

Caution: Prices May Vary

Exploring the current state
of financial aid offers

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Introduction

Choosing a college to attend is one of the most significant financial decisions people make in their lives. Colleges provide accepted students with financial aid offers, which include personalized information about how much school will cost and the federal, state, and institutional aid for which they are eligible.

Every year, uAspire reviews hundreds of financial aid offers with students and their families, and we consistently see how challenging it is for them to understand these crucial communications. Unlike other consumer financial products, such as mortgages and auto loans, there are no consistent standards for how colleges must communicate higher education cost information. This means each college uses its own terminology and formatting to describe cost and different types of aid, which leads to confusion for students and families about the aid they are eligible for and the financial commitment they are making.

In some cases, due to unclear information, students and their families think they can enroll without debt when, in fact, loans are part of their financial aid package. If costs are not listed, students may not be aware of key predictable costs, which may have a range of impacts. The college may put a hold on their account until they pay their bill, making it impossible for the student to register for the next term. Students may even stop out of school if they are unable to cover unanticipated costs. Unclear and inconsistent financial aid offers can be detrimental to students who rely on financial aid to help pay for college, especially those with high financial need who have the least room to recover from unexpected costs.

“I think the main thing for my students is making sure that they really understood what was on the aid offer, because every school does it in a really different way.”

-uAspire Advisor

Students often face a detrimental lack of timely information and transparency when paying for college, and their ability to make informed decisions is only as good as the information available. Financial aid communications should be straightforward and accessible for students and families to read and understand. Clarity around costs, financial obligations, and loan responsibilities is crucial. Financial aid communications should be written for a student audience, using standardized definitions and calculations that are easily understood.

uAspire reviewed and summarized financial aid offers collected by our advisors and college access partners to show a current snapshot of how financial information is being communicated to students and families.

Methodology

uAspire analyzed 211 financial aid offers (Table 1) for the Fall 2025-2026 school year submitted by students who were receiving advising services from uAspire or support from our partners. These offers came from community colleges and bachelor-degree granting public and private institutions across the U.S. Reviewers were aligned in their analysis using a shared rubric and examples. Each reviewer was assigned a portion of the offers. Reviewers evaluated each offer using the best practices laid out by the Government Accountability Office in their report [Financial Aid Offers: Action Needed to Improve Information on College Costs and Student Aid](#), such as how clearly aid types were labeled (grants, loans, work-study) and whether costs were presented transparently, including net price and Parent PLUS Loan details.

Table 1: Summary data for included colleges

Total States Represented	34
Total Unique Colleges	211
Public Colleges	60
Private Colleges	151
Colleges participating in the College Cost Transparency Initiative*	92
Colleges using the College Financing Plan	20
Number of Undergraduates enrolled in included colleges	2,243,464
Percentage of Undergraduates enrolled in included colleges	11.62%
Number of Freshmen	440,224
Percentage of Freshmen	13.63%

**The College Cost Transparency Initiative is a set of guiding principles and minimal standards to be used when communicating aid offers developed by a task force of 10 higher education associations. Colleges can opt-in to using these standards.*

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Some institutions use the [College Financing Plan](#), created by the US Department of Education (Example 1). This is a standardized form that institutions are required to send to applicants who are eligible for federal military and veterans' educational benefits; however, it is optional to use for all other applicants. While the College Financing Plan is a step in the right direction, it could be improved by gathering more student and family feedback and increasing its use by institutions for all their students.

Methodology (continued)

The analysis was primarily quantitative. However, reviewers were also encouraged to include qualitative observations, especially when offers contained unusual formatting, misleading phrasing, or noteworthy clarity. The data was compiled and summarized to identify trends, common deficiencies, and standout examples. This mix of quantitative and qualitative data helped provide a richer understanding of how financial aid is communicated to students by different types of institutions. There are two limitations to this analysis:

- We are limited to what a student shares for their financial aid offer conversation with an advisor. Some financial aid offers in our dataset are screenshots or single pages from more comprehensive documents. This limits our ability to assess the full financial aid communication from the college.
- Many colleges will list hyperlinks to additional information such as cost of attendance, scholarship, and grant details. We did not follow these hyperlinks and only assessed what was included on the actual financial aid offer.

