

## Activity 2



### PART 1: FINANCIAL AID ANALYSIS

Evaluating financial aid packages can be a stressful part of the college application process, especially when different colleges make what look like very different offers. Use this College Comparison Chart to see how your financial management skills can help you make the best choice.

First, look at your college options. The table shows the tuition and fees and the financial aid offered by three colleges where you have been accepted — congratulations! Now use the data for each college to fill in the comparison chart. You'll need a calculator to convert the data into costs and funding for one year.

Next add these important financial details to the chart:

- Housing costs for all three colleges is the same, \$400 per month.
- Food and living expenses are also the same for all three, \$200 per month.
- Book costs are the same: \$250 per course.
- You have \$12,000 in college savings thanks to a 529 account your parents set up when you were a baby. You are planning to graduate in four years, so budget \$3,000 in savings per year.
- Your family's EFC has been set at \$2,700 per year, and your parents have agreed to contribute this money.

After you have filled in the chart, calculate your debt for each college, then answer the questions below.

1. Which college best fits your budget? Why?

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2. In your opinion, which college offers the best value? Why?

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3. All three colleges will cost more than your available funding for the first year. Are you willing to take a loan to cover the extra cost? Why or why not?

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### COLLEGE OPTIONS

College	Tuition	Fees	Financial Aid Package
<b>A</b> Small college in your hometown	\$325 per credit hour	\$400 per semester	\$500 Scholarship \$3,200 Pell Grant \$4,800 Work Study
<b>B</b> Large state college 200 miles away	\$275 per credit hour	\$375 per semester	\$2,800 Pell Grant \$4,200 Work Study
<b>C</b> Top-ranked private college across the country	\$450 per credit hour	\$500 per semester	\$1,000 Scholarship \$4,500 Pell Grant \$6,000 Work Study

### COLLEGE COMPARISON CHART

#### COLLEGE COSTS (FOR ONE YEAR)

College	Tuition (15 credit hrs/ semester)	Books (5 courses/ semester)	Fees	Housing (9 months)	Food & Living Expenses (9 months)	Total Cost
<b>A</b>	\$	\$	\$	\$	\$	\$
<b>B</b>	\$	\$	\$	\$	\$	\$
<b>C</b>	\$	\$	\$	\$	\$	\$

#### COLLEGE FUNDING (FOR ONE YEAR)

College	Your Savings	Scholarship	Pell Grant	Work/Study	EFC	Total Funding
<b>A</b>	\$	\$	\$	\$	\$	\$
<b>B</b>	\$	\$	\$	\$	\$	\$
<b>C</b>	\$	\$	\$	\$	\$	\$

College	TOTAL COST – TOTAL FUNDING = COLLEGE DEBT (FOR ONE YEAR)		
<b>A</b>	\$	\$	\$
<b>B</b>	\$	\$	\$
<b>C</b>	\$	\$	\$

4. What else could you do to reduce your unfunded college costs for the first year?

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5. Based on your comparison and your personal goals, which college would you choose? Why?

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