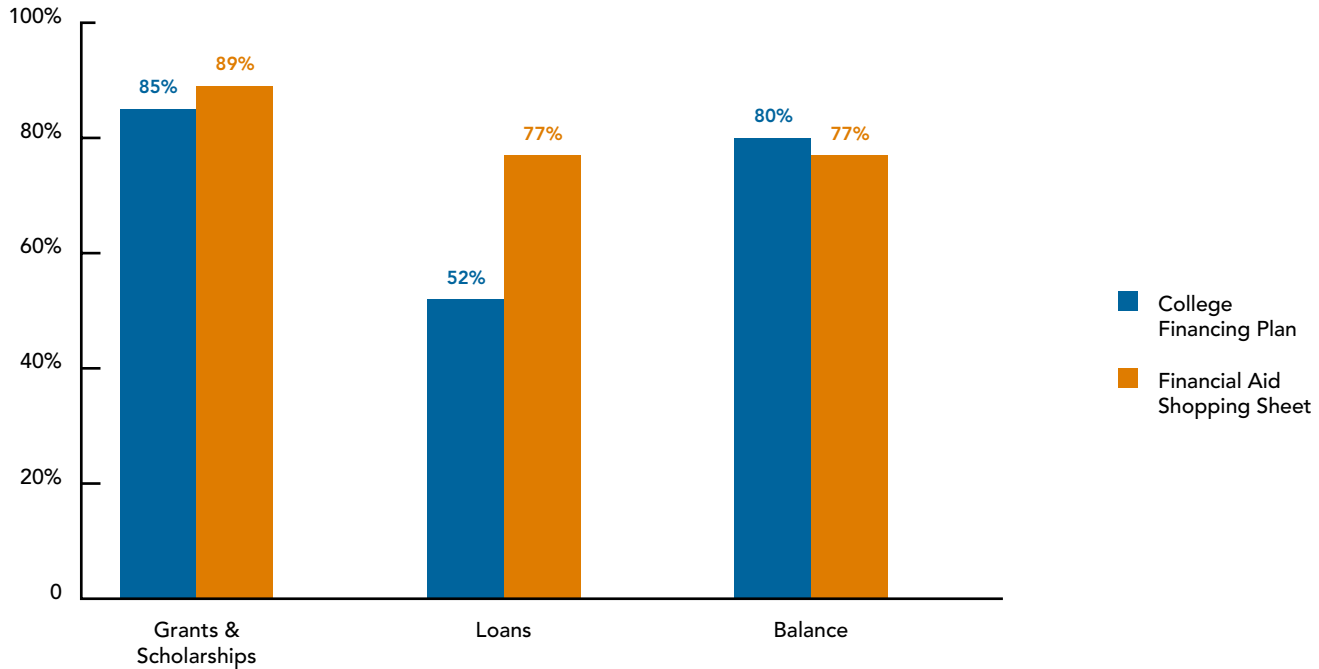
### Net Cost Calculation

For the Financial Aid Shopping Sheet document only, respondents were asked whether the net cost calculation included on-campus housing costs, off-campus, or neither (both on-campus and off-campus housing costs are included in the College Financing Plan document, however the net cost line item does not specify which was used in the calculation). About two-thirds (64 percent) responded correctly. The remainder either believed off-campus housing costs were included in net cost (30 percent) or that no housing costs were included (18 percent)—11 percent thought that both on- and off-campus housing costs were included, thus indicating confusion around this concept.