Example 1: 25-26 College Financing Plan Template

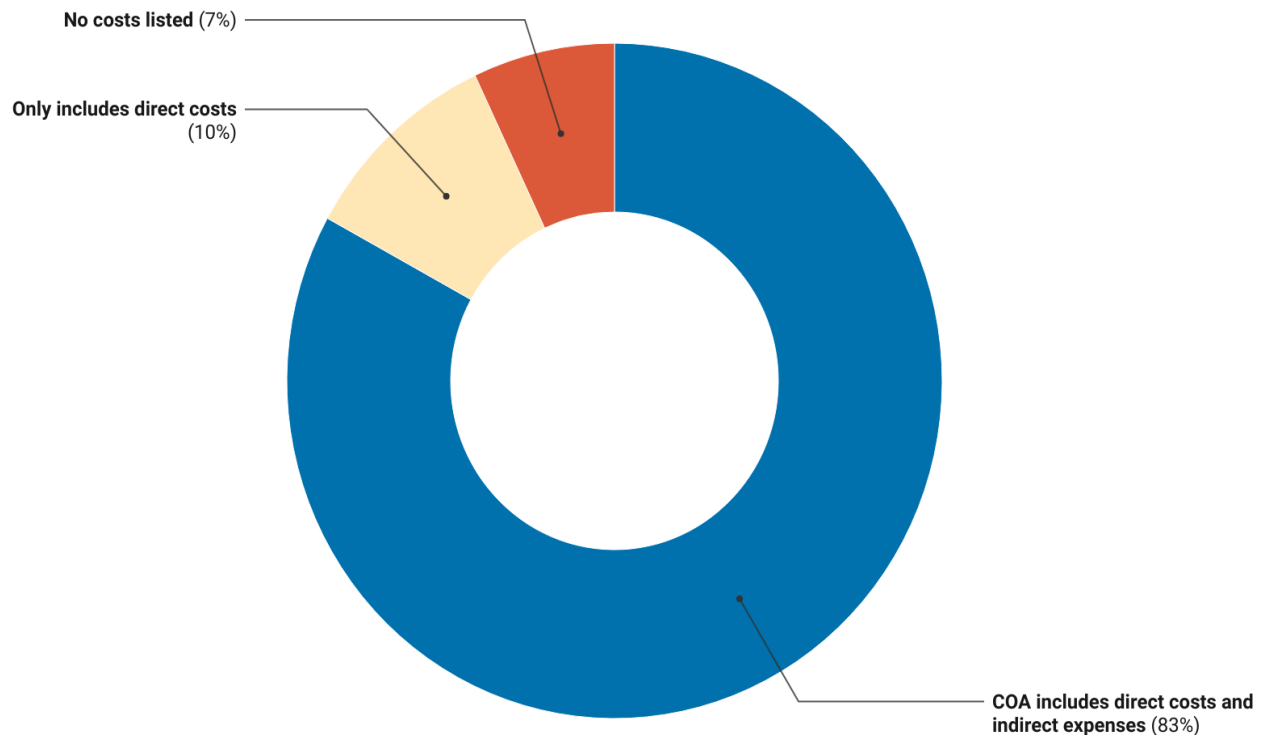
University of the United States (UUS)		MM / DD / YYYY	
Undergraduate College Financing Plan		Download	
Student Name, Identifier			
Estimated Cost of Attendance 2025-2026			
On Campus Residence		Off Campus Residence	
Tuition and Fees	\$X,XXXX	\$X,XXXX	
Housing and Food	\$X,XXXX	\$X,XXXX	
Books and Supplies	\$X,XXXX	\$X,XXXX	
Transportation	\$X,XXXX	\$X,XXXX	
Other Education Costs	\$X,XXXX	\$X,XXXX	
Estimated Cost of Attendance	\$X,XXXX / yr	\$X,XXXX / yr	
Student Aid Index			
Based on the FAFSA <small>As calculated by the Department of Education and/or the institution using a formula prescribed by law.</small>		X,XXXX / yr	
Based on Institutional Methodology <small>Used by many private institutions in addition to the FAFSA.</small>		X,XXXX / yr	
Grants, Scholarships, and Other Gift Aid			
Scholarships and Grants are considered "Gift" aid - no repayment is needed.			
Scholarships		Grants	
Merit-Based Scholarships		Need-Based Grant Aid	
Scholarships From Your School	\$X,XXXX	Federal Pell Grants	\$X,XXXX
Scholarships From Your State	\$X,XXXX	Institutional Grants	\$X,XXXX
Other Scholarships	\$X,XXXX	State Grants	\$X,XXXX
Employer Paid Tuition Benefits	\$X,XXXX	Other Forms of Grant Aid	\$X,XXXX
Total Scholarships	\$X,XXXX / yr	Total Grants	\$X,XXXX / yr
VA Education Benefits			
VA Education Benefits		\$X,XXXX / yr	
Estimated College Costs You Will Be Required to Pay			
