Financial Aid

Peak Education

ELEVATED

MENTORING STUDENTS TO COLLEGE

Presenter

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Peak Education and Elevated

Agenda

- Costs of College
- Types of Financial Aid
- FAFSA Process
- CSS Profile
- Net Price Calculator Tools

Housekeeping

- Keep cameras and microphones off.
- Attendance will be taken.
- Ask questions via the “chat” during allotted times.

What is Financial Aid?

Definition

Financial aid is money to help pay for college.

How much will college cost?

Community College
live w/parents
In-State Tuition

Public University
live on campus
In-State Tuition

Private University
live on campus

	Community College	Public University	Private University
Tuition & Fees	$4,958	$11,901	$52,515
Room, Board	$0	$11,740	$13,437
Books, Supplies	$1,200	$1,200	$1,200
Personal Expenses (include insurance, transportation)	$0	$2,260	$2,940
COST OF ATTENDANCE	$6, 158	$27,101	$70,092

What types of aid are available to help assist you in paying for your college expenses?

Types of Financial Aid

Scholarships
Grants
Work Study
Loans
Self Help/Out of Pocket: Work, Savings

NEED-BASED AID is based off you and your family's finances.

MERIT BASED AID is based off of your accomplishments, i.e., GPA, leadership roles, volunteering, etc.

Grants

- **FREE Money**
- Does not need to be paid back, as long as students meet academic requirements
- Come from the federal and state governments, colleges, and private organizations
- Awarded to the student based on financial need
- **Federal Pell Grant-**Maximum award is $6,345 in 2019-20, based on students' family's financial situation.

Scholarships

Institutional

- Most scholarships awarded to students are through the university/college they will attend.
- Each college has a different process for their scholarships
- Priority deadline for most colleges' scholarship application: **March 1**

Private

- Companies, organizations, churches set their own criteria
- GPA, religion, interests, credit union member, etc.
- Deadlines are set by the organizations

Example of Private Scholarships

Interest-based Scholarships:
Vegetarian Resource Group
Create a Greeting Card
Stuck at Prom

Merit-Based Scholarships:
Boettcher
Coca Cola

Competitive Scholarships:
Daniels Fund
Greenhouse Scholars
Jack Kent Cooke
Dream US Scholarship

Work Study

- Provides financial assistance in the form of a part-time job on-campus (or some off-campus sites)
- You must find your own job
- Flexible employers and on-campus networking
- The money goes directly to you (to help pay with some of your indirect costs)
- The income is not used against you for next year’s financial aid

Loans

- **Borrowed** Money
- Must be paid back, plus interest
- Federal student loan interest rate = 4.53
- $5,500 maximum as freshman
- Private student loan interest rate = 6 - 12%
- Parent PLUS Loans=7.08%
- *Note:* You are not required to take out loans and you MUST pay back loans even if you stop attending college.

Unsubsidized= gain interest while in college

Subsidized=government pays interest while in college

How do I qualify for financial aid (grants, loans, work-study)?

In order to qualify for financial aid, you **<u>must first APPLY for it</u>** AND apply for it **<u>EVERY year</u>**

How to apply for financial aid…

Complete the FAFSA

Free Application for Federal Student Aid

FAFSA

- FAFSA is an application that can help you qualify for specific financial assistance (e.g., grants, scholarships, work-study) to help pay for college.
- FAFSA is NOT a scholarship application
- FAFSA does NOT give you money

****Students who are undocumented/DACA will do an institutional financial aid application instead (e.g. CCD, MSU, CSU, UNC).****

Step 1

Gather Documents

Step 2

Submit FAFSA

Step 3

Follow Up

Do it in just <u>three</u> easy steps!

How to complete the FAFSA/Institutional application?

STEP 1:

Gather all financial documents

Income, Expenses, and Assets:

- ❑ 2019 IRS Tax Return Form and W2s (parent(s) AND student)
- ❑ Non-taxable income for both parents and student (e.g., welfare benefits, child support received, untaxed social security benefits, etc.)
- ❑ Expenses, such as child support paid/received
- ❑ Assets (e.g. checking and savings statements, investments, etc)

Common Questions and Mistakes

My parents are divorced. Who do I use on the FAFSA?