### Calculation Questions

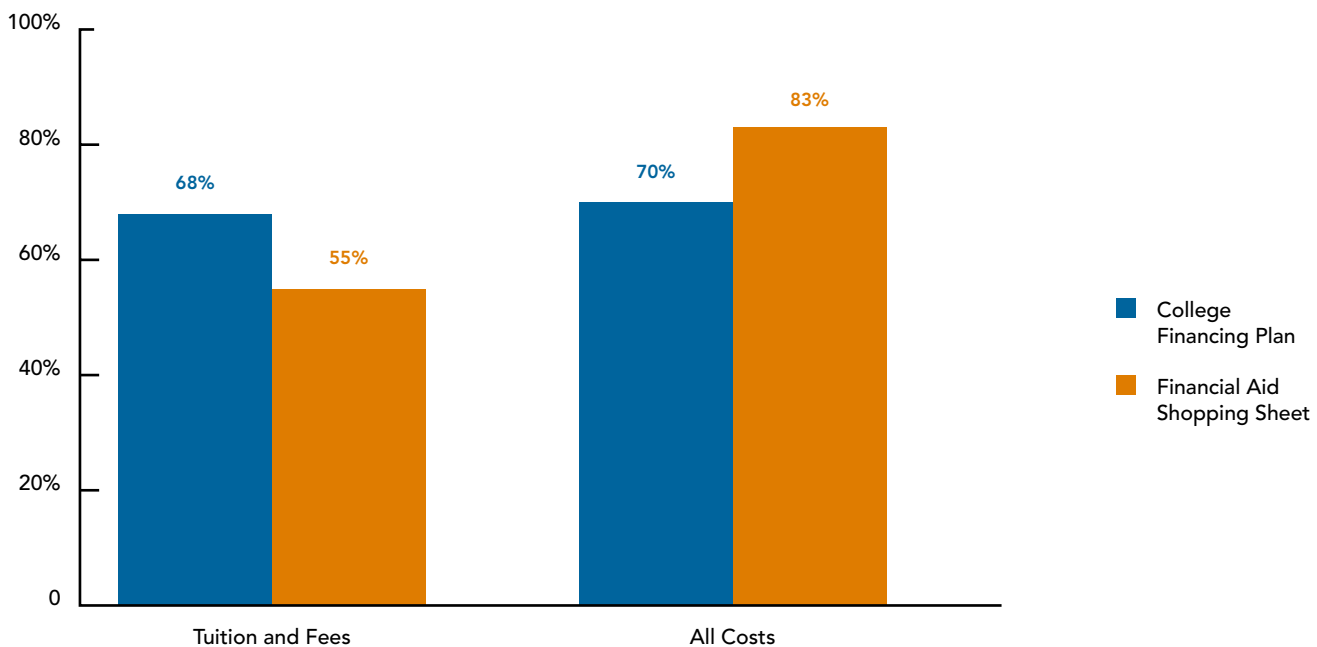
Respondents were asked to provide the total amount of grants and scholarships, loans, and the remaining balance after grants and scholarships are taken into account, in open-ended format. On the College Financing Plan document, while the majority of participants responded correctly to the questions about grants/scholarships and balance (85 percent and 80 percent, respectively), only 52 percent computed the total amount of loans correctly. This discrepancy can possibly be explained either because the total amount of grants and scholarships and the balance are already provided on the college financing Plan, while the individual loan amounts are provided separately, but not totaled, and/or because it may be unclear to students and parents whether the student in the scenario would receive all types of loans being offered. This pattern was similar with the Financial Aid Shopping Sheet document, but with the percentage correctly computing loans much higher: 89 percent, 77 percent and 77 percent responding correctly about grants/scholarships, balance, and loans, respectively (Figure 2).

**Figure 2. What is the total amount of financial aid the student may receive per year? What is the balance still owed by the student in the scenario after taking into account grants and scholarships? (Open-ended responses; percentage responding correctly)**



Participants were also asked to calculate whether or not the student in each scenario would receive enough financial aid to cover tuition and fees, and all costs. Respondents were more likely to answer correctly to the question about tuition and fees on the College Financing Plan document, but more likely to respond correctly about all costs on the Financial Aid Shopping Sheet document (Figure 3).

**Figure 3. Is the student in this scenario being offered enough financial aid to cover (1) tuition and fees and (2) all costs? (percentage responding correctly)**



## Ratings

Participants were asked to respond to questions on a scale of 1 to 5, with 1 being “Strongly Agree,” and 5 being “Strongly Disagree,” about the following statements:

- The document is clear and easy to understand.
- The document clearly states where to find additional information about the financial aid process, including private loans and alternative financing.
- The document would allow the student to compare offers across institutions.
- This document clearly states the terms and conditions of the student loans.

The average score across statements is similar for both documents—about 2.8—or neutral (3 = “neither agree nor disagree;” Figure 4).

