FINANCIAL AID BASICS

What Students & Families Need to Know

NACAC

National Association for College Admission Counseling

Questions that we will answer in this presentation

1

How much does college cost, and what is included in the total cost?

2

What is the difference between grants, scholarships, loans, and work-study?

3

How does a student receive financial aid and scholarships?

NACAC
National Association for College Admission Counseling

COLLEGE COSTS

Knowledge is Power

NACAC

National Association for
College Admission Counseling

HOW IS COLLEGE FINANCED?

To pay for college, a student's financial resources come from:

- personal savings, family gifts, or college savings plans
- money from work (summer, work-study)
- scholarships

Funding may also come from:

- federal government and state grants (through FAFSA)
- institutional grants (FAFSA)
- student loans (FAFSA)

NACAC
National Association for College Admission Counseling

NET PRICE

NET PRICE is the amount that a student pays to attend an institution in a single academic year **AFTER** subtracting scholarships and grants the student receives.

Focus on the NET PRICE.

Not the STICKER Price.

Sticker Price-Scholarships & Grants=Net Price

NACAC
National Association for College Admission Counseling

NET PRICE CALCULATORS

NACAC
National Association for
College Admission Counseling

NET PRICE CALCULATORS

Available on a college's website, net price calculators can help prospective students get a better handle on what they will be expected to pay.

Students enter information about their family's financial situation to learn what similar students paid to attend the institution in the previous year.

NACAC
National Association for College Admission Counseling

WHY ARE NET PRICE CALCULATORS IMPORTANT?

Knowing your net price:

- **Gives you the best idea of what you'll pay for a particular college**
- **Makes comparing colleges easier**
- **Widens your choice of colleges**

NACAC
National Association for College Admission Counseling

EXAMPLE: GONZAGA UNIVERSITY STICKER PRICE VERSUS NET PRICE

Estimated total COA (cost of attendance) –Sticker price	$62,250
Estimated total scholarship/grant aid	$42,370
Estimated net price	$19,880
Estimated Work Study Award	$ 4,000
Estimated first-year loan eligibility	$ 5,500
Estimated net price after all financial aid	$10,380
Estimated net price without taking loan	$15,880

NACAC
National Association for College Admission Counseling

EXAMPLE: HOW GONZAGA UNIVERSITY CAME UP WITH THAT GRANT AID OF $42,370

Gonzaga Merit Award (automatic: GPA, curriculum, essays)		$22,000
Pell Grant (Federal government from FAFSA)		$ 6,195
Honors Program Award (separate application)		$ 1,000
Gonzaga Alumni Scholarship (separate application)		$ 2,500
WA State Need Grant (awarded from FAFSA)		$ 2,000
Gonzaga Institutional Need Grant (after appeal letter)		$ 8,675
Estimated total grant aid	=	$42,370

NACAC
National Association for College Admission Counseling

FINANCIAL AID

The Process

NACAC

National Association for College Admission Counseling

THE FINANCIAL AID PROCESS

- **FAFSA** (Free Application for Federal Student Aid) – www.fafsa.ed.gov
- **CSS Profile** – profileonline.collegeboard.com
- **Institutional aid applications**

  Be sure to check each individual school's website to find out what forms are required and when they must be filed

NACAC
National Association for College Admission Counseling

FILE YOUR FAFSA

Each year, the federal government awards roughly $150 billion to college students through need-based grants, loans, and work-study funds

Filing the FAFSA ensures you are in the running

- It is often required
- Watch deadlines
- Be organized

NACAC
National Association for College Admission Counseling

AN IMPORTANT DAY

October 1 is the first day that the FAFSA can be completed

FAFSA information is derived from the tax return that is "prior prior" to the year your child will enter college. So for seniors entering college next fall, 2021, you will be entering tax information from the year 2019.

