

MERIT AID, NET PRICE, and the Common Data Set 4/2020

(aka: some really expensive schools could cost you less in the end)

Many colleges and universities offer discounts and scholarships to students who don't have a demonstrated financial need in the form of **merit aid**. These awards are often granted to students based on a specific talent or academic ability. For instance, National Merit Finalists or National Hispanic Scholars may receive special scholarship opportunities at participating institutions. At each of the 12 ranked colleges where merit scholarships were awarded to the most students, at least 41 percent of full-time students in fall 2018 received such awards, according to data submitted to [U.S. News by schools in an annual](#) survey (www.usnews.com/best-colleges/rankings/most-merit-aid) of colleges that report the highest percentages of students in the 2018-2019 academic year who "had no financial need and who were awarded institutional non-need-based scholarship or grant aid," excluding athletic awards and tuition benefits. *Note that not all schools, including many smaller liberal arts colleges, participate in US News or other publication rankings of any kind. Always consider their lists with this in mind.*

Some higher education experts say merit aid may reduce financial resources for needy students and many highly-ranked universities that offer a full range of undergraduate majors do not award merit scholarships. A few examples include Brown, Yale, and Stanford, which *do* offer no-loan financial aid policies for students who qualify. For example, Columbia University (often known for the highest tuition and fees in the nation) offers no merit aid. However, parents with calculated total incomes of less than \$60,000 annually (and typical assets), are not expected to contribute anything to the cost of attendance and higher incomes are considered, based upon institutional criteria. When researching the *net price* be sure to consider how the financial aid office determines eligibility, but don't rely solely on the net price calculator on their website. <Read why here: www.usnews.com/education/best-colleges/paying-for-college/articles/2019-05-08/what-to-know-about-a-colleges-net-price-calculator>

College and universities all over the country produce their own [Common Data Set every year](#) (www.commondataset.org). The Common Data Set is a uniform

document so the format of the Common Data Set belonging to UofO is exactly the same as Claremont, Northwestern, George Fox, and every other four-year college or university. You will find these sorts of statistics:

- Average financial aid award.
- Break down of loans versus grants in average financial aid package.
- Percentage of financial need met for typical student.
- Amount of merit money (if any) for affluent students who don't qualify for need-based aid.
- Number of students who receive merit money.
- Academic profile of freshman class — including breakdown of GPA and SAT/ACT scores.
- Criteria for admission
- Undergraduate class sizes
- Faculty/student ratio
- Cost of institution

Other recommended search tools:

Institutions with the highest and lowest tuition & fees and net price:

<http://collegecost.ed.gov/>

College Navigator <https://nces.ed.gov/collegenavigator/> is an easy way to lookup all types of data on individual schools.

Other things to consider when doing your research:

Look for how many freshmen, without financial need, receive merit aid

This means there are students that do not have financial need (as determined by the college only), who are receiving financial aid in the form of merit scholarships. This data comes from the Common Data Set, which reports what percent of freshmen, which don't demonstrate financial need (meaning their expected family contribution is equal to or higher than tuition) still receive merit aid from the school. Most likely, these students were in the top 25% (or higher) academically of the admitted class. That doesn't mean your student has to have straight As and a 34

ACT. It just means relative to the school's admission quartiles, your student is in the top quartile.

What is the average amount of merit aid granted? This data again comes from the Common Data Set, where schools report the average dollar amount of merit aid that is offered to freshmen. This ranges anywhere from \$1000 to full tuition, but a fair number of schools offer between \$10,000 – \$20,000.

How many non-freshman undergraduates receive merit aid and how much?

Just because a college offers merit aid to freshmen, doesn't mean they will continue to offer it all four years. This is important to research since you don't want to choose a school based on the freshman year offer, only to find out merit aid isn't offered in subsequent years or it's significantly decreased. Be sure to find out if awards will match inflation-based tuition and fee increases: if tuition and fees top \$70K that could mean an additional \$2-3K annually, which over three years could mean a considerably higher debt load. What is the policy on four-year awards if a student needs to take a semester off, or worse, falls ill or needs to leave for some reason during the term? Ask if the award is reduced if the student lives off-campus (this is often the case).

Of course much of the data above represent averages and you may end up with substantially more or less than the given numbers. Ultimately you won't know how much merit aid you will get until you apply. However, you can increase your chances for receiving merit money if you take the time to *follow the money* BEFORE you apply to any school. All families need to discuss financial aid and affordability before those acceptance letters arrive. Good luck!