**Figure 4. Focus group participant ratings, various topics (scale = 1-5)**

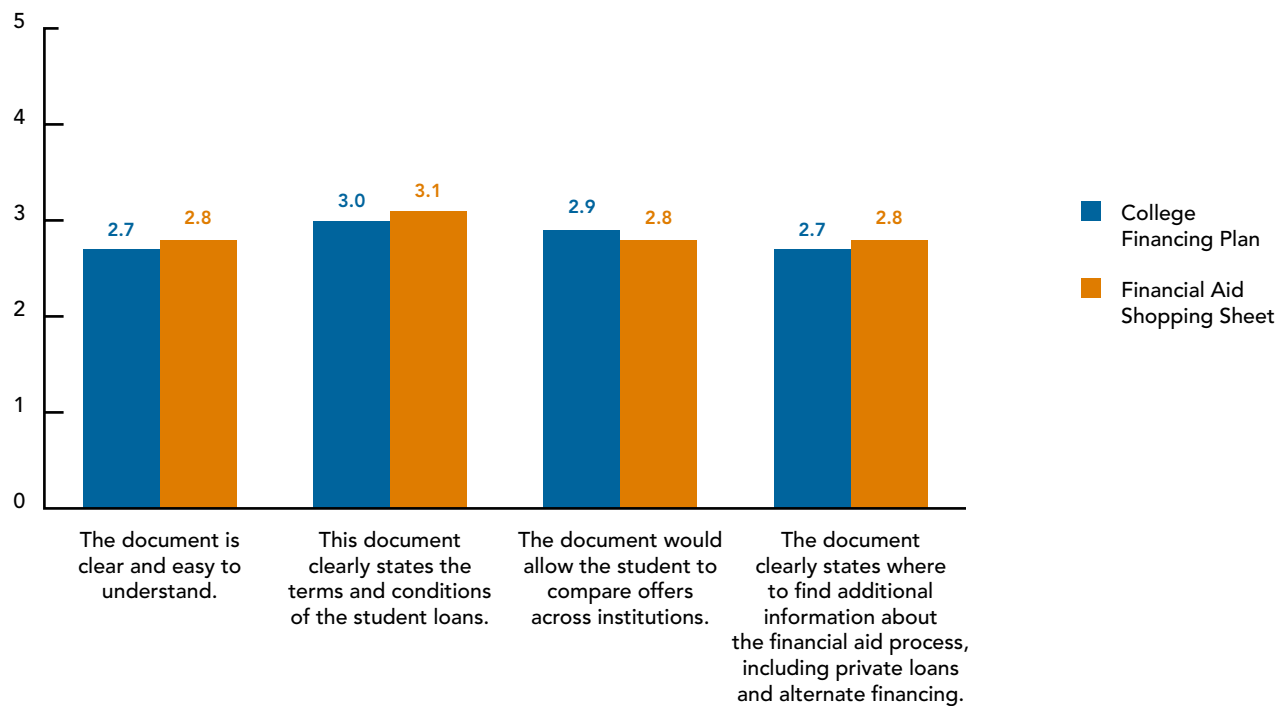
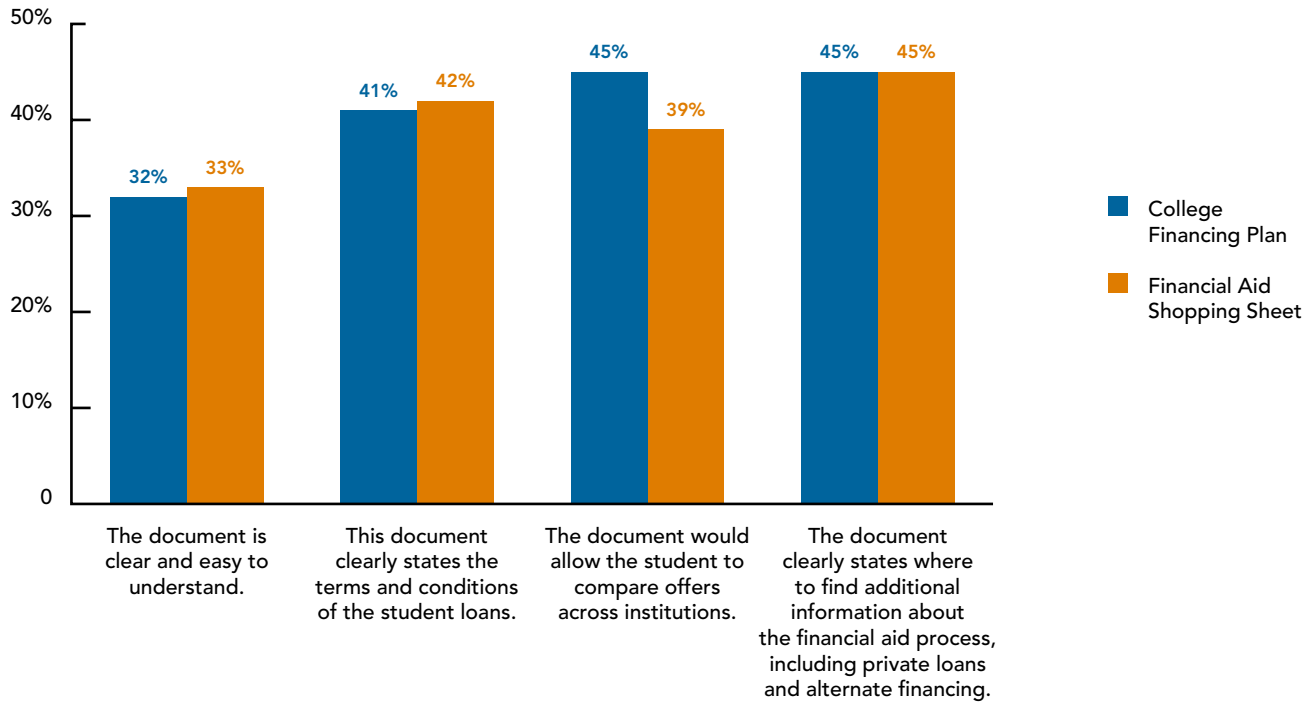


Figure 5 displays the percentage of respondents scoring each statement a 1 or 2, the highest agreement scores.

Figure 5. Focus group participant ratings, various topics (Percentage agreeing or strongly agreeing)



## Recommendations

Through both qualitative focus group feedback and quantitative questionnaire responses, we found that students and parents are still confused about basic financial aid concepts after reviewing the documents. We offer the following recommendations to improve the College Financing Plan document:

1. Eliminate terminology that is not meaningful to consumers. The majority of students and parents with whom we met do not understand terms that are common among financial aid professionals, like Estimated Family Contribution. They understand this term is related to the FAFSA and is used in calculating their financial aid package, but the number included on the document associated with this term does not hold any meaning when making decisions about financial aid and college enrollment. In addition, graduation rate and median borrowing are not useful at this point in the students' and parents' college decision process—they may have looked at that information when deciding where to apply, but at this point are simply interested in the bottom line of how much they will need to pay. Further, prospective students intend to graduate and repay loans, and thus do not find these statistics relatable.
2. Include loan terms and make them explicit. Students and their parents do not understand the difference between subsidized and unsubsidized loans; nor do they understand the repayment terms at this point in the decision process. They are often skeptical of borrowing and want the terms to be made explicit, prior to making a major decision about how to pay for college.
3. Include definitions for all types of financial aid, including work-study. Just as the grants and scholarships section of the document includes a brief description of what that type of aid is, loans and work-study should also include definitions in their respective sections. Many of the students and parents with whom we met do not know what work-study is, how it is different than any other on-campus job, and whether the paycheck is provided directly to the institution or to the individual student. Clarification is needed to help students and their families make these crucial decisions.
4. Highlight specific contact information and next steps as much as possible. Based on the information provided in this document, the majority of participants said they would not know where to go for next steps to receive financial aid and enroll in college. The financial aid office contact information is provided, but consumers need the name and contact information of at least one specific staff person who can help them, and an outline of the next steps. This information should be bold, highlighted, and easy to find.
5. Conduct additional consumer testing. This study is a starting point, but additional research will help to fine-tune document components among larger groups of diverse students. It may be that different versions of the document are required for different types or levels of students—the needs of high school students are different than first-year college students, seniors in college, or non-traditional aged adult students who are working and living at home raising families. While this study attempted to assess the needs of a variety of students, the sample sizes are not large enough to determine differences between groups with statistical significance. Further, the majority of students—without being prompted for a preferred document—indicated a strong preference for the older Financial Aid Shopping Sheet document rather than the newer College Financing Plan document, due to the level of clarity in how the information is presented. Additional consumer testing can help refine the College Financing Plan document to include the preferred features of both documents, and to ensure that the information included is needed, meaningful, helpful, and clear.



## Conclusions

The consumer voice—in this case, that of students and parents—is essential to truly understanding the information needed for the critical decision making of the college and financial aid application and acceptance process. Financial aid has increasingly and necessarily become an essential component of this decision process which will ultimately effect students and families' lives. For students whose parents have not experienced the college application process before in particular, presenting this critical information in a meaningful, straightforward, easy-to-understand manner is of utmost importance and requires testing the documents and collecting consumer feedback to ensure that the document's goals are reached.

Several common themes emerged that reinforce our findings from previous Financial Aid Shopping Sheet studies. Perhaps the most prominent theme to emerge, while tangentially related to the questions asked of participants, is the common perception among students and families that loans and work-study—anything other than grants and scholarships—are not financial aid. In fact, the question of “what is considered financial aid?” was often raised by participants as they were attempting to complete the questionnaires, or in the beginning of the focus group discussions.

The majority of students and parents in the six focus groups only consider “free” money that does not need to be repaid, or is not dependent on working at a job, to be financial aid. This finding is important for anyone awarding aid to understand in order to effectively convey information about financial aid packages in a relatable way. Students and families must understand key concepts such as the difference between subsidized and unsubsidized loans, any benefits or drawbacks, and longer-term costs and implications.

Also consistent with previous findings, and related to financial aid terminology, the concepts and data points that are useful to professionals in the field of higher education may not be relatable to consumers—the students and parents who are making decisions about college and financial aid. The majority of participants did not find Expected Family Contribution, graduation rates, or median borrowing to be a good use of space in the document. Rather, they want to know more details about loan terms, work-study specifics, and the bottom line for various scenarios. Many of these students are low-income and the first in their families to attend college and they place the bottom line—what they are going to have to pay—above all other factors when making the decision about where to attend college.

Finally, after reviewing the information in the sample documents, focus group participants are unclear about what the next steps are to enroll in college and receive financial aid. There is no substitute for in-person guidance, and many indicated they plan to meet with advisors, at their high school or college, to help clarify information in their financial aid award letters. These documents should highlight the financial aid office contact information as much as possible, and additional language can outline more clearly the next steps and encourage student communication with specific individuals in the financial aid office. These standard documents are a good starting point for comparing financial aid options across institutions; however, some revisions to both format and content will enhance the comprehension of key concepts.

## Appendix A - Participant Demographics

**Table A1. Participant race/ethnicity**

<b>Race/ethnicity:</b>	<b>Number</b>	<b>Percentage</b>
African American	34	52%
Latino	13	20%
Asian American	2	3%
Native American	1	2%
White	9	14%
Multiple	3	5%
Other	1	2%
No response	3	5%

Note: Percentages may not total 100% due to rounding.

**Table A2. Parents' highest education level**

<b>Parents' highest education</b>	<b>Number</b>	<b>Percentage</b>
High school or below	26	39%
Some college	12	18%
Associate degree	3	5%
Bachelor's degree	14	21%
Master's degree or higher	8	12%
No response	3	5%

Note: Percentages may not total 100% due to rounding.

### **Age/year in school**

All 26 high school students are seniors currently involved in the college application process. Five of the six parents currently have seniors enrolled in high school, one has a high school junior.

The community college students' ages ranged from 18 to 54, with the majority (8 of 11) being traditional-aged (18-21) in their first or second year of college. The majority of four-year participants are also traditional-aged college students, ranging from their first to fourth year of college.

# Appendix B - Sample Documents and Survey Instruments

## Participant Questionnaire

First name: \_\_\_\_\_

Please answer the following questions about the notification document you just reviewed.

