

Middle School Parents

Financial Aid

Any money from outside the family that pays postsecondary (college) expenses.

College Costs

- College can be expensive, but worth the cost.
 - A sound investment in your child's future.
- Costs include more than just tuition.
 - Also includes room and board, books, transportation, personal expenses, etc.
- Costs vary by type of college.
 - Community colleges are less expensive than four-year schools.
 - Private colleges are more expensive than public colleges.
- Look at costs over a child's entire postsecondary education.
 - Four to six years total.

Expected Family Contribution (EFC)

- Amount family can reasonably be expected to contribute but not what the family will pay to the college.
- EFC remains the same regardless of what college the student attends.
- Calculated using a federal form and formula.
- Two components:
 - Parent contribution; and
 - Student contribution.

Financial Need

- Difference between college costs and EFC.
- Will vary by college.
- Amount of financial need determines the aid a student will receive.

Types of Financial Aid

- Scholarships:
 - Awarded on the basis of merit or unique characteristic.
 - Don't have to be paid back.
- Grants:
 - Awarded on the basis of financial need.
 - Don't have to be paid back.
- Loans:
 - Considered self-help aid.
 - Must be paid back, usually after student finishes school.
 - Many different types.
 - Student loans are a reasonable form of aid.
 - ◆ Borrow only needed amount.
 - ◆ Consider federal loans before private loans.
- Employment:
 - Self-help aid.
 - Earnings used to cover college expenses.
 - Ideally related to field of study.

Sources of Financial Aid

- Federal government:
 - Largest source of financial aid.
 - Awarded mainly on the basis of financial need.
 - Apply every year using a standard form.
- States:
 - Offer both merit-based and need-based aid.
 - Usually have residency requirements.
 - May have service requirements.
 - May have loan repayment programs.

- Colleges:
 - Varies widely from college to college.
 - Offer both merit-based and need-based aid.
 - May be offered as part of the admissions process.
- Private sources:
 - Churches, civic organizations, and employers.
 - Varying award amounts and application procedures.
 - Small awards add up.

Applying for Financial Aid

- Complete a standard federal form every year.
- Standard federal form is the *Free Application for Federal Student Aid* (FAFSA).
 - Collects demographic and financial information about the student and his or her family.
 - Data used to calculate the EFC.
- Information from the FAFSA may also be used by states, colleges, and private sources to award aid.
- Ask colleges if other forms are required.

Federal Financial Aid Programs

- Federal grant programs:
 - Federal Pell Grant;
 - Teacher Education Assistance for College and Higher Education (TEACH) Grant; and
 - Federal Supplemental Educational Opportunity Grant (FSEOG).
- Federal loan programs:
 - Federal Perkins Loan Program;
 - Federal Direct Stafford Loans;
 - ◆ Need based and non need based.
 - ◆ Borrowed by students.
 - PLUS Loans.
 - ◆ Borrowed by parents and graduate students.

- Federal employment programs:
 - Federal Work-Study.
 - ◆ Provides part-time jobs for undergraduate and graduate student with financial need allowing them to earn money.

FAFSA4caster

- On-line tool developed by U.S. Department of Education to help families financially prepare for college.
- Estimates eligibility for a Federal Pell Grant.
- Allows students to include non-federal aid.
- Available at www.fafsa4caster.ed.gov.

Financial Aid

- Begin early.
- Find scholarships that match child's academic interests, hobbies, and unique characteristics.
- Don't pay for scholarship searches.
- Be wary of promised results.
- Report fraud.

Next Steps

- Begin researching financial aid options.
- Start saving.
- Encourage child to take college prep classes.
- Share information with child.
- Encourage child to participate in extracurricular activities.
 - Develop leadership skills.
- Help child develop strong study skills.

Resources

- *My Future, My Way: How to Go, How to Pay* available at www.FederalStudentAid.ed.gov/pubs.
- *College Preparation Checklist* available at www.FederalStudentAid.ed.gov/pubs
- *Saving Early = Saving Smart* available at www.FederalStudentAid.ed.gov/pubs.
- On-line NASFAA's *Cash for College* available at www.nasfaa.org.

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