

2011 Access Group Graduate and Professional Financial Aid Conference




Shifting Sands
Discovering the Foundation

A Closer Look at Need Analysis

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Agenda

- What is IM? Why use it?
- Watching for conflicting data/verification/"hidden treasures"
- How do you handle.....??
- Packaging Strategies
- Case scenarios
- Tools & Resources
- Sharing "best practices" along the way







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21st Century Need


- Do you wish to address need:
 - In the past?
 - Now?
 - In the future – especially in light of IBR and PSLF?
- What is the most effective use of limited resources?
- Has your "high-need" population changed over the past several years?
- Is "aid" purely monetary or can information be even more valuable?




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Overview of Georgetown University Law Center


- Aid population of over 1800 JD and LLM students
- Only full-time JD students are eligible for grant assistance
- Approximately 1 in 3 incoming students are eligible



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Overview of Georgetown's Needs Analysis for IM:

- Use Need Access or CSS Profile in addition to an institutional application
- Require parental information with no student age limit
- Spousal income also considered
- The calculation is customized within Banner



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Specific Challenges to Georgetown

- The Jesuit tradition – lower endowment resources compared with schools in our market basket
- Aggregate debt of approximately \$132K
- Slowdown in legal job market and partial shift away from large firm hiring
- Due to our LRAP, IBR and PSLF, our “of-concern” population now consists of our small-to-mid-sized private market graduates



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www.law.georgetown.edu/finaid/openhouse.html

BETA Georgetown Law Prospective Student Financial Planning Calculator

Calculations below are valid for testing and information purposes only.

This calculator may be used as the basis of creating a financial plan for both your law school attendance and post-graduation requirements. By including the estimated cost of attendance, your estimated financial aid and other support as well as the income from your likely career path, you can see your expected loan balances, payment amount and possible loan forgiveness amount.

Cost of Attendance, Aid and Other Resources

Georgetown Law estimates a "Cost of Attendance" that is used to determine eligibility for loans and other financial aid. The Cost of Attendance includes tuition, rent, transportation, books and other related expenses. When making your financial plan, you should assume that the Cost of Attendance will increase each year. However, other post-annual increases to needed different categories. As in the case in most financial planning scenarios, it is better to overestimate your resources than to underestimate your resources when estimates need to be made.


Cost of Attendance	Year 1	Year 2	Year 3
annual increase	0.00%		
Cost of Attendance	\$26,500	\$27,500	\$28,500

Aid

	Year 1	Year 2	Year 3
Georgetown Law based scholarships and grants	\$0	\$0	\$0
Other scholarships and grants	\$0	\$0	\$0
Federal Work Study	\$0	\$0	\$0
My planned annual contribution from savings/earnings	\$0	\$0	\$0
Other resources (may have parents, spouse, etc.)	\$0	\$0	\$0

Equity


	Year 1	Year 2	Year 3
Anticipated Student Loans	\$26,500	\$27,500	\$28,500



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Overview of Tufts University School of Medicine


- Responsible for awarding aid to approx 1000 students in MD program and Health Science Masters programs
- Within MD programs, multiple joint-degree programs (MD/MPH, MD/MBA, MD/PhD)
- Institutional scholarships (\$4M) and institutional loans (\$1.5M) awarded annually
- 27% of population receive a scholarship
 - Majority range between \$13K - \$27K




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Overview of TUSM's Needs Analysis for IM:


- Collect information via the FAFSA and Institutional Paper forms
- 100% verification
- Collect both biological parents and step-parents
- Include home equity; retirement contributions; most tax credits; SSA; add back losses Sched E; siblings in undergrad
- Exclude retirement accounts




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Specific Challenges to TUSM


- Indebtedness (\$195K)
- High cost of tuition (\$53,902)
- High cost of living in Boston
- Expense of joint degree programs
- Working with administration to alter packaging philosophies, advocate for additional scholarship funds without changing the socioeconomic dynamic of incoming student population




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What is IM?


A formula that **approximates** the family's **ability** to pay, not necessarily the **willingness**




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The Reality...


- A calculation that will allow you to rank order your neediest students based on your criteria
- Allows for modification by the institution
- The institution decides how detailed the assessment should be



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Why Use It?


- “Fair & equitable” tool to assist with awarding institutional funds
- Allows for objective assessment on a student basis
- By default – there is no other way since every choice other than pure FM is IM
- Starting point...PJ is always an option for exceptions



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Available Tools to Collect Data:

- FAFSA
- Need Access
- CSS Profile
- Home grown application systems
- Paper forms




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Packaging Strategies


- Annual vs. multi-year
- Unique target markets
- Merit vs. need
 - Which comes first?
 - Using merit to address diversity issues and/or exceptional students




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Before You Begin Each Year...


- Ensure your packaging strategies are in line with the school's mission and goals
 - Don't overcomplicate your assessments!
 - Determine easiest way to assess while meeting the needs of your institution
- Review your awarding/IM policies annually
- Don't be afraid to involve your Dean(s) and/or other administrative areas!!




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I Have the Data, Now What...


- Watch for conflicting data and/or "hidden treasures" that may require a more in-depth review...
 - Home equity (in a difficult economy)
 - Interest/dividend income
 - Depreciation
 - Farm & Business supplement
 - Schedule E (loss/value of rental property; revenue from other real estate)
 - Cars




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How Do You Handle...


- The treatment of parental information if it includes:
 - Non-custodial parent(s)
 - Step-parents' information
 - "Older" students – cut off age for parental info?
 - Married students
 - Parents who are unwilling to provide information
 - International parents
 - Siblings in college (UG only, PhD programs, Professional Schools)




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How Do You Handle...


- International Students
- Married Students with a non-working spouse
 - with dependent(s)
- Imputing Assets
- Adding untaxed income not included in FM
- Adding items from the 1040 "back in"
 - Losses reported on Schedule E
 - Specific credits received

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Case Scenarios....

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Tools & Resources

- www.zillow.com – home value assessment tool
- <http://www.edupass.org> – EduPASS currency converter
- www.moneycentral.msn.com - stock quotes
- <http://finance.yahoo.com> – currency converter & stock quotes
- Others to share??

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Thank You for Attending!!


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