Please indicate whether the following information is included in the notification document:

	Yes	No
The total cost of attendance, including tuition and fees	<input type="checkbox"/>	<input type="checkbox"/>
Amount of grant or scholarship aid being offered (i.e., aid that does not need to be repaid)	<input type="checkbox"/>	<input type="checkbox"/>
Estimated cost after grants and scholarships	<input type="checkbox"/>	<input type="checkbox"/>
Types of financial aid available (grants, loans)	<input type="checkbox"/>	<input type="checkbox"/>

Which housing costs are included in net costs? (please check one)

On-Campus Residence	<input type="checkbox"/>
Off-Campus Residence	<input type="checkbox"/>
None	<input type="checkbox"/>

What type(s) of financial aid is the student in this scenario being formally awarded? (please check all that apply)

Grant/scholarship	<input type="checkbox"/>
Subsidized loan	<input type="checkbox"/>
Unsubsidized loan	<input type="checkbox"/>
Work-study	<input type="checkbox"/>

What is the total amount of financial aid the student may receive per year?  
(If you cannot determine based on the information provided, leave blank.)

Loans	\$ _____
Grants and Scholarships	\$ _____

What is the balance still owed by the student in the scenario after taking into account grants and scholarships (i.e., gift aid that does not need to be repaid)?

\$ \_\_\_\_\_

Please answer the following about the notification document:

(If you cannot answer based on the information provided, select "N/A")

	Yes	No	N/A
Is the student in this scenario being offered enough financial aid to cover tuition and fees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the student in this scenario being offered enough financial aid to cover all costs, including tuition, room and board, books and supplies, and other fees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please rate the notification document on the following

(1 = Strongly Agree, 2 = Agree, 3 = Neither Agree or Disagree, 4 = Disagree, 5 = Strongly Disagree)

	1	2	3	4	5
The document is clear and easy to understand.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The document clearly states where to find additional information about the financial aid process, including private loans and alternative financing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The document would allow the student to compare offers across institutions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This document clearly states the terms and conditions of the student loans.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Financial Aid Notification Document B Feedback

First name: \_\_\_\_\_

Please answer the following questions about the notification document you just reviewed.

Please indicate whether the following information is included in the notification document:

	Yes	No
The total cost of attendance, including tuition and fees	<input type="checkbox"/>	<input type="checkbox"/>
Amount of grant or scholarship aid being offered (i.e., aid that does not need to be repaid)	<input type="checkbox"/>	<input type="checkbox"/>
Estimated cost after grants and scholarships	<input type="checkbox"/>	<input type="checkbox"/>
Types of financial aid available (grants, loans)	<input type="checkbox"/>	<input type="checkbox"/>

What type(s) of financial aid is the student in this scenario being formally awarded? (please check all that apply)

Grant/scholarship	<input type="checkbox"/>
Subsidized loan	<input type="checkbox"/>
Unsubsidized loan	<input type="checkbox"/>
Work-study	<input type="checkbox"/>

What is the total amount of financial aid the student may receive per year?  
(If you cannot determine based on the information provided, leave blank.)

Loans \$ \_\_\_\_\_

Grants and Scholarships \$ \_\_\_\_\_

What is the balance still owed by the student in the scenario after taking into account grants and scholarships (i.e., gift aid that does not need to be repaid)?

\$ \_\_\_\_\_

Please answer the following about the notification document:

(If you cannot answer based on the information provided, select "N/A")

	Yes	No	N/A
Is the student in this scenario being offered enough financial aid to cover tuition and fees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the student in this scenario being offered enough financial aid to cover all costs, including tuition, room and board, books and supplies, and other fees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please rate the notification document on the following

(1 = Strongly Agree, 2 = Agree, 3 = Neither Agree or Disagree, 4 = Disagree, 5 = Strongly Disagree)

	1	2	3	4	5
The document is clear and easy to understand.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The document clearly states where to find additional information about the financial aid process, including private loans and alternative financing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The document would allow the student to compare offers across institutions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This document clearly states the terms and conditions of the student loans.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Participant Information

Please respond to the following background questions:

Race/ethnicity (optional):

- African American
- Latino
- Asian American
- Pacific Islander
- Native American
- White
- Multiple
- Other

Highest level of education either of your parents completed:

- High School or below
- Some college or certificate
- Associate degree
- Bachelor's degree
- Master's degree or higher

Age: \_\_\_\_\_

Your year in college: \_\_\_\_\_

**Thank you for taking the time to complete this questionnaire! Your feedback is much appreciated and will help to improve the financial aid application process.**



## Sample Focus Group Protocol—Current College Students

The following protocol was adapted for each participant type (college students, high school students, parents).

**Introduction:** Thank you all for taking the time to participate in today’s focus group. We are with ASA Research, an independent research firm based outside of Washington, D.C., and we are conducting this focus group on behalf of the National Association of Student Financial Aid Administrators (NASFAA). The purpose of this study is to collect your feedback on a financial aid award notification document.

The information you provide will play an important role in helping to advocate for the most useful and easy-to-understand financial aid award notification documents for students like you.

First, we are going to ask you to independently review an award notification document, then answer some written questions before we come together as a group to discuss your impressions and understanding of the document.

