Why Use the CSS PROFILE?

<table>
<thead>
<tr>
<th>Helen Nunn</th>
<th>Amy Brashear Miranda</th>
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</thead>
<tbody>
<tr>
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<td>Sr. Educational Manager, HES</td>
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<tr>
<td>Susquehanna University</td>
<td>The College Board, MSRO</td>
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Agenda

• Introductions

• Overview of PROFILE
  ✓ Needs Analysis …..IM / 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**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Non-taxed income: tax exempt interest</td>
<td>$2,700</td>
</tr>
<tr>
<td>Parent investment in sibling’s name</td>
<td>$150,000</td>
</tr>
<tr>
<td>Business Net Worth</td>
<td>$200,000</td>
</tr>
<tr>
<td>Home value</td>
<td>$900,000</td>
</tr>
<tr>
<td>Home Debt</td>
<td>$600,000</td>
</tr>
<tr>
<td>Mortgage payment</td>
<td>$3,600</td>
</tr>
<tr>
<td>Prior year income</td>
<td>$250,000</td>
</tr>
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</table>

- **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