- Use the parent who you lived with the most over the last year (more than 50% of the time/6 months).
- If your time is equally divided, use the parent who provides more financial support.
- If parent is remarried, you MUST include stepparent!

STEP 1: Gather all financial documents

Common Questions and Mistakes

I don’t live with my parents, and I’m financially independent. Do I need my parents’ info?

ANSWER:

You’re only “independent” on FAFSA if you’re...

- 24 years of age or older
- Married
- Both parents are deceased
- In a LEGAL guardianship (court appointed)
- Emancipated by the age of 18
- Have dependents/children who receive>50% of care from you.

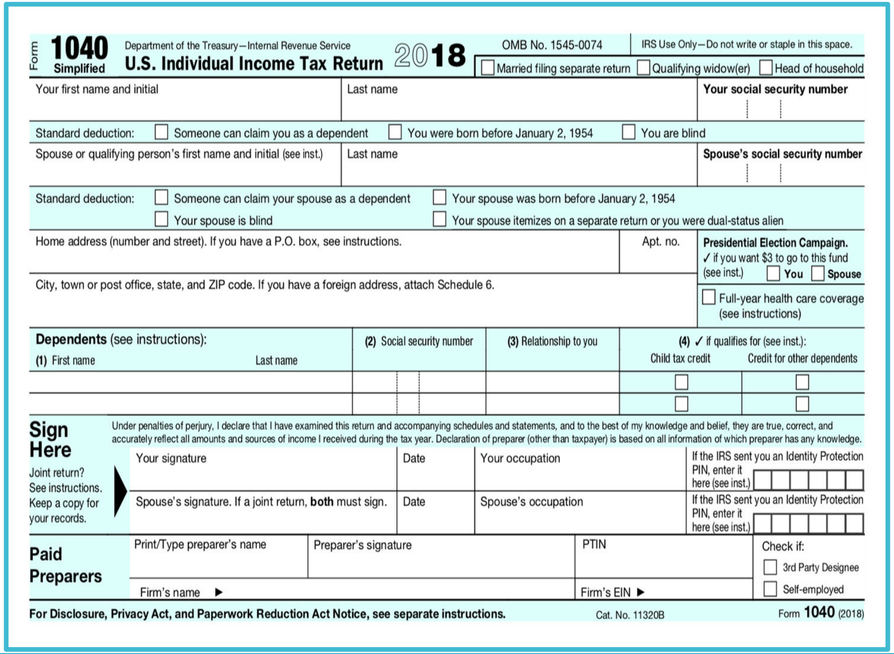
STEP 1: Gather all financial documents

Common Questions and Mistakes

Parents are married but both filed head of household or one filed HOH and the other single on taxes

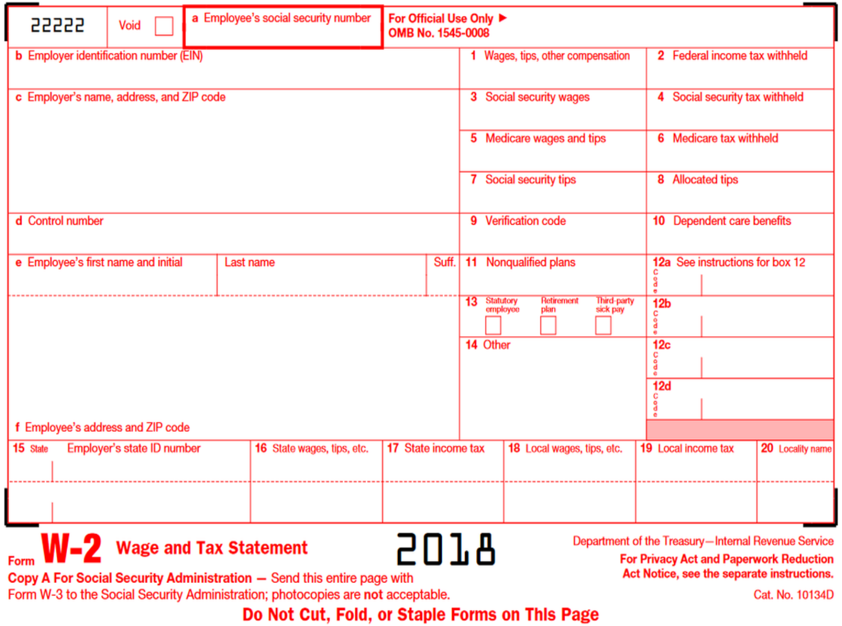
We can still complete the FAFSA, but many colleges will ask you to amend your taxes. Married couples are supposed to file married filing jointly or married filing separately.

