Book Review: *The Financial Aid Handbook: Getting the Education You Want for the Price You Can Afford*

By Margot J. O'Meara

Margot O'Meara is a current undergraduate student at St. Mary's College of Maryland studying Economics and Public Policy. She was the NASFAA Dallas Martin Endowment Policy Intern for the summer of 2012, and a Financial Aid-Admissions Fellow at St. Mary's College of Maryland from fall 2011 until spring 2013.

The Financial Aid Handbook: Getting the Education You Want for the Price You Can Afford by Carol Stack and Ruth Vedik is a very timely publication due to the increased discussion regarding mounting student debt, the increasing cost of college, and the desire for more consumer information. The authors have a combined 70 years of experience in the college admission and financial aid fields, and currently work as principals at Hardwick-Day, an enrollment consulting firm that works with the admissions and financial aid offices of private colleges and universities. The *Handbook*, written primarily for high school students and their parents, presents its content in a way that allows students not only to learn the important information regarding college cost and financial aid, but also how this information can be utilized. It provides a very specific procedure for evaluating colleges and universities and deciding where to apply and attend. It dismisses the classic "reach" and "safety" school terminology and replaces the rhetoric with "funded" versus "unfunded". This approach promises to make college affordable and keep indebtedness at a minimum; however, it has the potential to disregard other intangible benefits associated with a college experience. Overall, the content and information provided in the book is accurate and useful to students and families entering the college application process.

The *Handbook* can be broken down into three major areas of content: general financial aid information, loan indebtedness, and the cost-based college search. Each content area provides important insight to students and families about the higher education market and how they can be smart, rational consumers in an often confusing and concentrated market. The authors write in a clear, personable style that can be easily read and understood by high school students and their families. Predominately, the information provided in the *Handbook* is geared towards students with good academics, falling in the economic middle-class of society. The authors claim that many times these students are overlooked, as most existing information is developed for students demonstrating the most financial need or for students with outstanding academics qualifying for high merit awards. Therefore, Stack and Vedvik focus their attention on the average applicant who should not expect to receive large need-based aid or high merit awards. They clarify their assumption about the audience throughout the book, so that readers are aware of the authors' intentions; however, the general financial aid information provided in the book could be beneficial to all students: rich or poor, ingenious or average, traditional or non-traditional. It would be unfortunate if students are discouraged from reading the *Handbook* and miss out on valuable information as a result of a narrowing assumption made by the authors.

Due to the increased amount of consumer information financial aid offices are expected to disclose, resources are stretched thin and aid counselors are unable to always provide quality information to students. Pointing students to Stack and Vedik's Handbook would be a good interim step for counselors to ensure that all students are receiving well-constructed information. The authors effectively outline the financial aid process on both the federal, state, and institutional level. They include a chapter titled "The Basics" which contains a dictionary of 25 words and phrases that the authors deem necessary to know. These terms are often confusing to students as they consist of financial aid professional jargon, but the authors are able to simplify the terms while maintaining their meaning and quality. The *Handbook* also urges students to carefully consider the ramifications of taking on excessive student loan debt. Borrowing is only encouraged if is absolutely necessary. They argue that the highest aggregate amount of loans students take on should be $32,000 or about $8,000 per year, assuming the student is traditional. Using the resources and tools the authors developed for conducting a cost-based college search, maintaining these loan levels is realistic.

While the push from the federal government for more information and transparency has been well intentioned, simply providing the terminology may not be enough for students to correctly apply it and make rational decisions. The Shopping Sheet under the *Know Before You Owe* White House and Consumer Financial Protection Bureau (CFPB) initiative is one example of such a tool directed at helping students be more informed (Muñoz, 2012). The cost-based college search section is what makes the Handbook stand out amongst other literary tools provided to students on the path to college. The cost-based college search takes the information provided in the earlier sections of the book and applies it to the actual college search process, closing the information gap that currently exists.

The college search process described in the *Handbook* provides students insight on how colleges view applicants and what considerations are taken into account when determining acceptance and financial aid awards. One beneficial tool that is designed to help students determine the likelihood of acceptance into a college and an offer of a merit award is the Merit Aid Profile (MAP). It requires students to do a significant amount of research, involving both a self-evaluation and an evaluation of colleges they may be interested in. This tool allows students to formulate expectations on which schools they can realistically attend based on their academics and extracurricular activities, as well as their finances.

Although this tool is useful in helping students determine which schools will offer them the most financial aid, it may threaten to limit their options overall. The book discourages students to apply to schools that might be a perfect fit, but fall out of their price range. While this advice may save students' wallets from being drained and hearts from being broken, it threatens to keep students from reaping the full rewards offered by a college experience, or as an economist would say, reaching their optimal utility. It is difficult to place monetary value on benefits associated with a college experience, but strictly comparing the costs of attendance with the earning potential associated with a degree can lead one to make inaccurate

cost-benefit comparisons. Other considerations include location, social activities, clubs and organizations, recreational activities, networking opportunities, alumni relations, career centers, etc. Although the MAP tool provided by the authors does take into account a student's interests, hobbies, and other personality traits that would match students with adequate schools, it may still be dangerous to strictly advise students to only apply to schools that will theoretically give them the most merit award money. There is always a chance that a school's applicant pool might be abnormal one year and a student that normally would not have received a merit aid can qualify to receive a grant.

The authors are both former employees of private, not-for-profit schools, and shed light on many of the misconceptions that students may have on the cost of private schools. Private schools often have higher sticker prices than public school, but many offer larger merit awards in the form of institutional aid. This is beneficial information because it may expand the options students have when looking at schools. However, while private schools are a good option to some, the authors seem to have a bias towards private schools over public schools, and public schools should not be discounted from a student's search. It is best for a student to take all kinds of schools into consideration.

As a first-generation college student, I regret that this *Handbook* was not available when I was about to start my college application process. Thankfully, I can say that I made the right college decision in terms of price and academic fit, but having this information available might have made the process less stressful. As a current undergraduate and intern in my institution's Admissions and Financial Aid offices, I recognize prospective students experiencing similar anxieties that I faced. I recommend to them this *Handbook* and also point them to the companion website (http://thefinancialaidhandbook.com/) that includes all of the resources and tools that are described in the book, and also provides links to other important websites including the FAFSA, FAFSA2caster, College Board, and College Navigator.

High school students and their families, high school counselors, financial aid professionals, admissions professionals, and other organizations interested in higher education should be encouraged to read this book. It is a quick and easy read, and provides invaluable information that offers important insight to college admissions and financial aid practices.

Reference

Muñoz, C. (2012). New "Shopping Sheet" will make it easier for students to "know before they owe". *The White House Blog*. Retrieved August 6, 2012 from http://www.whitehouse.gov/blog/2012/07/24/new-shopping-sheet-will-make-it-easier-students-know-they-owe