Net Price To You <small>Total cost of attendance minus total grants and total scholarships</small>		\$X,XXXX / yr	
Loan and Work Options to Pay the Net Price			
You must repay loans, plus interest and fees.			
Loan Options*		Work Options	
Federal Direct Subsidized Loan <small>(x.xx% interest rate) (x.xx% origination fee)</small>	\$X,XXXX / yr	Work-Study <small>Hours Per Week (estimated)</small>	\$X,XXXX / yr
Federal Direct Unsubsidized Loan <small>(x.xx% interest rate) (x.xx% origination fee)</small>	\$X,XXXX / yr	Other Campus Job <small>(estimated)</small>	\$X,XXXX / yr
Total Loan Options	\$X,XXXX / yr	Total Work	\$X,XXXX / yr
* For federal student loans, origination fees are deducted from loan proceeds.		For More Information	
Other Options		University of the United States (UUS)	
You may have other options to pay the remaining costs. These include:		Financial Aid Office	
• Tuition payment plan offered by the institution		123 Main Street	
• Parent PLUS loans, which your parent can apply for		Anytown, ST 12345	
• Non-Federal Private education loan, which you or your parent can apply for after passing a credit check		Telephone: (123) 456-7890	
• Other Military or National Service Benefits		E-mail: financialaid@uus.edu	
Customized Information from UUS		* Loan Amounts	
		Note that the amounts listed are the maximum available to you. To learn about loan repayment choices and calculate your Federal Loan monthly payment, go to: https://studentaid.gov/manage-loans/repayment/plans .	
Next steps			