Please note:

- The scenarios presented in the document are typical financial aid awards from schools similar to yours.
- We will ask for your first name, so we can track your responses in our analysis, but no personally identifying individual information about you or the school will be used in the report.
- There are no right or wrong answers; we are looking for your direct and honest feedback.
- Please think about what information would be most helpful and clear to prospective and current students when reviewing the document today.
- Do we have your permission to record today’s discussion? The recording will only be used internally for our notes as we complete the report; all information will be kept strictly confidential.

### Ice Breaker:

1. Did you apply to any other colleges besides this one? How many/which type?
2. How did you decide to enroll here?

Please take 5 minutes to review the first document. You will have 10 minutes to complete a brief questionnaire, and we will then come together as a group to discuss.

### Document A Focus Group

**Instructions:** Thank you for taking the time to complete the questionnaire. Now we will discuss the document as a group.

#### Discussion questions:

#### 1. What did you think about the document? What is your overall impression?

- a. What do you think the purpose of this document is?
- b. How would you describe your reaction to the document?
- c. What did you like?
  - i. Content
  - ii. Formatting
- d. What did you not like?
  - i. Content
  - ii. Formatting

#### 2. What do you think about the name “Financing Sheet” for this document?

- a. What does the name mean to you?
- b. Do you like it/not like it and why?
  - i. [If you don’t like it...] what would you name the document?

#### 3. [If not covered above under “Content”] Do you understand all of the terms on the document?

- a. Are there any terms on the document you don’t understand? (If so, which?)
- b. Do you understand the term “Estimated Family Contribution?”
- c. Did the glossary help to explain any terms you did not understand? Did you know to look there?

4. Do you understand the next steps the student would need to take to receive their financial aid after reviewing this notification?
  - a. What would the next step be to receiving financial aid?
  - b. Based on the information provided in the document, where would you go if you needed additional information to make a decision?
5. If financial aid is a factor in your enrollment decision, would the information in this document be sufficient to help determine your decision to enroll at the institution?
  - a. Is there anything else you would like to know about financial aid options that is not included in the document? If so, what?
  - b. Is there any information here that is not useful or needed? If so, which?
  - c. Is anything confusing or difficult to understand? If so, what?
6. What format would be the most useful to you to receive this notification/document [prompt if needed: mail, email, text, face-to-face, university portal]?
7. How else would you improve the document?

[If this doesn't come up]

8. What does the graduation rate mean to you? What about median borrowing? Would these items factor into your decision to enroll at the institution?

### Document B Focus Group

**Instructions:** We are now going to ask you to review a second, similar document to collect additional feedback. Thank you for taking the time to review the second document.

#### Discussion questions:

1. What did you think about the document? What is your overall impression?
  - a. What do you think the purpose of this document is?
  - b. How would you describe your reaction to the document?
  - c. What did you like?
    - i. Content
    - ii. Formatting
  - d. What did you not like?
    - i. Content
    - ii. Formatting
2. Is there anything particularly helpful on this document that was not included in the other document?
3. Do you prefer any elements of this document to the first document?
  - a. Content
  - b. Formatting
4. Are there any elements that you prefer from the first document? If so, which?
  - a. Content
  - b. Formatting

#### Additional question (time permitting)

1. Would the student in these scenarios need to work (either on or off campus) to cover the costs of college?

## Financial aid background questions (time permitting—some of this information may come up in the discussion)

### Thinking back to when you were deciding which college to attend:

#### 1. I know it was a while ago, but do you remember what information you received with your financial aid award letter?

- Did you receive a sheet like this one? How was it presented? (Did it have a name? Was it sent to you with the institution letter and if so by what delivery method—email/mail/portal?)
- What information did you find to be helpful?
- Was any information not included that would have been helpful?
- Was anything confusing/unclear about your financial aid package? (If so, what?)

#### 2. What additional sources, if any, did you use to learn about financial aid?

#### 3. Is anything still unclear about your financial aid package?

### Closing

Thank you all for taking the time to meet with us today and share your impressions of these financial aid documents. The information you provided today will enable us to better advocate for you to make the financial aid process easier to understand. The document you reviewed is the U.S. Department of Education “College Financing Plan” (formerly the “Financial Aid Shopping Sheet”), which is often sent to students with their institution financial aid award letters. The goal of the document is to help students more easily compare financial aid award letters. We are conducting this study to help make the documents as useful as possible for students like you. We will share your suggestions with the Department of Education but will not share any individually identifying information. Please let us know if you have any questions or concerns about the financial aid process, individually if you do not feel comfortable as a group, and we would be glad to point you in the right direction. You can reach us at (write contact information on white board).

# Sample Documents

The following documents were adapted with realistic figures for each institution type. The scenarios in the documents below represent typical amounts at four-year institutions and were provided to participants at four-year institutions, high school students, and high school parents.

## College Financing Sheet ("Document A")

### College of the United States (CUS)

John Doe, 12345798


MM/DD/YYYY

**Estimated Family Contribution**

<b>Based on FAFSA</b>	<b>\$3,302 /yr</b>
As calculated by the institution using information reported on the FAFSA or to your institution.	
<b>Based on Institutional Methodology</b>	<b>\$12,000 /yr</b>
Used by most private institutions in addition to FAFSA.	

