Understanding Financial Aid:

A guide for high school students and families.

FAFSA??
Goals for Tonight

• Help you to get answers that you need;
• Reduce your financial aid anxiety;
• Help you complete the FAFSA in an accurate and timely manner;
• How to compare financial aid offers from colleges
• Respond to your unique situations.
FINANCIAL LITERACY

- College Makes ¢ents
- Borrowing Wisely
- Living Like a Student
WHY GO TO COLLEGE? CAN’T I GET A GOOD JOB NOW?

Yes, maybe you could, but a college degree will improve your financial future and job security. Check out the earnings and unemployment rates for people 25 years and older with different levels of education:

- **Less than a high school diploma**: $30,108
- **High school graduate, no college**: $43,056
- **Some college, no degree**: $48,984
- **Occupational program (career school)**: $48,152
- **Associate degree (academic program)**: $52,364
- **Bachelor's degree**: $74,308
- **Master's degree**: $88,036
- **Doctoral degree (e.g. Ph.D)**: $105,456
- **Professional degree (e.g. M.D., J.D.)**: $124,904

**Unemployment rate in 2014**
- Less than a high school diploma: 9.0%
- High school graduate, no college: 6.0%
- Some college, no degree: 6.0%
- Occupational program (career school): 4.3%
- Associate degree (academic program): 4.6%
- Bachelor's degree: 3.5%
- Master's degree: 2.8%
- Doctoral degree (e.g. Ph.D): 2.1%
- Professional degree (e.g. M.D., J.D): 1.9%

Chart Source: Boise State Financial Aid & Scholarships Office, 2015
Education debt can be good debt, because it is an investment in your future ability to earn. However, you still need to invest wisely and borrow as little as you can.
FINANCIAL AID BASICS

• What is Financial Aid?
• How much can I get?
• Comparing college financial aid offers.
• The FAFSA process.
WHAT IS FINANCIAL AID?

GIFT AID
Grants & Scholarships

AID YOU REPAY
Student Loans & Parent Loans

AID YOU EARN
Federal Work Study
THE SCHOLARSHIP HUNT

If you’re an Idaho Resident headed to an Idaho College/University, check out the Idaho Opportunity Scholarship!

High School **COUNSELORS** are great resources!

**COLLEGES** have both need-based and non-need based programs.

**LOCAL** businesses, civic organizations and professional associations.

**PARENT(S)** place of employment may have scholarships!

**NATIONAL** scholarship searches online:

- [WWW.COLLEGEBOARD.ORG](http://WWW.COLLEGEBOARD.ORG)
- [WWW.FASTWEB.COM](http://WWW.FASTWEB.COM)
Search “Scholarship Application”

Check for regional scholarships, too
FINANCIAL AID LINGO

Say WHAT?
The FAFSA

• Use 2016-2017 application if starting Fall 2016
• Contact 1.800.4FED AID or the financial aid office if you need help
• One application
  ▪ Multiple colleges
  ▪ All federal and state financial aid plus some institutional aid
  ▪ Information for need-based scholarships

www.fafsa.gov
Creating Your FSA ID

Never share your FSA ID with anyone else to protect your identity from thieves like me!

An electronic signature... one for the student... one for a parent.

“Create an FSA ID”

Fafsa.gov

Enter Personal Information

Confirm Email

Never share your FSA ID with anyone else to protect your identity from thieves like me!
**EXPECTED FAMILY CONTRIBUTION**
a.k.a. “EFC”

**What EFC IS:**
- An INDEX colleges use to determine the amount and type of financial aid for which you qualify.

**What EFC IS NOT:**
- The amount of money your family will have to pay for college.
- The amount of financial aid you will receive.
The Cost of Attendance (COA) or budget will be different amounts at each school but similar components.
**CHOOSE WISELY…**