Findings

Improvements in Financial Aid Offers

Colleges have improved their financial aid offers in important ways since uAspire's first analysis in our 2018 report [Decoding the Cost of College](#). The most notable area of improvement from our sample of financial aid offers is the increase in the percentage of colleges separating the grants/scholarships, loans, and work-study (73%), as well as providing key details about at least one of these forms of aid (75%). These improvements can help students understand the differences between types of aid—for example, that loans must be repaid and work-study is not guaranteed and must be earned. Another area of improvement is that more colleges are including a cost of attendance that lists both direct costs paid to the higher education institution (such as tuition and fees) and indirect expenses that the student may encounter (such as transportation to college). 83% of the financial aid offers we reviewed included the full cost of attendance (Chart 1).

Chart 1: College cost on the financial aid offer



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Findings (continued)

Example 2: Aid types separated

Total Gift Aid (no repayment needed; NB indicates need based):

Institutional Grant(s) and Scholarship(s)
Alumni and Friends Grant (NB)
Federal Grant(s)
Federal Pell Grant (NB)
Other Grant(s) and Scholarship(s)
Federal SEOG Grant (NB)

Total Grant(s)

Loan (federal loan that must be repaid by the student)

Federal Direct Sub Stafford Loan (NB)

Total Federal Loan(s)

Work Allotment (not credited to your account; you will receive a paycheck)

Federal Work Study (NB)

Total Work-Study

Example 3: Aid types listed together

Dean's Scholarship
Federal Direct Subsidized Loan
Federal Direct Unsubsidized Loan
FWS - On-Campus Employment*
Total Grant Aid

Total Estimated Award Per Term

“I think it’s ridiculous when a student is offered a Parent PLUS loan of \$40,000, and that makes a student think, well, everything is covered because they don’t actually know what that loan entails.”

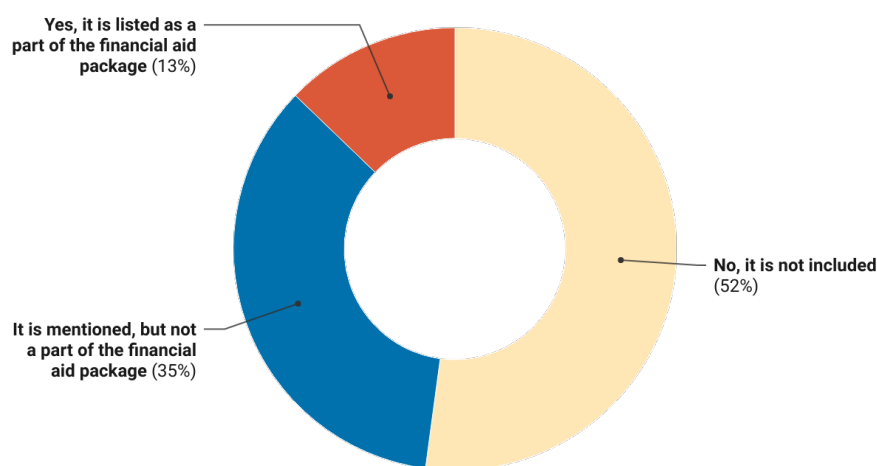
-uAspire Advisor

More Explanations Needed

There are several areas where financial aid communication could be improved. While many of the financial aid offers explained loans and grants, fewer explained work-study programs. Additionally, only 34% of colleges included actionable next steps in their aid offers. Fewer than half included the various payment options available to help pay the college bill.

This can leave students and families, who may be new to paying for college, unsure how to access the financial aid offered or cover costs remaining after financial aid is applied. Lastly, 13% of colleges in our sample included a Parent PLUS loan as part of the financial aid package (Chart 2). While this suggests that fewer colleges are engaging in this practice than in previous years, it means students may still see a financial aid package that appears to fully cover their costs, but actually includes a loan that their parents would need to apply for, borrow, and are not guaranteed to qualify for.

Chart 2: Parent PLUS loan on financial aid offers



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Example 4: Financial Aid Offer with Parent PLUS Loan

Source	Fall	Spring	Total
Federal Pell Grant	\$3,698	\$3,697	\$7,395
SEOG Grant	\$200	\$200	\$400
Direct Subsidized Stafford Loan	\$1,750	\$1,750	\$3,500
Direct Unsubsidized Stafford Loan	\$1,000	\$1,000	\$2,000
Direct Parent PLUS Loan	\$39,389	\$39,388	\$78,777

Findings (continued)

Cost Calculations Remain the Largest Challenge

The biggest issue found across the 211 financial aid offers is the different methods colleges use to calculate the remaining costs after financial aid is applied. While most colleges in our sample use one or two cost calculations on an offer, 10% use three or more (Chart 3). For example, in the financial aid offer (Example 5), there are three different calculations with three distinct results for the cost of attending this college to the student. A leading cause of these different calculations is that colleges use different starting points, with some beginning with the cost of attendance and others using direct costs. Then colleges subtract different financial aid components to show what the student will owe. Some subtract only grants and scholarships, while others also subtract loans and work-study. In our sample, we found 11 different cost calculations (Page 9) used across the different financial aid offers. This makes it challenging for a student to understand what the calculated cost means for them and to compare it across different financial aid offers.

