



Why Use the CSS PROFILE?

Helen Nunn	Amy Brashear Miranda
Director of Financial Aid Susquehanna University	Sr. Educational Manager, HES The College Board, MSRO

Agenda

- Introductions
- Overview of PROFILE
 - ✓ Needs AnalysisIM / FM
 - ✓ What is PROFILE and How does it work?
- Why use PROFILE?
 - ✓ School perspective
- Discussion and Questions

Principles of Need Analysis

- Parents and students share primary responsibility for paying educational costs to the extent they are able.
- A family's ability to pay, *not willingness to pay*, is measured by the need analysis system.
- Financial aid should offer *access and choice*.
- An equitable need analysis system expects families in similar circumstances to make similar contributions.
- Family contribution reflects the family's ability to absorb educational expenses over time.

A Tale of Two Families: FAFSA data for Family 1 and 2

Student cash/investments	\$ 1,000
Student AGI	\$300
Parent AGI	\$25,000
Dad's income from Work	\$ 5,000
Mom's income from Work	\$20,000
Non-taxed Income	\$ 2,700
Parents Cash and Savings	\$ 1,000

Family 1

Additional PROFILE Information

Non-taxed income:	Disability	\$ 1,200
	EIC	\$ 1,500
Rent payment:		\$ 800
Prior year income:		\$45,000

- Special Circumstances: Father is on disability – doing odd jobs
- Retirement resources: None for dad; \$15,000 IRA for mom
- Occupations:
 - ✓ Dad: disabled construction worker, date of disability June 2010
 - ✓ Mom: school aide

Family 2

Additional PROFILE Information

Non-taxed income: tax exempt interest	\$ 2,700
Parent investment in sibling's name	\$150,000
Business Net Worth	\$200,000
Home value:	\$900,000
Home Debt	\$600,000
Mortgage payment	\$ 3,600
Prior year income	\$250,000

- Special Circumstances: Dad took an early retirement package and has begun his own consulting business out of his home
- Retirement Resources: Pension for mom; IRA total value \$600,000 for dad
- Occupations: Dad - self employed consultant; mom - attorney

A tale of two families- the results!

Contribution from Family 1

FM= \$645

IM= \$250

Fee waiver eligible = YES

Contribution from Family 2

FM= \$645

IM= \$24,071

Fee waiver eligible = NO

Types of Taxable Income (and losses)

- Adjusted Gross Income
- Wages (earnings)
 - ✓ Interest and dividends *
 - ✓ Unemployment compensation *
 - ✓ Alimony received *
 - ✓ Capital gains *
 - ✓ Business income *
 - ✓ Taxable IRA, pension and annuity distributions *
 - ✓ Rental income, royalties *
 - ✓ Income from partnerships & S Corporations *

* Profile / IM collects each data element.....FAFSA does not

Types of Untaxed Income

- Untaxed interest and dividends (FM & IM)
- Tax deferred pension plan contributions (FM & IM)
- IRA contributions (FM & IM)
- Social Security benefits* (IM)
- Pension income (FM & IM)
- Foreign income exclusion (IM)
- Earned income credit (IM)
- Additional child tax credit (IM)
- Other (Moderately different for IM and FM)
- IM adds back “losses” (business/real estate/ and other)



What is the CSS/Financial Aid PROFILE®?

- Online financial aid application; customized to the needs of the student and institution
- Provides a complete picture of the financial strength of the student and family
- Only service to include full calculations for both IM and estimated FM

PROFILE

- Collects more detailed information than FAFSA—tells the “rest of the story”
- Provides detailed analysis of family income and assets using information not available on the FAFSA
- Supports more equitable awarding of institutional funds using Institutional Methodology
- Can be completed by both domestic and international applicants

Use of PROFILE

- More than 500 schools and programs use PROFILE to award private institutional funds
- More than 350,000 students apply for aid annually using the PROFILE system
- Number of schools selecting or returning to Profile is increasing due to changes in FAFSA and FM

The PROFILE Process

The PROFILE process supports a customized application

- Students complete brief registration section that allows College Board to personalize PROFILE
 - Irrelevant questions are eliminated; the number of questions asked ranges from 90 to 130
 - Based on family financial circumstances
 - Based on requirements of colleges to which student is applying
 - ✓ Supports use of Noncustodial PROFILE
 - ✓ Schools can add unique questions to PROFILE, eliminating need for institutional application

PROFILE Allows Process to Begin Sooner

- October 1 availability helps institutions reach students earlier in their senior year
 - ✓ Early Decision/Early Action applicants
 - ✓ Athletes and other “early” reads
- Results may be received within 3 weeks of submission

PROFILE Institutional Reports

- Detailed Institutional Methodology (IM) need analysis
- Federal Methodology (FM) estimate
- Application data
- Special notation of lowest income filers and student's eligibility for a fee waiver
- Electronic Data Delivery
- Online Image of student and parent responses

Web Access to Data and Images

Images of non-keyed data available on the web

- Family member listing
 - ✓ Includes ages, relationship, and college enrollment for all members of the household
- Family's special circumstances
- Business and Farm income *and* asset data
- Noncustodial parent data

PROFILE for International Students

PROFILE's Institutional Methodology calculates a family's ability to pay for educational expenses within the context of their country's economic circumstances and relative to their financial strength.

Fee Waivers and Payment Codes

- Fee Waivers automatically granted based on family financial information
- 9.8% of all 2011/12 first-time filers qualified for a fee waiver
- Payment Codes purchased by school for use at their discretion.

Why PROFILE.....School Perspective

- Timing and availability of data
- Eliminate need for in-house application
- Ask your own questions
- More complete data
- Parent employment information
- Business/farm data
- Non Custodial

School Perspective

- More accurate data
- Questions are phrased more precisely than on the FAFSA

Why IM?

- Tailor need analysis to meet your goals
- More strategic targeting of funds over systematic gapping

Why IM....

- Medical/dental expenses
- Private elementary/secondary tuition
- Summer savings expectation
- Home equity

Why IM....

- Distinguish college enrollments of other family members:
 - ✓ Community college
 - ✓ Public 4-year
 - ✓ Graduate
 - ✓ Military academy

QUESTIONS
And
DISCUSSION