

## In this edition:

- Evaluate all your options now so you won't feel rushed into making a decision
- Calculate in advance what your loans might cost you
- Decide how much you should "stretch" for your dream school

*Insights and info from College Money Matters – a non-profit organization dedicated to helping high school students and their families make informed decisions about applying, choosing and paying for college.*

## How to Turn FAFSA Delays To Your Advantage

For anyone needing financial aid for college, this is the year of waiting. First, the US Department of Education announced that colleges won't receive the FAFSA information they need to determine their financial aid offers until mid-March. That, in turn, means those schools have to wait before they can send offers to the students they accept. And until those selected students receive their letters, they won't be able to compare which of the schools that accepted them made the best offers.

It's a lot of waiting, a lot of uncertainty, and a lot to think about without really knowing the answers. But there are some smart things that students and their families can do to prepare for when those offers finally come in.



## Evaluate all your options now so you won't feel rushed into making a decision

One way to look at financial aid is that except for scholarships and grants, it doesn't lower the price of a school. In fact, due to interest, financial aid in the form of student loans actually increases the cost of a college.

Of course, college can be expensive, and for many people, it's simply not possible to pay for it all upfront. Loans offer a possible option because they let you pay over time. But the bigger the loan, the bigger the price tag. So you need to figure out which of your choices delivers the best value to you.

Here's our suggestion on how to do that, before you learn about your financial aid:

- Write down the price of tuition, room, meals and transportation for each school you applied to. (You can use the video and worksheet you'll find [here](#) to estimate your total cost of attending (COA) for each school.)
- Decide which schools give you the best value for your investment – as if you received no financial aid from any of them. This will help make your decision feel more thought-out and less rushed when your acceptance letters come in.
- Then, when your acceptance letters with their offers of financial aid finally do come in, subtract the amounts you're offered in scholarships and grants from your cost of attending – which you figured out by doing Step #1 above. That will tell you how much each school costs.

Remember: While scholarships and grants lower your cost of college, loans do not. They simply delay when you have to pay that amount back, by spreading your payments over many years. And that added time can cost you a lot more money.

In short, whether or not loans are in your financial package, they don't change the value of a school to you. Only grants, scholarships or discounts can make a college a better financial deal.

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## Calculate in advance what your loans might cost you

Another advantage of this year's delay in financial aid is that it gives you the time to think about the costs of getting a loan **before** you know how much aid you'll be offered. That matters – because many people see student loans almost like a gift, instead of an obligation you'll be paying back, every month, plus interest, for often 10 years or more.

But now, because you don't know how much you'll be offered yet, you can calculate how each school you've applied to might require you to take out in loans. That gives you a cool, clear-headed way to look at how much a college will really cost you, instead of being tempted to use every dollar you may eventually be offered in loans.

You can find a tool we like for doing this calculation [here](#).



We'll say it again: Loans don't save you money. So if you can choose between several schools that fit your career goals, and one will require less in loans than another – that more affordable option might just be the right choice for you.



## Decide how much you should “stretch” for your dream school

Nearly every college-bound student has a dream school – the one they really want to get into. For many students, this is also the most expensive school on their list. And when they find out they’ve actually been accepted, they often see financial aid as the ticket to their dreams – no matter how much that aid might cost to pay back down the road.

But is your dream school today the best choice for your future?

One good way to consider this question is to compare the expense of going to that school versus the potential income you might make after you graduate.

The National Association of Colleges and Employers published a report at the end of 2023 entitled “First Destinations for the College Class Of 2022.” You can access it [here](#). Just go to pages 14 and 15, pick the area that you plan to work in, and look in the column labeled “Average Salary” or “Adjusted Average Salary.”

If the resulting expected salary seems worth the investment you’ll be making in your dream school, then it could be one of the best choices you’ll make. But if not, you may want to think seriously about going to a different college that still provides you with a quality education, but at a lower cost.

That way, you’ll still be able to pursue the type of career you want, but you may have more money available to go after other things you want from life, as well.

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