Chart 3: Number of cost calculations on each aid offer



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Example 5: Multiple cost calculations on one aid offer

Estimated Cost	➔	Total Billable Charges – Total Financial Aid =		\$0.00
		Net Costs Including Estimated Indirect Expenses		
		Billable Charges + Indirect Expenses - Gift Assistance =		
				\$6,400.00
		Billable Charges + Indirect Expenses - Total Financial Aid =		
				\$2,700.00

In addition to the different calculations, there is inconsistent terminology used across the different financial aid offers in our sample. While some colleges define “Net Cost” as the cost of attendance minus grants and scholarships, others use a different calculation, but still refer to it as “Net Cost”. Other colleges may modify the net cost to better align with their calculations, using terms such as “Direct Net Cost,” “Net cost with Loans,” and other variations.

11 Different Cost Calculations

Across the 211 financial aid offers we reviewed, we found 11 different ways of calculating the amount a student or family would need to pay for college.

1. **Cost of Attendance** (minus) **Grants/Scholarships**
2. **Direct Costs** (minus) **Grants/Scholarships**
3. **Direct Costs** (minus) **Grants/Scholarships** (minus) **Student Loans**
4. **Cost of Attendance** (minus) **Grants/Scholarships** (minus) **Student Loans**
5. **Cost of Attendance** (minus) **Grants/Scholarships** (minus) **Student Loans** (minus) **Work-study**
6. **Direct Costs** (minus) **Grants/Scholarships** (minus) **Student Loans** (minus) **Work-study**
7. **Cost of Attendance** (minus) **Grants/Scholarships** (minus) **Work-study**
8. **Tuition & Fees** (minus) **Grants/Scholarships**
9. **Cost of Attendance** (minus) **Grants/Scholarships** (minus) **Student Loans** (minus) **PLUS Loan**
10. **Cost of Attendance** (minus) **Grants/Scholarships** (minus) **Student Loans** (minus) **Work-study** (minus) **PLUS Loan**
11. **Direct Costs** (minus) **Grants/Scholarships** (minus) **Student Loans** (minus) **Work-study** (minus) **PLUS Loan**

For students considering multiple financial aid offers, unclear labels may make it appear that one college is more affordable than another, when that might not actually be the case. For students who have applied to one school, depending on the calculation, their financial aid offer could display a far lower amount than the student will actually end up paying. A consistent cost calculation is crucial for students to have a clear understanding of what they need to pay for college.

Recommendations

There should be a standardized student-friendly offer developed through consumer testing with students, students' families, service members and veterans, college access professionals, institutions of higher education, and the financial aid community, among others.

The standardized financial aid offer should:

1. Provide a clear, consistent cost calculation
2. Provide full cost information with itemized direct and indirect costs
3. Separate and highlight key details about grants/scholarships, loans, and work-study
4. Exclude the parent PLUS loan as part of the financial aid package
5. Label types of aid
6. Label sources of aid
7. Include actionable next steps
8. Allow institutions the flexibility to provide their own information about financial aid.
9. Create multiple templates based on student circumstances. First-time entering students, returning students, and graduate students have different information needs.
10. Not refer to the offer as an "award"

Higher education can be one of the most significant financial commitments a student and their family make in their lifetime. This financial commitment is not just a one-time decision; it is made every year while students are enrolled in a postsecondary program. Understanding the financial commitment can significantly impact a student's ability to enroll, persist, and graduate, as well as a family's ability to budget and plan financially for the future. Graduates typically have higher earnings to contribute to the economy of their community and are more likely to repay their student loans, resulting in a high return on the investment of state and federal financial aid dollars. By providing clear, standardized financial aid offers, we can ensure that students and their families have the cost information they need to make informed decisions about their postsecondary education.



uAspire is a national nonprofit focused
on improving the economic mobility of
underrepresented students by creating financial
solutions to diverse postsecondary pathways.

uaspire.org