NACAC
National Association for College Admission Counseling

FEDERAL STUDENT AID

Completing the **FAFSA** is the first step in securing **federal aid** for college, even graduate school.

studentaid.ed.gov/sa/fafsa.ed.gov

NACAC
National Association for College Admission Counseling

WHAT THE FAFSA DOES NOT ASK

- Unexpected medical expenses
- Employment changes
- Children's tuition in private elementary and high school education
- Eldercare expenses
- Any other unforeseen expenses not reported on the FAFSA

We will make sure each college on your list understands these additional expenses

NACAC
National Association for College Admission Counseling

I FILED MY FAFSA: WHAT'S NEXT?

After submitting the FAFSA, you will receive a Student Aid Report (SAR) which has the information reported on your FAFSA. (So will the schools you designated).

The Student Aid Report will also include your Expected Family Contribution (EFC).

Federal Student Aid FAFSA

2012-2013 Electronic Student Aid Report (SAR)

The SAR summarizes the information you submitted on your 2012-2013 Free Application for Federal Student Aid (FAFSA).

Application Receipt Date:	01/11/2012	XXX-XX-1234 JO 01
Processed Date:	01/11/2012	EFC: 7256
		DRN: 4557

EFC = $7,256

NACAC
National Association for College Admission Counseling

HOW A COLLEGE DETERMINES A STUDENT'S FINANCIAL NEED

A college receives your Student Aid Report and uses it to assess the student's financial need. A **student's financial need** is calculated as the difference between the cost of attending that particular school (called **COA)** minus the amount the student and family is expected to pay (from your FAFSA), called the **Expected Family Contribution (EFC)**

COA – EFC = Student Financial Need

NACAC
National Association for College Admission Counseling

EXPECTED FAMILY CONTRIBUTION (EFC) IS INFLUENCED BY THESE FACTORS:

- **The amount the student's parents will be asked to pay from income and assets, such as mutual funds, rental property and 529 plans. A family's primary home, retirement fund, pension, and life insurance *are not* considered as money to be used to pay for college**
- **The amount the student can contribute from earnings and savings**
- **Family size, age of oldest parent, number of children currently attending college**

Not considered: **Special circumstances such as health-related expenses, loss of property, death in the family, changes in employment, etc.**

NACAC
National Association for College Admission Counseling

HOW MUCH WILL COLLEGE COST?

BILLABLE COSTS

- **Tuition and Fees**
- **On-Campus Room and Board**

These costs **will show up** on the college bill.

INDIRECT COSTS

- **Books and Supplies**
- **Off-Campus Room & Board**
- **Personal Expenses**
- **Travel Costs**

These costs **do not show up** on the college bill.

NACAC
National Association for College Admission Counseling

EXAMPLE: COST OF ATTENDANCE

Gonzaga University Cost of Attendance 2019/20 Academic Year

• Books & Supplies	1,158
• Loan Fees	86
• Personal Expenses	1,976
• Required Fees	860
• Room	6,240
• Meals	6,090
• Transportation	1,560
• Tuition	44,280
Total	$62,250

CAN WE AFFORD GONZAGA? HERE'S THE AWARD OFFER

Family's EFC is $3,500; Student's financial need is $58,750

Estimated total cost of attendance	$62,250
Less Estimated total aid (includes grants, merit and scholarship aid)	$42,370
Less Work Study Award	$ 4,000
Less First-Year Student Loan	$ 5,500
Estimated net price after all aid:	$10,380
Estimated net price without loans:	$15,880

total aid=$51,870

GU met 88% of financial need

WHAT IS FINANCIAL AID GAPPING?

- A financial aid gap occurs when a college's financial aid award for a student doesn't meet the student's full financial need

- The financial aid gap is a serious concern because the student and family will be responsible for the unmet need in addition to the Expected Family Contribution (EFC)

- To meet this unmet need, or gap, students can:
  -Write a Special Circumstances letter to appeal for more financial aid
  -Obtain outside scholarships; live at home or off-campus, work-study

MEETING THE GAP OF UNMET NEED: ONE FAMILY'S SOLUTION (GONZAGA)

