

Helping Families Determine College Affordability in Five Steps



INDEPENDENT
EDUCATIONAL
CONSULTANTS
ASSOCIATION

*by IECA's College
Committee Financial Aid
Taskforce*

IECA's Standards of Excellence for IECA College Consultants have always included some expectations that understanding financial aid should be part of our college consulting practices. We propose strengthening those Standards to make them more specific and to link them to assisting families with the major issue of affordability. Unlike families seeking therapeutic, learning disability or graduate consulting services, families concerned about college affordability do not form a separate client population. Affordability, at some level, is a factor of fit that affects all families, and the Standards should reflect this for all college consultants.

This document provides a road map for College IECs to implement those Standards.

IECs can assist families with college affordability and financial fit by leading them through Five Steps. The steps follow the timeline of college planning. The IEC can accomplish each step by asking and helping to answer appropriate questions.

It is expected that a glossary, how-to materials and library of resources will be created after adoption of these Standards and Five Steps. Those resources will outline the basic financial aid skills and competencies an IEC should have in order to help families with financial fit and assist families to answer the questions below. The Five Steps and the library can also be used to organize ongoing collections of resources and future IECA training related to affordability and financial fit.

Rationale

Just as IECs match students to colleges that are a good fit by starting with the interests, needs and qualifications of the student, IECs should be able to help parents assess financial fit by starting with the parents' values and their college budget.

Just as IECs teach students how to research and evaluate colleges, consultants should explain the financial aid processes to parents so they can anticipate and understand what they may be expected to pay, how to determine what they believe they can reasonably afford, and how to compare financial aid award letters.

Just as students' opinions about colleges evolve during the search process, so will parents' views on affordability and value. IECs can provide important information but the final choice belongs to the client family.

The goal is to have students gain acceptance to colleges that are not only a good educational match but that are also affordable. "Affordable" would be defined by the family, with the input of the IEC helping the family understand its budget in relation to appropriate colleges. Another goal is to prepare parents and students early in the process for the financial decision they will make on May 1. No guarantee of specific amounts or types of financial aid is promised.

STEP 1: Starting Questions

To what extent will money/paying for college drive the process for parents-- how concerned are they about the cost? What are their concerns and questions? (Asking all parents this early in the process starts the conversation about their values and what parents are worried about. It helps to determine what they know and fear about college costs.) The parent and student will make ultimate decisions about "college value" once they have all the facts about academic and financial fit.

STEP 2: Helping Parents Create/Understand Their College Budget As Early In The Process As Possible

1. Have the parents, as early as possible in the consulting process, determined the amount of money they have available to pay for college taking into consideration current (and future) income, assets, savings, and expenses?
2. Have the parents determined how much they can afford to borrow over four years of college, taking into account and adjusting for the number of college-going children they have? The decision should be tied to possible future student earnings where that might be estimated.

STEP 3: Helping Parents and Students Find Colleges That Fit Their Budget

1. Do parents understand the way need-based financial aid is calculated and why it's important to understand this before filling out the financial aid forms?
2. Do parents and students understand the differences between need-based, merit-based and "hybrid" financial aid and which type(s) of aid the student is most likely to receive and how that will influence his or her college list?
3. Do parents understand the way financial aid is awarded, how leveraging and enrollment management works, percent of need filled at individual colleges and how those factors may determine the college list and final college choice if affordability is one of the criteria?
4. Has the IEC used the information gathered from Steps 2 and 3 to build a college list including schools that meet a family's determination of affordability?

STEP 4: Helping Parents and Students Complete Financial Aid Forms

1. Do families understand which financial aid forms their colleges require, the deadlines for filing, and the mechanisms for filing?
2. Do families understand how and when to file estimated and corrected financial information?
3. Do families understand or have access to online or professional resources to help them complete the forms correctly and deal with special circumstances such as divorce, re-marriage, and same-sex parents?

STEP 5: Helping Parents And Students Make A Final College Choice

1. Do parents and students understand how to interpret and compare financial aid award letters, taking into consideration what they will be expected to pay with their family budget?
2. Do parents know how to appeal a financial aid award if necessary, and how Professional Judgment operates?
3. Do parents and students understand how to evaluate the future loan repayment terms and potential debt amounts, if any, in order to determine for themselves the outstanding loan balance necessary for the student to attend any of the colleges to which he/ she has been admitted?
4. Have parents and student (and IEC) had another discussion of their budget, their values and how they will define a good college "value" in order to make a final decision from among colleges to which the student has been accepted?