

# KEY COLLEGE FUNDING DATA 2025–2026

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## Roadmap to Affording College

- ❑ Consider taking SAT or ACT test prep classes after sophomore year.
- ❑ Determine your Student Aid Index (SAI) with the Federal Student Aid Estimator on the Federal Student Aid website. Note: This was previously referred to as the Expected Family Contribution (EFC).
- ❑ Get an analysis from a financial professional to determine how you'll pay.
- ❑ Build a wide list of schools based on location, size, majors, etc.
- ❑ Narrow list by using each school's net price calculator to see what your estimated price would be after aid and/or scholarships are deducted.
- ❑ Start visiting schools in junior year, ideally while class is in session. See if schools require an interview.
- ❑ Begin your college application essay no later than the summer before senior year. Common App prompts are released in the spring.
- ❑ Weigh pros and cons of early action/early decision.
- ❑ Complete your Federal Application for Student Aid (FAFSA) and CSS Profile early, starting October 1. Check Student Aid Report that you'll get online days after FAFSA is sent.
- ❑ Make a list of all admission and financial aid application requirements for each school (supplemental essays, CSS Profile, etc.) and keep track of deadlines.
- ❑ Compare award letters and consider appealing for more aid.
- ❑ Complete the FAFSA and other aid applications each year throughout college.
- ❑ Review loan options if needed and learn about interest deferral and repayment schedules.

## FAFSA and SAI

- Completing the FAFSA, as well as the CSS Profile for 187 private colleges, is the only way to qualify for need-based financial aid.
- File early to increase chances of getting aid on a first-come, first-served basis.
- The FAFSA uses your prior-prior tax returns. Families applying for aid in 2026 will use 2024 returns.
- Having two or more children in college at once reduces a household's SAI and boosts aid chances at CSS Profile colleges. (Note: Having siblings in college simultaneously no longer reduces the SAI at FAFSA-only schools.)

## Applying for Financial Aid

- Recent average aid—\$16,360: \$11,610 in grants; \$3,900 in federal loans; \$760 in education tax credits and deductions; and \$90 in federal work study.
- Financial aid trap: colleges might reduce the financial aid package by the amount of an outside scholarship.

## Admissions

- Biggest admission factors: college prep grades, strength of high school curriculum, and SAT/ACT scores
- “Showing demonstrated interest” can be important, too: ask for materials, visit the school, email the admissions officer, and follow the school on social media.
- Most selective schools are test-optional and can be found at FairTest.org.
- Early decision (ED) and early action (EA): Both involve early application deadlines. With ED, you promise to attend the college if accepted, while EA is nonbinding.
- 78% of students get into their first-choice college, according to a UCLA survey.

## Award Letter Confusion

- Award letters are confusing and misleading. A 2022 federal GAO and previous study found:
  - » 41% of schools didn't include the net price on award letters. Only 9% of colleges provided an accurate net price by subtracting the cost of attendance with gift aid (free money).
  - » Schools used 136 unique terms for federal student loans including 24 that didn't include the word "loan."
  - » 15% of letters included parent loans as an "award."
- Definitions are important: grants and scholarships are free money, while loans must be repaid. To qualify for a work-study job, you must complete the FAFSA and check the work-study box.

## Appealing Aid

- College is a buyer's market for most: you can appeal financial aid and merit awards.
- An appeal can continue after the official deposit deadline (May 1).
- Share competing offers—but don't use the word "negotiate."

## Tuition, Expenses, and Graduation Rates

- 85% of freshmen at private schools get an institutional price cut—an average tuition discount of 65%.
- 72% of students at public universities receive a price cut from the government or school.
- Average tuition—public in-state: \$11,610 (out-of-state \$29,150); private: \$43,350
- Average housing and food: \$13,310 public; \$15,250 private
- Average books and supplies: \$1,290
- Private college 4-year grad rate: 56.4%
- State university 4-year grad rate: 40.7%
- Roughly a third of students at four-year private and public colleges end up transferring.

## Borrowing and Loans

- 2025 federal student loan rates—Direct Loan (Undergraduate): 6.39%; Direct Loan (Graduate/Professional): 7.94%; Direct PLUS Loan (Parents and Graduates/Professional Students): 8.94%
- 64% of 2023 students graduated with debt.
- The interest rate on federal college loans is fixed for life.
- 38% of students graduate with \$25,000 or more in college loan debt.

## Scholarships and Grants

- It's widely assumed that scholarships are based on merit—awarded for proven academic, athletic, or other ability. That's not necessarily true when you consider that at many colleges and universities, the majority of students receive a discount.
- Many scholarships require maintaining a certain GPA to continue receiving aid.
- Need-based grants are awarded based on the family's financial situation.
- Discover a college's average need-based aid package and merit scholarship by looking at a school's profile on CollegeData.com and clicking on the *Financials* link.
- Public universities often post merit award requirements on their website.

## Tax Credits

- American Opportunity Tax Credit: up to \$2,500 per child for eligible parents for 4 years.
- Lifetime Learning Tax Credit: up to \$2,000 for any taxpayer for any number of years.
- You can only get one tax benefit for the same educational expenses, including tax-free withdrawals from a 529 savings plan.

## Resources

CollegeBoard.com

COLLEGEdata.com

Federal College Navigator

CollegeResults.org

CollegeTransitions.com

ScholarshipStats.com

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