

# Middle School Parents

## Objectives

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- Convey the importance of starting the college planning process early to middle school students and parents.
- Introduce basic financial aid concepts and terms.
- Share common sources of financial aid.
- Provide tools and resources for middle school students and parents to begin the college planning process early.

## Materials

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- PowerPoint presentation
- Handout

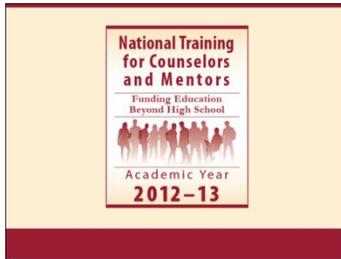
## Trainer Tips

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- The instructor's guide is just that, a guide. If you feel more comfortable training from the Power Point presentation, feel free to do so.

# Middle School Parents

## SLIDE 1



## I. Introduction

**Note to Instructor:** *This presentation is intended to encourage middle school students and their families to begin financially planning for college early. It introduces basic financial aid concepts and terms, shares common sources of financial aid, and provides families with resources and tools that they can use to begin preparing financially for college.*

## SLIDE 2



Where do you see your child six or seven years from now? Do your aspirations for your child include college? Many parents want their children to earn a college degree but may not know what they need to do to make this dream a reality. During this workshop, we are going to talk about financially planning for college.

You may be thinking to yourself: “Why do I need to worry about financing my son or daughter’s college education now? He or she is in middle school, not high school.” Knowledge is powerful; the more you know about the college financing process, the easier it will be to make major financial and planning decisions when your child is selecting his or her school. Financially preparing for college is also easier if you begin planning early. Beginning to prepare financially for college while your child is in middle school will allow you to make more informed decisions about the college that is best for your son or daughter.

➔ *Take a moment to poll your audience on whether or not they have started preparing financially for their child’s college education. If they have, ask what steps they have taken, such as setting up a 529 plan or researching scholarships based on their child’s extracurricular activities.*

### SLIDE 3

#### Workshop Topics

- Definition of financial aid
- College costs
- Expected family contribution, or EFC
- Financial need
- Types of financial aid
- Sources of financial aid

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### SLIDE 4

#### Workshop Topics

- Applying for financial aid
- Federal financial aid programs
- *FAFSA4caster*
- Financial aid options
- Resources
- Next steps

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### SLIDE 5

#### Definition of Financial Aid

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

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During this workshop, we will discuss the following topics:

- Definition of financial aid;
- College costs;
- Expected family contribution, or EFC;
- Definition of financial need;
- Types of financial aid;
- Sources of financial aid;
- Applying for financial aid;
- Federal financial aid programs;
- *FAFSA4caster*;
- Financial aid options;
- Resources; and
- Next steps.

## II. Financial Aid

➔ *Refer the audience to Page 1 of the Handout for the following discussion.*

### A. Definition of Financial Aid

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

## SLIDE 6

### College Costs

- College can be expensive, but worth the cost
  - A sound investment in your child's future
- Costs include more than just tuition
  - room and board, books, transportation, personal expenses, etc.

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## SLIDE 7

### College Costs

- 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

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## SLIDE 8

### Expected Family Contribution (EFC)

- Amount family can reasonably be expected to contribute but not what family will pay to the college
- EFC remains the same regardless of college the student attends

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## SLIDE 9

### Expected Family Contribution (EFC)

- Calculated using a federal form and formula
- Two components
  - Parent contribution
  - Student contribution

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## B. College Costs

- College can be expensive, but worth the cost.
  - A sound investment in your child's future.
- Costs include more than just tuition.
  - 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 child's entire postsecondary education.
  - Four to six years total.

## C. 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.
- It is calculated using a federal form and formula.
- EFC has two components:
  - Parent contribution; and
  - Student contribution.

## SLIDE 10

### Definition of Financial Need

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

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## D. Definition of Financial Need

- Financial need is the difference between college costs and EFC.
  - Example: College costs of \$15,000 – EFC of \$5,000 equals a financial need of \$10,000.
- It will vary by college.
- Amount of financial need determines the aid a student will receive.