*Live like a student in college so you don’t have to after.*

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>Thrifty</th>
<th>Reasonable</th>
<th>Higher Cost</th>
<th>Luxury</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$</td>
<td>$$</td>
<td>$$$</td>
<td>$$ $$ $$</td>
</tr>
<tr>
<td>Tuition</td>
<td>Community College</td>
<td>In-State Public University</td>
<td>Private College</td>
<td>Out-of-State/Career College</td>
</tr>
<tr>
<td>Room &amp; Board</td>
<td>With Parents/Relatives</td>
<td>Job w/Housing</td>
<td>On-Campus</td>
<td>Single Room On-Campus</td>
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<tr>
<td>Textbooks</td>
<td>Borrow</td>
<td>Rent</td>
<td>Used</td>
<td>New</td>
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<tr>
<td>Transportation</td>
<td>Bus Pass</td>
<td>Bike</td>
<td>Scooter</td>
<td>Car</td>
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<tr>
<td>Clothing</td>
<td>Thrift Store</td>
<td>Discount Store</td>
<td>Department Store</td>
<td>Boutique</td>
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<tr>
<td>Hair</td>
<td>DIY</td>
<td>Beauty School</td>
<td>Great Clips</td>
<td>Salon</td>
</tr>
<tr>
<td>Coffee</td>
<td>Make at Home</td>
<td>McDonalds</td>
<td>Convenience Store</td>
<td>Starbucks</td>
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</tbody>
</table>
VERIFICATION

Colleges required to double check ± 30% of FAFSAs
• Selection is often noted on Student Aid Report
• Electronic notices from colleges to student
  ✓ 2015 IRS Tax information
  ✓ Household size
  ✓ Number of household members in college
  ✓ Child support paid
  ✓ Untaxed income
• Respond quickly and accurately to requests for information
• “Conflicting Information” will be fixed
HOW MUCH AID CAN I GET?

You may have aid up to the Cost of Attendance at your college, but your EFC will impact your eligibility for "need-based aid".

COST OF ATTENDANCE (COA) - EXPECTED FAMILY CONTRIBUTION (EFC) = "FINANCIAL NEED"
HOW ARE MY AWARD AMOUNTS DECIDED?

**FEDERAL PELL GRANT**
- $5,775 per year (2015-16)
- Six (6) Full-Time Years

**FEDERAL LOANS**
- $5,500 1st year
- $31,000 Dependent Limit

**PARENT PLUS LOANS**
- Cost of Attendance
  - Student Financial Aid
## COMPARING COLLEGES: Know Your Bottom Line

<table>
<thead>
<tr>
<th></th>
<th>Community College (CWI)</th>
<th>In-State University (BSU)</th>
<th>Private College (NNU)</th>
<th>Out-of-State University (UW)</th>
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<tbody>
<tr>
<td><strong>DIRECT COSTS</strong></td>
<td>$8,798</td>
<td>$14,552</td>
<td>$36,610</td>
<td>$48,768</td>
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<tr>
<td><strong>INDIRECT COSTS</strong></td>
<td>$4,504</td>
<td>$6,530</td>
<td>$6,530</td>
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<tr>
<td><strong>COA</strong></td>
<td>$13,302</td>
<td>$21,802</td>
<td>$43,140</td>
<td>$53,535</td>
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<tr>
<td><strong>- EFC</strong></td>
<td>-$2,500</td>
<td>-$2,500</td>
<td>-$2,500</td>
<td>-$2,500</td>
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<tr>
<td><strong>UNMET NEED</strong></td>
<td>$10,802</td>
<td>$19,302</td>
<td>$40,640</td>
<td>$51,035</td>
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<td><strong>GRANTS</strong></td>
<td>$2,900</td>
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<td>$2,900</td>
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<tr>
<td><strong>SCHOLARSHIPS</strong></td>
<td>$4,000</td>
<td>$6,000</td>
<td>$20,000</td>
<td>$15,000</td>
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<tr>
<td><strong>FEDERAL LOANS</strong></td>
<td>$5,500</td>
<td>$5,500</td>
<td>$5,500</td>
<td>$5,500</td>
</tr>
<tr>
<td><strong>TOTAL AID</strong></td>
<td>$12,400</td>
<td>$13,400</td>
<td>$28,400</td>
<td>$23,400</td>
</tr>
<tr>
<td><strong>UNMET COSTS:</strong></td>
<td>$902</td>
<td>$8,402</td>
<td>$12,240</td>
<td>$27,635</td>
</tr>
</tbody>
</table>
Completing the FAFSA