Many colleges will NOT provide the student with financial aid until the taxes are amended!


Form 1040 Simplified
Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return 2018
OMB No. 1545-0074
IRS Use Only—Do not write or staple in this space.
☐ Married filing separate return ☐ Qualifying widow(er) ☐ Head of household
Your first name and initial | Last name | Your social security number
Standard deduction: ☐ Someone can claim you as a dependent ☐ You were born before January 2, 1954 ☐ You are blind
Spouse or qualifying person's first name and initial (see inst.) | Last name | Spouse's social security number
Standard deduction: ☐ Someone can claim your spouse as a dependent ☐ Your spouse was born before January 2, 1954
☐ Your spouse is blind ☐ Your spouse itemizes on a separate return or you were dual-status alien
Home address (number and street). If you have a P.O. box, see instructions. | Apt. no.
Presidential Election Campaign. ✓ if you want $3 to go to this fund (see inst.) ☐ You ☐ Spouse
City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6.
☐ Full-year health care coverage (see instructions)

Dependents (see instructions): (1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see inst.): Child tax credit	Credit for other dependents
				☐	☐
				☐	☐

Sign Here
Joint return? See instructions. Keep a copy for your records.
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately reflect all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
Your signature | Date | Your occupation | If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, **both** must sign. | Date | Spouse's occupation | If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Paid Preparers
Print/Type preparer's name | Preparer's signature | PTIN | Check if: ☐ 3rd Party Designee
Firm's name ▶ | Firm's EIN ▶ | ☐ Self-employed
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2018)


22222 Void ☐
a Employee's social security number
For Official Use Only ▶ OMB No. 1545-0008
b Employer identification number (EIN)
1 Wages, tips, other compensation
2 Federal income tax withheld
c Employer's name, address, and ZIP code
3 Social security wages
4 Social security tax withheld
5 Medicare wages and tips
6 Medicare tax withheld
7 Social security tips
8 Allocated tips
d Control number
9 Verification code
10 Dependent care benefits
e Employee's first name and initial | Last name | Suff.
11 Nonqualified plans
12a See instructions for box 12
13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐
12b
14 Other
12c
12d
f Employee's address and ZIP code
15 State | Employer's state ID number | 16 State wages, tips, etc. | 17 State income tax | 18 Local wages, tips, etc. | 19 Local income tax | 20 Locality name
Form W-2 Wage and Tax Statement 2018
Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.
Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.
Cat. No. 10134D
Do Not Cut, Fold, or Staple Forms on This Page

Examples of documents

Full Legal Names

Exactly as they appear on student and parent(s) social security card

Social Security Numbers for parent(s) and student

- If your parent(s) do not have a SSN, we can still complete the FAFSA
- If you’re not a US Citizen, bring your alien registration or permanent resident card

Important Dates

Birthdates and Marriage/Divorce Date

Examples of additional information that may be needed

How to complete the FAFSA?

STEP 2:

Submit the FAFSA by the deadline

- www.fafsa.ed.gov
- The application opens Oct 1st. You must apply for financial aid EVERY year.
- FAFSA Money = First come, First served
- Priority deadline is typically March 1st

Be aware that some colleges and scholarships may have earlier deadlines. Therefore, research your specific programs' priority deadlines so that you do not miss the chance to potentially receive financial aid.

