

YOUR MONEY

Merit Aid (or Lack Thereof) Makes Early Decision Ever Murkier

Northeastern University won't estimate how much merit aid it might offer if you get in. Can schools make you enroll if they don't give you enough?



By Ron Lieber

Jan. 7, 2022

When you agree to buy an in-demand product or service if it becomes available, it helps to know what the price will be before you commit.

But in the world of college admissions and early decision, where you pledge to attend if a school offers you a spot, you don't always get to know ahead of time the differing discounts — if any — many schools offer to each individual student.

This is a big problem if you're not sure you can afford the school. If you can't get a price quote and you don't want to make the early decision pledge, you don't get to avail yourself of the better admissions odds that often exist when you apply that way.

Enter Northeastern University in Boston, a prime example of a popular school that does not always predict how much aid many applicants will get — an amount that could swing the final price by \$100,000 or more during the undergraduate years. While examining its website in recent weeks, I also noticed that a key statistic that college shoppers need when assessing their odds of aid seemed off by at least 20 percentage points.

Northeastern, which has transformed itself from a commuter school into a highly rejective one in just a few decades, is not alone. Connecticut College's and New York University's mechanisms for predicting prices have similar shortcomings. Last month, at my urging, N.Y.U. took down an admissions office blog post that was filled with incorrect early decision information.

All of this muck highlights a persistent problem in too many of the upper echelons of the undergraduate education industry: When it comes time to make this enormous, emotional purchase, all too often you don't get to know before you apply and get in what the price will actually be.

So what are we talking about when we talk about the price discounts that come from "aid" and college shoppers' ability to predict it? Schools don't always make it clear.

First, there is aid that schools base on the financial need that a student or family demonstrates. In this category, families get a fair bit of assistance in determining what might come their way. The federal government requires schools to offer something called a net price calculator, and it predicts what kind of assistance a college might offer people who can't afford to pay the full price.

The other big type of aid that institutions offer has come to be known as merit aid. It is murkier.

Plenty of affluent families that don't qualify for need-based aid get merit aid anyhow. Many of them believe that they can't afford the retail price without some merit aid. Cry them a river, but if you earn \$300,000 a year and live in an expensive area, writing a \$75,000 tuition check, after taxes, may not be easy. Schools know this, which is part of the reason most of them offer merit aid.

Some colleges will predict what merit aid you might get — which they determine by figuring out if they like your grades and test scores or other things about your application — before you sign an early decision agreement. Others, like Northeastern, will not do that in their net price calculators.

Why not? One big reason, according to Sundar Kumarasamy, Northeastern's vice president of enrollment management, is that these calculators are able to put test scores and grades through some rubric or another to define and predict merit aid — but they have qualitative limitations.

“How would a student who has an art portfolio compete with a person who knows how math and science work and tests well?” Mr. Kumarasamy said.

This is reasonable, but it’s also pretty frustrating for families that just want to know — within six figures, at least! — what they might end up paying over four or five years. Whitman College in Washington and the College of Wooster in Ohio make a virtue — and a marketing strategy, really — of counseling individual families that want an early read on what kind of merit aid their applications might get.

Oberlin College in Ohio estimates merit aid via its net price calculator. Schools like Wabash College and the University of Alabama display their merit-aid-awarding grids for all to see.

It’s not a great look for Northeastern when it tells the world on its merit aid page that “students who are in the top 10-15% of our applicant pool are considered for competitive merit aid awards.” When I first read that figure a few weeks ago, I could tell from the school’s own published data that the percentage of undergraduates who do receive merit aid was higher than that figure might suggest.

I asked, just to be sure, and 36 percent of first-year students who have not demonstrated financial need still get merit aid. In the wake of my inquiry, Northeastern updated the website to reflect these odds.

Northeastern’s use of the term “binding” when it comes to early decision doesn’t strike me as quite right, either. In italics on its website, it instructs people: “Please note, Early Decision is binding — if you are admitted, you are committed to attending.”

But you aren’t. This isn’t a contract that schools try to enforce through some kind of legal mechanism, and each year, 2 to 3 percent of the people who get into Northeastern via early decision decline the offer, mostly for financial reasons.

Early decision isn’t binding, and Northeastern should say so on its website, using those same italics that are already there. (It is indeed as plain as day on one of the actual early decision agreements the school eventually asks students, high school counselors and parents to sign.)

And just to be crystal clear, if you don’t get the merit aid that you feel you need to make the numbers work, some schools will let you walk away from an early decision admittance.

“Any student who applies, is admitted ED and finds the financial aid award (need-based or merit-based aid or a combination of both) to be unreasonable has every right to withdraw their application at Conn and pursue higher education options elsewhere,” Andrew Strickler, the dean of admission and financial aid at Connecticut College, said via email. “I fervently support a student’s ability to discontinue their candidacy at Conn under these circumstances.”

If you’re a student or parent stumbling through the college shopping process, you should take that fervent support as a kind of cue. You are not a supplicant here; you are a consumer.

So how would Northeastern feel if you walked away from an early decision acceptance if you didn’t get any merit aid — and thus felt that you couldn’t afford the school?

When I first posed this question to Mr. Kumarasamy, he suggested that it was a kind of gamesmanship. I objected to that, given that plenty of people don’t feel they can afford his \$75,000 or so list price but can make it work at \$50,000 with that merit aid discount. How can this be gaming the system, I asked, when he doesn’t give them any sense ahead of time of whether they might get that \$25,000 off?

Eventually, he came around. “What is not good for the student is not good for any of us,” he said. But he was also quick to point out the zero-sum nature of early decision; if you bail out on an acceptance, you took the spot of someone else — perhaps someone even needier than you — who would have liked a shot at getting in early in the senior year of high school and actually accepting the school’s financial aid offer.

“There’s a difference between behavior that occurs in rare instances and behavior we want to encourage,” a Northeastern spokesman, Michael Armini, said via email.

I would like to encourage that behavior a bit more than Northeastern does, and I wish college counselors in high schools would, too.

It would be so much easier if none of this parsing was necessary, but early decision is going to be with us for a while because colleges like it so much. When enrollment managers (as they now often refer to themselves) admit a large fraction of a class at a point in the process where students feel obliged to go if they get in, it gives the schools great control over precisely what sorts of students are in any given class — and how much revenue they will deliver.

So as long as we're stuck with a highly imperfect system, schools should say what percentage of students get merit aid in the early decision round, if they have one and also offer merit aid. All schools should also say what percentage of the overall class gets merit aid and explain how they're defining the term.

They should say that early decision is not binding, and they should pledge not to punish future applicants from high schools where former applicants walked away from an early decision acceptance. They should also clarify whether they have a problem with people who decline an early decision offer because they didn't get enough merit aid.

Finally, if they won't predict merit aid in their net price calculators, they should explain why, and give people more information about why some people get that aid and others don't.

I shouldn't have to say all of this, or any of it, really. I shouldn't have to revise their websites for them in successive columns. And you shouldn't have to go into this process — and come out of it, in many instances — having no idea how the system actually works.

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A version of this article appears in print on , Section B, Page 1 of the New York edition with the headline: How Colleges Make a Tough Decision Even Harder