

## Financial Aid Program Improvements: Case Studies

Princeton University is making major improvements to its financial aid policies to ensure that no student feels he or she cannot attend the University because it would present a hardship. Among the initiatives is a “no-loan” policy (previously applicable only to students from lower-income families), in which the University will no longer require students on financial aid to obtain loans. The University will replace the loans with additional grants.

Here are examples of how two families, each with one child entering Princeton this fall, would be affected by the University’s new student aid policies.

**Family 1:** This family of two parents and two children has an annual income of \$45,000, total savings of \$16,000, and home equity of \$60,000. (The home equity is not considered in the calculation.) Because of earlier improvements, a student from a family at this income level already would have been exempt from the loan requirement. The new initiatives would increase this student’s grant by \$1,100, to \$30,910.

### Cost of Attendance 2001-02

Tuition	\$26,160
Room and board	7,453
Books and personal expenses	2,787
<b>Total cost of attendance</b>	<b>\$36,400</b>

### Family Resources

Income	\$45,000
Parental savings	15,000
Student savings	1,000

	Old Policy	New Policy	Difference +/-
<b><u>Expected Contribution</u></b>			
Parental contribution	\$2,000	\$2,000	\$0
From student savings	350	50	- 300
From student summer job	1,990	1,190	- 800
Total family contribution	\$4,340	\$3,240	- 1,100
<b>Total Need</b>	<b>\$32,060</b>	<b>\$33,160</b>	<b>+1,100</b>
<b><u>Financial Aid Award</u></b>			
Campus job	\$2,250	\$2,250	\$0
Student loan	0	0	0
<b>Princeton grant</b>	<b>29,810</b>	<b>30,910</b>	<b>+1,100</b>
<b>Total Financial Aid</b>	<b>\$32,060</b>	<b>\$33,160</b>	<b>+1,100</b>

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## Financial Aid Program Improvements: Case Studies

continued

**Family 2:** This family of two parents and two children has an annual income of \$90,000, total savings of \$50,000, and home equity of \$120,000. (The home equity is not considered in the calculation.) For a student from this family, the new initiatives would eliminate a \$3,400 loan and increase the grant by \$6,400, to \$17,460.

### Cost of Attendance 2001-02

Tuition	\$26,160
Room and board	7,453
Books and personal expenses	2,787
<b>Total cost of attendance</b>	<b>\$36,400</b>

### Family Resources

Income	\$90,000
Parental savings	40,000
Student savings	10,000

	Old Policy	New Policy	Difference +/-
<b><u>Expected Contribution</u></b>			
Parental contribution	\$14,200	\$14,200	\$0
From student savings	3,500	500	- 3,000
From student summer job	1,990	1,990	0
Total family contribution	\$19,690	\$16,690	- 3,000
<b>Total Need</b>	<b>\$16,710</b>	<b>\$19,710</b>	<b>+3,000</b>
<b><u>Financial Aid Award</u></b>			
Campus job	\$2,250	\$2,250	\$0
Student loan	3,400	0	- 3,400
<b>Princeton grant</b>	<b>11,060</b>	<b>17,460</b>	<b>+ 6,400</b>
<b>Total Financial Aid</b>	<b>\$16,710</b>	<b>\$19,710</b>	<b>+ 6,400</b>