FAFSA Workshops

- Weds, October 7th—4-7:30 p.m.
- Sat., October 17th—10 a.m.-1 p.m.

After Submitting FAFSA…

STEP 3:

Follow up with your colleges to ensure that they have received all required information

- Once you submit, you will immediately receive your **Expected Family Contribution (EFC)** and a **Student Aid Report (SAR)** three days later
  - SAR is a detailed report of what was submitted on the FAFSA
- **EFC** is the index colleges use to determine your eligibility for financial aid
  - EFC is NOT necessarily the amount of money your family will have to pay for college
  - EFC is NOT the amount of federal aid you will receive
- SAR and EFC will be sent to the colleges you added on the FAFSA.

FAFSA IS not the end of the financial aid process!

→

Colleges will review your SAR and EFC

They will offer financial aid award letter <u>ONLY AFTER</u> your financial aid file is <u>COMPLETE.</u>

→

Colleges may ask for **<u>VERIFICATION</u> of the information submitted on the FAFSA. This process is random.**

Therefore, every student <u>MUST</u> log into your college portal and see if there are any remaining requirements to be fulfilled.

After submitting the FAFSA, what happens?

Compare your award letter offers

Billed by CU	Fall	Spring
Tuition & Fees	$6,266	$6,266
Housing & Meals	$7,389	$7,389
Estimated Total	$13,655	$13,655
2019-20 Estimated Total Billed Cost:	$27,310	

Other Costs (not billed	Fall
Books & Supplies	$600
Transportation	$576
Personal	$702
Estimated Total	$1,878
2019-20 Estimated Total Non-Billed Costs:	

Total Estimated Cost *(billed by CU + not billed by CU)*		
Fall 2019	Spring 2020	2019-
$15,533	$15,533	$31,0

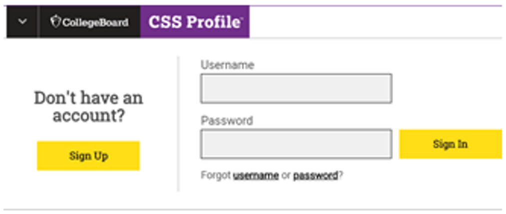
After your financial aid file is complete, you will receive an award letter/award package for each school.

Evaluate the total cost you will be required to pay per semester.

What is the CSS Profile?

The College Scholarship Service (CSS) Profile, is an online application created to allow students to apply for <u>non-federal</u> financial aid. The CSS profile is managed by College Board and partners with over 400 colleges and universities.

The applications primary purpose is to use comprehensive student and parent financial information to achieve a clearer picture of a student's financial need.



Unlike the FAFSA, the CSS Profile requires a $25 fee for the application and one college submission. There is an additional $16 fee every additional college. Fee waivers are available for low-income students.

Institution	% Receiving Merit Aid	Average Award
University of California, Los Angeles	4%	$4,240
University of Virginia	6%	$7,793
Davidson College	27%	$31,207
Washington & Lee University	17%	$44,684
Whittier College	28%	$20,518

Looking for Merit-Based College Scholarships?

Target selective but not *most* selective colleges

Consider private colleges
Research **formulaic scholarships**

More examples from students:
USC-$114,512
Hofstra--$128,000
U. of Alabama-$122,000

How do you evaluate financial fit?

BIGGEST TIP:
Look BEYOND the sticker price. Evaluate the average net price and evaluate your family's net price.

Net Price Calculator:

- Collegenavigator.org

MyinTuition Quick College Costs Estimator:

- myintuition.org

College Scorecard:

- collegescorecard.ed.gov

MaiaLearning

- maialearning.com

Homework

- Create your FSA ID
  - Fsaid.ed.gov
  - Student
  - Parent/Guardian
- Save it on a cloud-based document.

Questions?

Contact

Financial Aid & College Process

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