**Graduation Rate**

The graduation rate within 150% of the expected time to completion. Please note that this rate includes only students who are full-time and attending college for the first time.



99%

**Median Borrowing**

Among students who borrow at CUS typically take out \$22,100 in Federal loans for their undergraduate study. The monthly loan payment for a borrower repaying this amount through the standard 10-year repayment plan is \$217 per month (which may vary based on loan interest rates). Your borrowing may be different.

**Total Cost of Attendance 2019-2020**

	On-Campus Residence	Off-Campus Residence
Tuition and fees.....	\$38,000	
Housing and meals.....	\$18,000	\$15,000
Books and supplies.....	\$1,100	
Transportation.....	\$989	
Other education costs.....	\$1,311	
<b>Estimated Cost of Attendance</b>	<b>\$59,400 /yr</b>	<b>\$56,400 /yr</b>

**Grants and Scholarships**

<b>Merit-Based Scholarships</b>	
Scholarships from your school .....	\$ 32,600
Scholarships from your state .....	\$ 500
Other scholarships .....	\$ 1,000
<b>Need-Based Grant Aid</b>	
Federal Pell Grants .....	\$ 2,745
Institutional Grants.....	\$ 6,000
State Grants .....	\$ 3,000
Other forms of grant aid .....	\$ 0
<b>Employer Paid Tuition Benefits</b> .....	<b>\$ 0</b>
<b>Total Grants and Scholarships</b>	<b>\$45,845 /yr</b>
("Gift" Aid; no repayment needed)	

**Repaying your loans**

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to:

<http://studentaid.ed.gov/repay-loans/understand/plans>

**For more information and next steps:**

**College of the United States (CUS)  
Financial Aid Office**

123 Main Street  
Anytown, ST 12345  
Telephone: (123) 4567890  
Email: financialaid@CUS.edu

**College Costs You Will Be Required to Pay**

<b>Net Costs</b>	<b>\$13,555 /yr</b>
(Cost of attendance minus total grants and scholarships)	

## Work and Loan Options to Pay the Net Costs to You

### Work Options

Work-Study (Federal, state, or institutional) .....	\$ 2,000 / yr
Hours Per Week .....	10 / wk
Other Campus Job .....	\$ 0 / yr

Customized information from CUS

### Loan Options\*

Federal Direct Subsidized Loan (5.05% interest rate) .....	\$ 3,500 / yr
Federal Direct Unsubsidized Loan (5.05% interest rate) .....	\$ 2,000 / yr
Parent Plus Federal Loan (7.6% interest rate) .....	\$ 0 / yr
Private Loan (8.25% interest rate) .....	\$ 2,000 / yr
Institutional Loan (5.00% interest rate) .....	\$ 4,000 / yr
Other Aid That Must Be Repaid .....	\$ 0 / yr

\*You must repay loans, plus interest and fees. Note that the amounts listed above are the maximum available to you – you are allowed and encouraged to borrow less than the maximum amount.

### Other Potential Education Benefits

- American Opportunity Tax Credit\*
- Military and/or National Service Benefits

\* Parents or students may qualify to receive up to \$2,500 by claiming the American Opportunity Tax Credit on their tax return during the following calendar year.

### Glossary

**Cost of Attendance (COA):** The total amount (not including grants and scholarships) that it will cost you to go to school during the 2019-20 school year. COA includes tuition and fees; housing and meals; and allowances for books, supplies, transportation, loan fees, and dependent care. It also includes miscellaneous and personal expenses, such as an allowance for the rental or purchase of a personal computer; costs related to a disability; and reasonable costs for eligible study abroad programs. For students attending less than half-time, the COA includes tuition and fees; an allowance for books, supplies, and transportation; and dependent care expenses.

**Total Grants and Scholarships:** Student aid funds that do not have to be repaid. Grants are often need-based, while scholarships are usually merit-based. Occasionally you might have to pay back part or all of a grant if, for example, you withdraw from school before finishing a semester.

**Net Costs:** An estimate of the actual costs that you or your family will need to pay during the 2019-20 school year to cover education expenses at a particular school. Net costs are determined by taking the institution's cost of attendance and subtracting your grants and scholarships.

**Work-Study:** A federal student aid program that provides part-time employment while you are enrolled in school to help pay your education expenses.

**Loans:** Borrowed money that must be repaid with interest. Loans from the federal government typically have a lower interest rate than loans from private lenders. Federal loans, listed from most advantageous to least advantageous, are called Federal Perkins Loans, Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans. You can find more information about federal loans at StudentAid.gov.

**Family Contribution (also referred to as Expected Family Contribution):** A number used by a school to calculate how much financial aid you are eligible to receive, if any. It's based on the financial information you provided in your Free Application for Federal Student Aid (FAFSA). It's not the amount of money your family will have to pay for college, nor is it the amount of federal student aid you will receive. The family contribution is reported to you on your Student Aid Report, also known as the SAR.

**Graduation Rate:** The graduation rate after 150% of normal program completion time has elapsed. For schools that award predominately bachelor's (four-year) degrees, this is after six years, and for students seeking an associate's (two-year) degree, this is after three years. For students seeking a certificate, the length of time depends on the certificate sought, for example, for a oneyear certificate, after 18 months. These rates are only for fulltime students enrolled for the first time.