## E. Types of Financial Aid

➔ *Direct the audience to Page 2 of the Handout to follow the discussion.*

There are four types of financial aid:

- Scholarships;
- Grants;
- Loans; and
- Employment.

### 1. Scholarships

- Awarded on the basis of merit or unique characteristic.
- Don't have to be paid back.

## SLIDE 11

### Types of Financial Aid

- Scholarships
- Grants
- Loans
- Employment

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## SLIDE 12

### Types of Financial Aid – Scholarships

- Awarded on the basis of merit or unique characteristic
- Don't have to be paid back

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## SLIDE 13

### Types of Financial Aid – Grants

- Awarded on the basis of financial need
- Don't have to be paid back

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## SLIDE 14

### Types of Financial Aid – Loans

- Considered self-help aid
- Must be paid back, usually after the student finishes school
- Many different types
- Student loans are a reasonable form of aid
  - Borrow only amount needed
  - Consider federal loans before private loans

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## SLIDE 15

### Types of Financial Aid – Employment

- Self-help aid
- Earnings used to cover college expenses
- Ideally related to student's field of study

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## SLIDE 16

### Sources of Financial Aid

- Federal government
- States
- Colleges
- Private sources

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## 2. Grants

- Awarded on the basis of financial need.
- Don't have to be paid back.

## 3. 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 amount needed.
  - Consider federal loans before private loans.

## 4. Employment

- Self-help aid.
- Earnings used to cover college expenses.
- Ideally related to student's field of study.

## F. Sources of Financial Aid

There are four major sources of financial aid:

- Federal government;
- States;
- Colleges; and
- Private sources.

## SLIDE 17

### Sources of Financial Aid – Federal Government

- Largest source of financial aid
- Awarded mainly on the basis of financial need
- Apply every year using standard form

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## SLIDE 18

### Sources of Financial Aid – States

- Offer both merit-based and need-based aid
- Usually have residency requirements
- May have service requirements
- May have loan repayment programs

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## SLIDE 19

### Sources of Financial Aid – Colleges

- Varies widely from college to college
- Offer both merit-based and need-based aid
- May be offered as part of the admissions process

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## SLIDE 20

### Sources of Financial Aid – Private Sources

- Churches, civic organizations, employers
- Varying award amounts and application procedures
- Small awards add up

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## 1. Federal Government

- Largest source of financial aid.
- Awarded mainly on the basis of financial need.
- Apply every year using a standard form.

## 2. States

- Offer both merit-based and need-based financial aid.
- Usually have residency requirements.
- May have service requirements.
- May have loan repayment programs.

## 3. Colleges

- Varies widely from college to college.
- Offer both merit-based and need-based aid.
- May be offered as part of the admissions process.

## 4. Private sources

- Churches, civic organizations, and employers.
- Varying award amounts and application procedures.
- Small awards add up so don't underestimate their value.

## SLIDE 21

### Application for Financial Aid

- Complete a standard federal form every year
- *Free Application for Federal Student Aid*, or FAFSA
  - Collects demographic and financial information
  - Data used to calculate the EFC

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## SLIDE 22

### Application for Financial Aid

- Information from the FAFSA may also be used by states, colleges, and private sources to award aid
- Ask colleges if any other forms are required

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## SLIDE 23

### Federal Financial Aid Programs – Federal Grant Programs

- Federal Pell Grant
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Supplemental Educational Opportunity Grant, or FSEOG

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## G. Applying for Financial Aid

➔ *Direct the audience to Page 3 of the Handout.*

- Complete a standard federal form every year.
- Form is the *Free Application for Federal Student Aid*, or 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 any other forms are required.

## H. Federal Financial Aid Programs

➔ *Before reviewing the federal aid programs, ask the audience to name any programs with which they are familiar. Consider offering small prizes, such as candy, to encourage discussion.*

### 1. Federal Grant Programs

- Federal Pell Grant.
- Teacher Education Assistance for College and Higher Education, or TEACH, Grant.
- Federal Supplemental Educational Opportunity Grant, or FSEOG.

