CAPS | PARENT RESOURCE GUIDE

Income & Asset Considerations

Why income and assets matter

Financial aid applications review certain family financial information to estimate ability to pay. The amount and treatment can vary by aid form and college.

Income: what colleges may review

- Parent and student income, including wages, business income, and some benefits.
- FAFSA generally uses tax information from two years before the aid year.
- If income has dropped, ask the college about a special-circumstances review.

Assets: ownership and type make a difference

- Reportable assets can include cash, savings, investments, and some businesses.
- Parent-owned and student-owned assets may be treated differently.
- A parent-owned 529 plan is generally reported as a parent asset on FAFSA.
- FAFSA generally excludes the primary home and qualifying retirement accounts.
- The CSS Profile or institutional aid forms may ask for additional details.

FAFSA vs. CSS Profile

FAFSA determines federal aid eligibility. Some colleges also use the CSS Profile to award institutional aid, with different income and asset rules.

Four smart planning steps

1. Identify which aid applications each college requires and their deadlines.
2. Review account ownership and how education savings are classified.
3. Use each college's Net Price Calculator to estimate out-of-pocket costs.
4. Report information accurately; ask the financial aid office about changes.

Have questions about your family's college plan?

Schedule a complimentary 20-minute CAPS consultation.

caps-planning.com

Educational information only; not a guarantee of aid or eligibility.