$15,880		Unmet Need Gap after receiving GU Award letter without taking loans offered
less	$3,000	student works during the summer, 30 hrs./wk for 10 wks @ $10/hr
less	$3,500	parent contribution (this is in addition to the $3,500 EFC)
less	$1,000	amount in student savings account (plan for this)
less	$200	outside scholarships
less	$1,000	GU budget adjustment: transportation cost reduced from COA
less	$86	GU budget adjustment: remove loan fees from COA
less	$1,000	GU budget adjustment: personal expenses reduced from COA
less	$6,000	Additional Grant through Appeal Letter (approved by GU)
Equals	$94	funds still needed

TAKE STEPS TO MINIMIZE DEBT

Each family has its own philosophy about loans

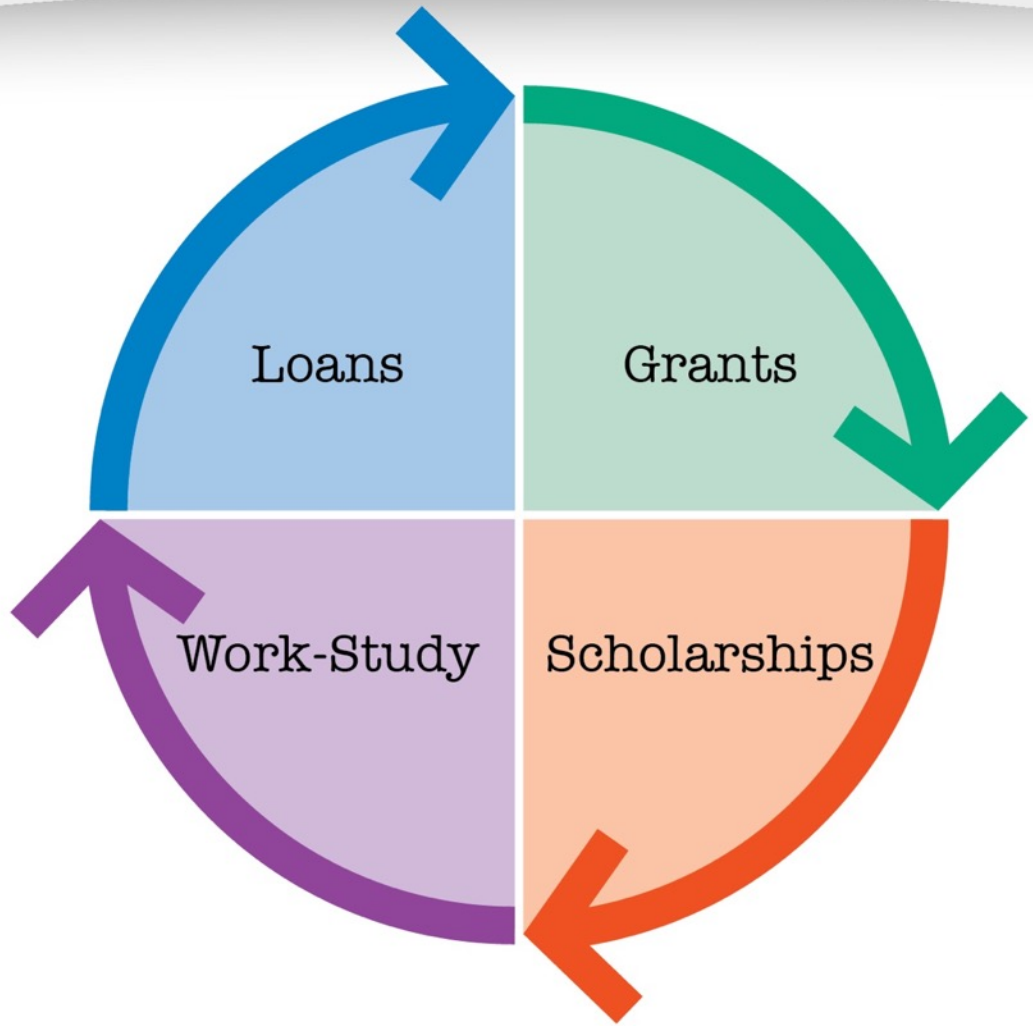
Student debt is a choice, not a given

FINANCIAL AID

What is Available

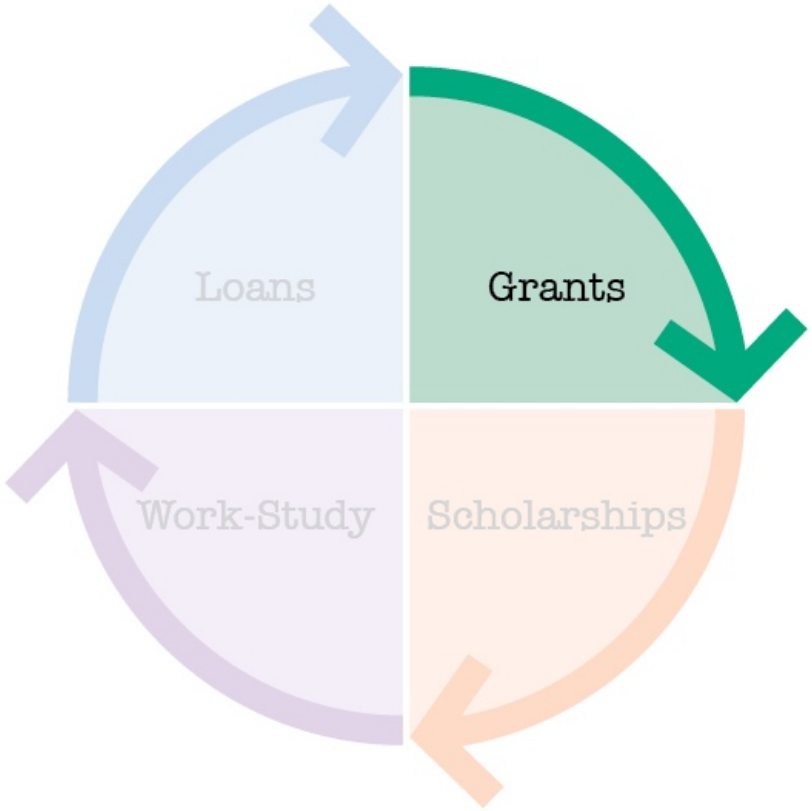
NACAC
National Association for College Admission Counseling

TYPES OF FINANCIAL AID



NACAC
National Association for College Admission Counseling

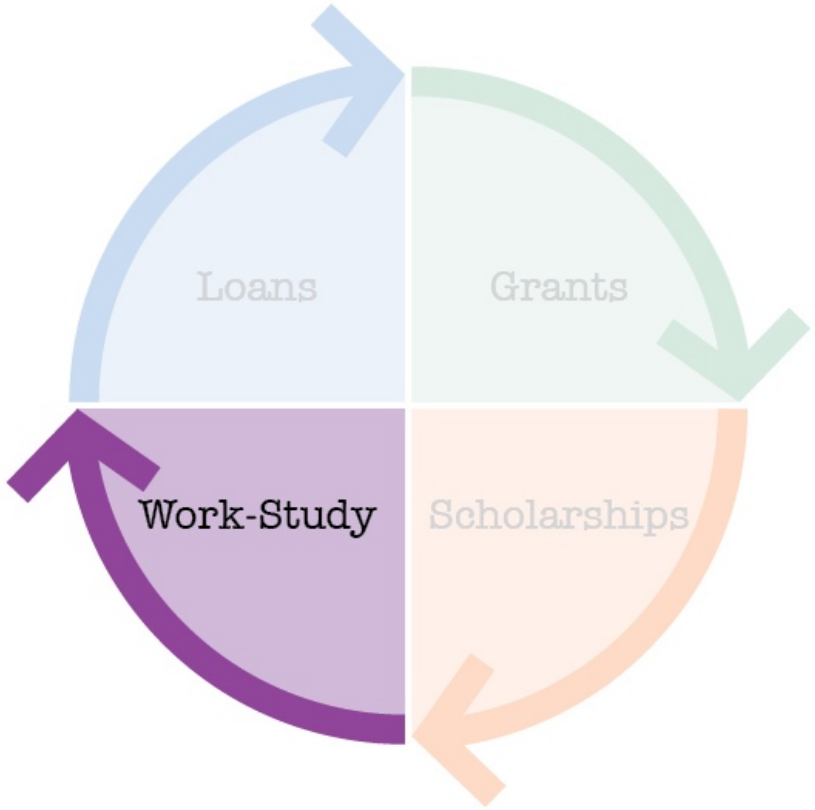
GRANTS



- **Federal Pell Grants ($6,345 for 20/21)**
- **Federal Supplemental Education Opportunity Grants (FSEOG)**
- **State Grants**
- **Institutional Grants**