## SLIDE 24

### Federal Financial Aid Programs – Federal Loan Programs

- Federal Perkins Loan
  - Campus-Based Aid
- Federal Direct Student Loans (Subsidized & Unsubsidized)
  - Subsidized and unsubsidized
  - Borrowed by students
- PLUS Loans
  - Borrowed by parents and graduate students

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## 2. Federal Loan Programs

- Federal Perkins Loan Program
  - Campus-based aid
- Federal Direct Student Loan Program
  - Need-based and non-need-based loans
  - Borrowed by students
- Federal Direct Student Loan Program
  - Need-based and non-need-based loans
  - Borrowed by students
- PLUS Loans
  - Borrowed by parents of undergraduate students and graduate students

## SLIDE 25

### Federal Financial Aid Programs – Federal Employment Programs

#### Federal Work-Study

- Provides part-time jobs for students with financial need, allowing them to earn money to help pay education expenses

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## 3. Federal Employment Programs

- Federal Work-Study.
  - Provides part-time jobs for students with financial need, allowing them to earn money to help pay education expenses.

### I. **FAFSA4caster**

➔ *Direct the audience to Page 4 of the Handout for the following discussion of the FAFSA4caster.*

- On-line tool developed by U.S. Department of Education to help families financially prepare for college.
- Estimates student's eligibility for a Federal Pell Grant.
- Allows students to include non-federal aid.

## SLIDE 26

### *FAFSA4caster*

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

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## SLIDE 27

### Financial Aid

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

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## SLIDE 28

### Next Steps

- Begin researching financial aid options
- Start saving
- Encourage your child to take college prep classes
- Encourage your child to participate in extracurricular activities
- Help your child develop strong study skills

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## SLIDE 29

### Resources

- *My Future, My Way: How to Go, How to Pay* available at [www.FederalStudentAid.ed.gov/pubs](http://www.FederalStudentAid.ed.gov/pubs)
- *College Preparation Checklist*, available at [www.FederalStudentAid.ed.gov/pubs](http://www.FederalStudentAid.ed.gov/pubs)
- *Saving Early = Saving Smart* available at [www.FederalStudentAid.ed.gov/pubs](http://www.FederalStudentAid.ed.gov/pubs)
- On-line version of *NASFAA's Cash for College* available at [www.nasfaa.org/Annals/Pubs/cashforcollege.pdf](http://www.nasfaa.org/Annals/Pubs/cashforcollege.pdf)

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➔ *If time permits, ask audience members if they believe that the FAFSA4caster will be helpful as they financially prepare for college. If they think it will be helpful, ask what features of FAFSA4caster will be of the most value.*

## J. Financial Aid

- Begin early.
- Find scholarships that match your child's academic interests, hobbies, and unique characteristics.
- Don't pay for scholarship searches.
- Be wary of promised results such as "We guarantee you'll get aid."
- Report fraud.

## K. Next Steps

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

## L. Resources

- *My Future, My Way: How to Go, How to Pay*.
  - ED publication for middle school students.
- *College Preparation Checklist*
  - ED publication for all students.
- *Saving Early = Saving Smart*.

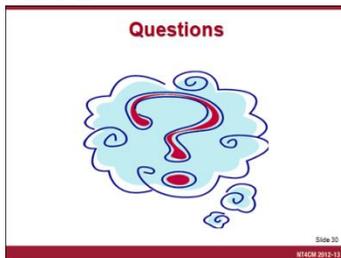
- ED fact sheet on why and how to save money for parents of younger children.
- NASFAA's *Cash for College*.
- National Association of Student Financial Aid Administrators' booklet on paying for college.

### III. Conclusion

It is never too early to start the college planning process, especially when it comes to financial aid and financing options. The more information you have, the easier the process will be for both you and your child.

➔ *Take a few minutes to answer any questions.*

#### SLIDE 30



#### SLIDE 31



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