**Median Borrowing:** The median federal debt of undergraduate borrowers who completed. This figure includes only federal loans; it excludes private student loans and parent PLUS loans.



# Financial Aid Shopping Sheet ("Document B")

## College of the United States (CUS)

John Doe, 12345798

MM/DD/YYYY

 **Download**

### Costs in the 2018-19 year

Estimated Cost of Attendance		<b>\$56,400 /yr</b>
Tuition and fees .....	\$ 38,000	
Housing and meals.....	\$ 15,000	
Books and supplies .....	\$ 1,100	
Transportation .....	\$ 989	
Other education costs .....	\$ 1,311	

### Grants and scholarships to pay for college

Total Grants and Scholarships ("Gift" Aid; no repayment needed)		<b>\$39,345 /yr</b>
Grants and scholarships from your school .....	\$ 32,600	
Federal Pell Grant.....	\$ 2,745	
Grants from your state .....	\$ 3,000	
Other scholarships you can use .....	\$ 1,000	

### What will you pay for college

Net Costs	<b>\$17,055 /yr</b>
<small>(Cost of attendance minus total grants and scholarships)</small>	

### Options to pay net costs

#### Work options

Work-Study (Federal, state, or institutional).....	\$ 2,000
--	----------

#### Loan options\*

Federal Perkins Loan .....	\$ N/A
Federal Direct Subsidized Loan .....	\$ 3,500
Federal Direct Unsubsidized Loan .....	\$ 2,000 *

Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office

#### Other options

Family Contribution		<b>\$3,302 /yr</b>
<small>(As calculated by the institution using information reported on the FAFSA or to your institution.)</small>		
Payment plan offered by the institution	Military and/or National Service benefits	
Parent or Graduate PLUS Loans	Non-Federal private education loan	
American Opportunity Tax Credit *		

\*Parents or students may qualify to receive up to \$2,500 by claiming the American Opportunity Tax Credit on their tax return during the following calendar year.

Customized information from CUS

### Graduation Rate

Percentage of full-time students who graduate within 6 years



99%

Low Medium High



### Repayment Rate

Percentage of borrowers entering into repayment within 3 years of leaving school

80%



67%  
National  
Average

This institution

### Median Borrowing

Students who borrow at CUS typically take out \$22,100 in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately \$217 per month. Your borrowing may be different.



### Repaying your loans

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to:

<http://studentaid.ed.gov/repay-loans/understand/plans>

### For more information and next steps:

#### College of the United States (CUS) Financial Aid Office

123 Main Street  
Anytown, ST 12345  
Telephone: (123) 4567890  
Email: financialaid@CUS.edu

## Glossary

**Cost of Attendance (COA):** The total amount (not including grants and scholarships) that it will cost you to go to school during the 2018–19 school year. COA includes tuition and fees; housing and meals; and allowances for books, supplies, transportation, loan fees, and dependent care. It also includes miscellaneous and personal expenses, such as an allowance for the rental or purchase of a personal computer; costs related to a disability; and reasonable costs for eligible study abroad programs. For students attending less than half-time, the COA includes tuition and fees; an allowance for books, supplies, and transportation; and dependent care expenses.

**Total Grants and Scholarships:** Student aid funds that do not have to be repaid. Grants are often need-based, while scholarships are usually merit-based. Occasionally you might have to pay back part or all of a grant if, for example, you withdraw from school before finishing a semester.

**Net Costs:** An estimate of the actual costs that you or your family will need to pay during the 2018–19 school year to cover education expenses at a particular school. Net costs are determined by taking the institution's cost of attendance and subtracting your grants and scholarships.

**Work-Study:** A federal student aid program that provides part-time employment while you are enrolled in school to help pay your education expenses.

**Loans:** Borrowed money that must be repaid with interest. Loans from the federal government typically have a lower interest rate than loans from private lenders. Federal loans, listed from most advantageous to least advantageous, are called Federal Perkins Loans, Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans. You can find more information about federal loans at [StudentAid.gov](http://StudentAid.gov).

**Family Contribution (also referred to as Expected Family Contribution):** A number used by a school to calculate how much financial aid you are eligible to receive, if any. It's based on the financial information you provided in your Free Application for Federal Student Aid (FAFSA). It's not the amount of money your family will have to pay for college, nor is it the amount of federal student aid you will receive. The family contribution is reported to you on your Student Aid Report, also known as the SAR.

**Graduation Rate:** The graduation rate after 150% of normal program completion time has elapsed. For schools that award predominately bachelor's (four-year) degrees, this is after six years, and for students seeking an associate's (two-year) degree, this is after three years. For students seeking a certificate, the length of time depends on the certificate sought, for example, for a one-year certificate, after 18 months. These rates are only for fulltime students enrolled for the first time.

**Repayment Rate:** The share of students who have repaid at least \$1 of the principal balance on their federal loans within 3 years of leaving school.

**Median Borrowing:** The median federal debt of undergraduate borrowers who completed. This figure includes only federal loans; it excludes private student loans and parent PLUS loans.

Customized information from CUS

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