NACAC
National Association for College Admission Counseling

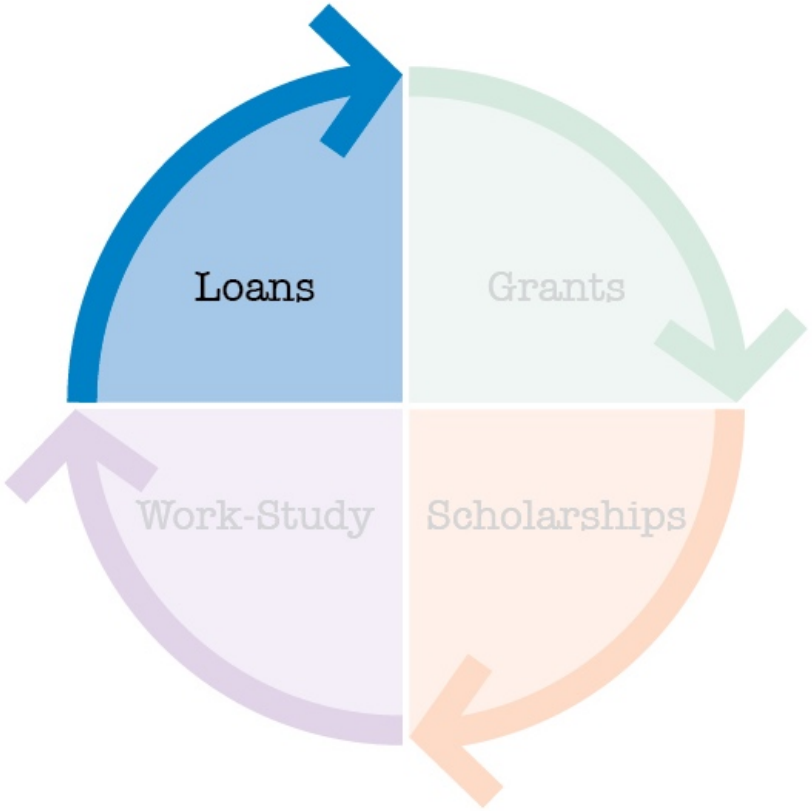
WORK-STUDY



- Based on demonstrated need from FAFSA
- Student is provided an on-campus job
- 10 – 15 hours per week and paid directly to student
- Generally above minimum wage