- Where to find online FAFSA
- Information needed
- What to expect online
- Dependency status
- Providing parent information
- What happens after FAFSA is completed, signed, and submitted?
FAFSA.GOV

PREPARING FOR THE FAFSA®

Have FSA IDs ready for student and parent
Save your work as you complete application

GATHER THIS INFORMATION

- Social Security number
- Alien registration number
- Federal tax information or tax returns
- Records of untaxed income
- Cash, savings, and checking account balances
- Investments other than the home in which you live
FILLING OUT THE FAFSA®

• Available January 1st
• Choose correct academic year
• Use student’s accurate Social Security Number!
• Practice on 2015-2016 FAFSA now!
• Use the IRS Data Retrieval Tool
Get help paying for college
Submit a Free Application for Federal Student Aid (FAFSA)

New to the FAFSA?
Start A New FAFSA

Returning User?
- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

Login
**Student Eligibility**

Are you a U.S. citizen?
- Select

When you begin college in the ___ school year, what will be your high school completion status?
- Select

When you begin the ___ school year, what will be your grade level?
- Select

When you begin the ___ school year, what degree or certificate will you be working on?
- Select

Are you interested in being considered for work-study?
- Select

Will you have your first bachelor's degree before July 1, ___?
- Yes  No

Highest school completed by Parent 1
- Select

Highest school completed by Parent 2
- Select

**Help and Hints**

**Interested in Work-study?**

Question 31

The Federal Work-study Program provides jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay educational expenses.

Select Yes if you are interested in being considered for work-study. Selecting this response does not guarantee that you will be offered Federal Work-study.

Select No if you are not interested in being considered for work-study.

Select Don't know if you do not know the answer.
MEETING FINANCIAL AID DEADLINES

It’s better to meet each college’s deadline than to wait until you have completed taxes.

DEPENDENCY STATUS

Most unmarried undergraduate students under the age of 24 are considered “dependent” for financial aid purposes. FAFSA will require parents’ information.
WHEN LEGAL PARENTS ARE DIVORCED OR SEPARATED

- Which parent did student live with the most?
- If that parent has remarried, provide information for parent and step-parent.

Grandparents, foster parents, and legal guardians are not parents for FAFSA purposes.
AWARDING
Online or paper offers - each college
Why awards may change

RECEIVING FINANCIAL AID
Formally accept the aid you wish to receive based on instructions from college you want to attend.

Scholarships, work-study, and institutional aid most important to accept early.
Accept only the amount of loans you need.
Comparing Aid Offers

• Are the scholarships renewable? If so, what is the criteria for renewal?
• What is the balance of grants/scholarships, student loans, and work?
  ▪ Is a Parent PLUS loan offered? (It requires a credit check.)
  ▪ Work-study
  ▪ Perkins Loans
  ▪ Alternative Student Loans
• Is there aid available that is not listed on the offer?
• How will the offered aid change if outside scholarships are received?
For 2017-2018, FAFSA is switching to “Prior-Prior-Year” providing easier access to your IRS tax return data.

2016-2017
Base Tax Year: 2015
FAFSA Opens: Jan. 1st 2016

2017-2018
Base Tax Year: 2015
FAFSA Opens: Oct. 1st 2016
SPECIAL CIRCUMSTANCES

- Separation/Divorce
- Loss of Employment/Income
- End of Child Support
- Unexpected Expenses
- Student Unable to Obtain Parental Information
Questions?

Complete a FAFSA for each academic year.

Free assistance at 1-800-4FED AID (1-800-433-3243) or the colleges you are considering.