NACAC
National Association for College Admission Counseling

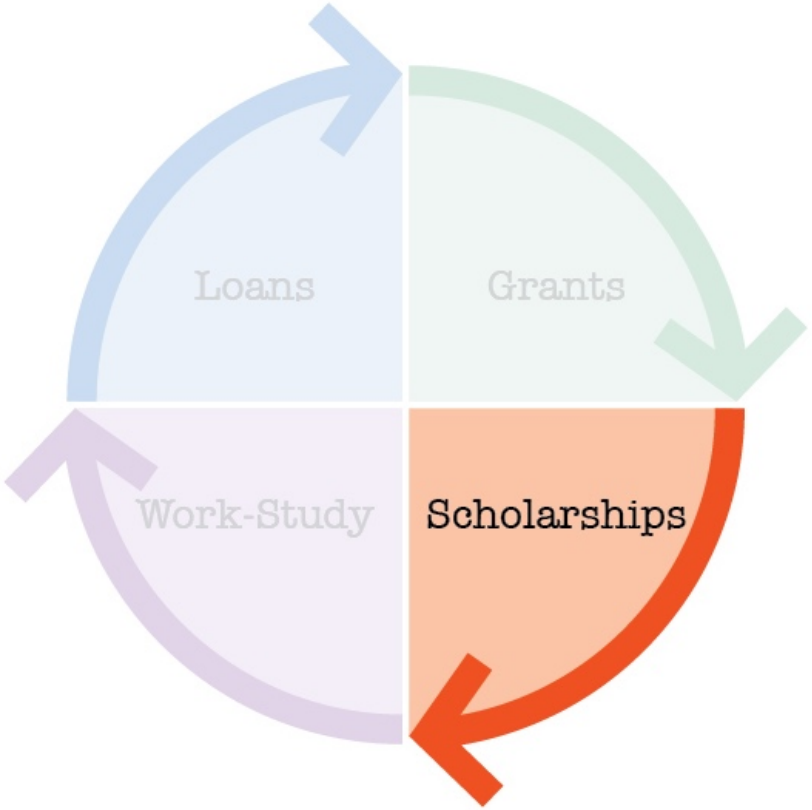
LOANS



- **Direct Subsidized & Unsubsidized** 2.75% fixed interest
- **Perkins** 5% fixed interest (the school is the lender)
- **PLUS (Parent Loan for Undergraduate Students)** 5.30% fixed interest
- **Private Loans** 1.25-11.0% (varies)

NACAC
National Association for College Admission Counseling

SCHOLARSHIPS



- Academic, Athletic, Leadership, Theatre, Music
- Usually Competitive
- Institutional
- National
- State or Local

NACAC
National Association for College Admission Counseling

THREE TYPES OF SCHOLARSHIPS

- Institutional scholarships (from the college/university)
  - Automatic merit/academic scholarships, awarded by Admissions Department usually with acceptance letter
  - Non-automatic scholarships (require application), Awarded by Financial Aid Department or Academic Departments
- National scholarships
- Local scholarships

INSTITUTIONAL MERIT AID
(AKA ACADEMIC SCHOLARSHIPS)

"Merit aid" awarded automatically to an applicant by the college's admissions department as incentive to enroll

- **These are usually the "biggest bang for your buck"**
- **Often based on GPA, rigor of high school curriculum, essays; sometimes based on leadership, character, extracurricular activities**
- **These come from the Admissions Department with your letter of acceptance**
- **Need-blind: Awarded without regard to a student's financial need**

EXAMPLE OF MERIT/ACADEMIC SCHOLARSHIP

ABC University Merit Scholarships:

- Test scores will not be taken into account for the scholarship review process for students applying for the 2021-2022 academic year

- President's Scholarship
- Provost's Scholarship
- Deans' Scholarship
- Founders' Scholarship
- Independence Scholarship

These scholarships range from $2,000 to $23,000 per academic year for four years

INSTITUTIONAL (NON-AUTOMATIC) SCHOLARSHIPS

- Usually require a separate scholarship application
- From the Financial Aid department, or an academic department, not the Admissions department
- Have a deadline
- Based on specific criteria such as intended major, parents as alumni, STEM majors, talents, ethnicity, leadership, religious affiliation, church matching, etc.
- Some are strictly need-based
- Often buried within the college's website

EXAMPLES OF INSTITUTIONAL SCHOLARSHIPS

Montana State University Presidential Scholarship

- Criteria: scholastic achievement, demonstrated leadership, unique personal qualities, GPA
- Award: $119,000 over four years, plus generous annual stipend for non-residents

Gonzaga University Myrtle Woldson Scholars

- Criteria: scholastic achievement, community involvement and leadership
- Award: $10,000 annually for four years

THREE TYPES OF SCHOLARSHIPS

- Institutional scholarships
- National scholarships
- Local scholarships

BE SMART ABOUT OUTSIDE SCHOLARSHIPS

Thousands of scholarships exist.
Scholarships from private sources require special applications and additional work and motivation to make them happen. Make sure they are a fit.

Never pay money to apply to an outside scholarship.

NACAC
National Association for College Admission Counseling

OUTSIDE SCHOLARSHIP CRITERIA

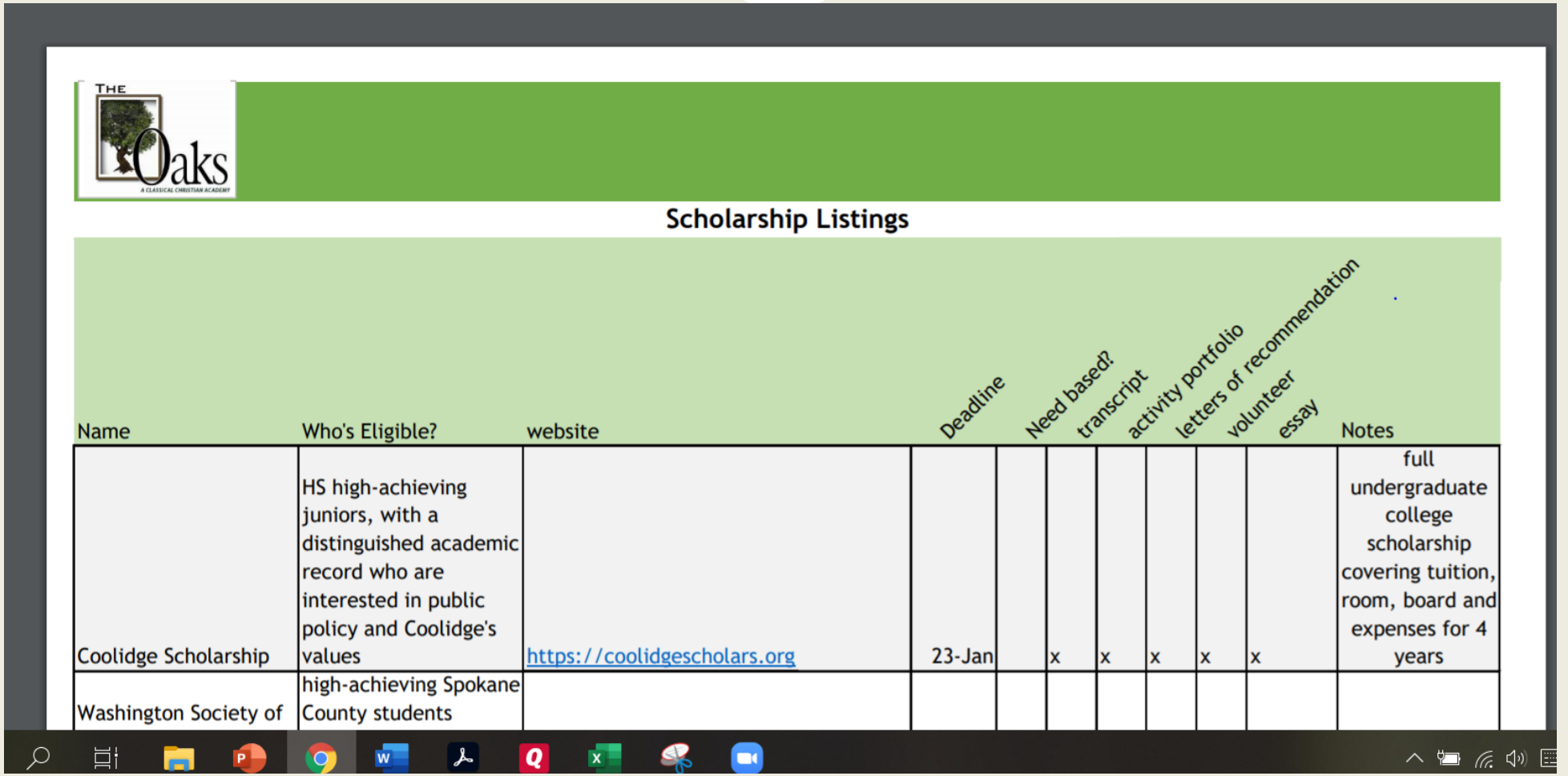
Scholarship eligibility criteria:

- Grades
- Community service
- Financial need
- Leadership experience
- Standardized test scores
- Family relations (legacy)
- Church affiliation
- Sports affiliation
- Essay
- Character/references
- Civic associations, clubs
- Extracurriculars

LOCAL SCHOLARSHIPS

- These are from banks, service clubs, civic groups, credit unions, check out public high school websites, ask your bank, employer
- Smaller in amount yet better odds of winning because of smaller applicant pool
- Both merit-based and need-based
- Juniors and seniors eligible; deadlines throughout the year

https://theoakscca.org/assets/forms/college/scholarships.pdf Updated annually, this is a one-stop shop for all local scholarships



THE Oaks
A CLASSICAL CHRISTIAN ACADEMY

Scholarship Listings

Name	Who's Eligible?	website	Deadline	Need based?	transcript	activity portfolio	letters of recommendation	volunteer	essay	Notes
Coolidge Scholarship	HS high-achieving juniors, with a distinguished academic record who are interested in public policy and Coolidge's values	https://coolidgescholars.org	23-Jan		x	x	x	x	x	full undergraduate college scholarship covering tuition, room, board and expenses for 4 years
Washington Society of	high-achieving Spokane County students									

FINANCIAL AID & SCHOLARSHIP RESOURCES

studentaid.ed.gov

The federal government's one stop resource for all financial aid questions

https://www.careeronestop.org/toolkit/training/find-scholarships.aspx

Career One Stop provides optional filters for a personalized search of scholarships

thewashboard.org

Free for both students and providers, theWashBoard.org acts as a clearinghouse with verified scholarship information and matches those seeking scholarships with providers—focused on Washington

bigfuture.collegeboard.org/scholarship-search

The company that administers the SAT also offers a free scholarship search

ADDITIONAL SCHOLARSHIP RESOURCES

collegeresourcenetwork.com/scholarships/

Scholarships can be sorted by the state of Washington and by major

finaid.org/scholarships

studentscholarshipsearch.com/matcher/

CLOSING THOUGHTS

There is an affordable college scenario for every family.

Let me help you finance college without taking on unwelcome debt!

Thanks for attending!

Contact me at lynn.gibson@theoakscca.org

NACAC
National Association for College Admission Counseling

NATIONAL SCHOLARSHIPS

Toyota, Coca-Cola, Discover Card, Target, ShopKo

- Merit-based and need-based
  - Merit scholarships based on grades, test scores, community service, hobbies and special talents (artistic, athletic, etc.)
  - Need-based scholarships determined by FAFSA
- Extremely competitive; large applicant pool
- Offered to both juniors and seniors

National Merit Scholarship

EIGHT SCHOLARSHIP TIPS

- Apply only if you are eligible and there is a “fit”
- The most promising scholarships are institutional; then local
- Apply only if it is worth your time
- Complete the application in full; neatness counts
- Always find an editor to review your work
- Be mindful of deadlines
- Make copies before mailing
- Don’t be deterred by a scholarship that says you must be nominated; I’ll nominate you

WARNING SIGNS OF SCHOLARSHIP SCAMS

- “The scholarship is guaranteed or your money back”
- “You can’t get this information anywhere else”
- “I’ll need your credit card to hold this scholarship”
- “We’ll do all the work”
- “The scholarship will cost some money”
- “You’ve been selected” by a “National foundation” to receive a scholarship—or “You’re a finalist” in a contest you never entered

OTHER AVENUES FOR AFFORDING COLLEGE

- WUE-Western Undergraduate Exchange (wiche.edu/wue)
- Choose a college where the student works for tuition
- Choose a college that meets 100% demonstrated need
  (Google “Meet Full Need” Colleges)
- Choose a “No Loan” college (Google “No Loan Colleges”)
- Consider ROTC which often covers full tuition and more
- Attend community college for 2 years, then transfer to a 4-year university
- Choose a college that strives for a 4-year graduation rate
- Take AP and CLEP exams for possible college credit (collegeboard.org)
- Stick to your college and your major—don’t transfer or change majors
- Finish college in three years, if possible

Schedule a consultation with me by signing up outside of my office!
NACAC
National Association for College Admission Counseling