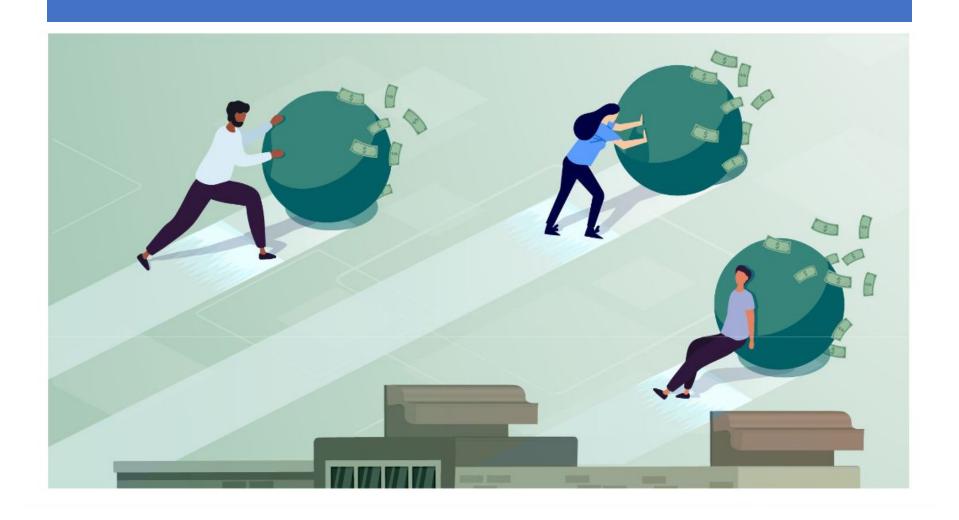# PAYING FOR COLLEGE:

UNDERSTANDING FINANCIAL AID, SCHOLARSHIPS, AND MORE!

Jerry Cebrzynski
Lake Forest College

- **The Real Cost of College**

- **Financial Aid is…**

- **The Application(s)**

- **Financial Aid Award Letter**

- **Award Letter comparison tool**
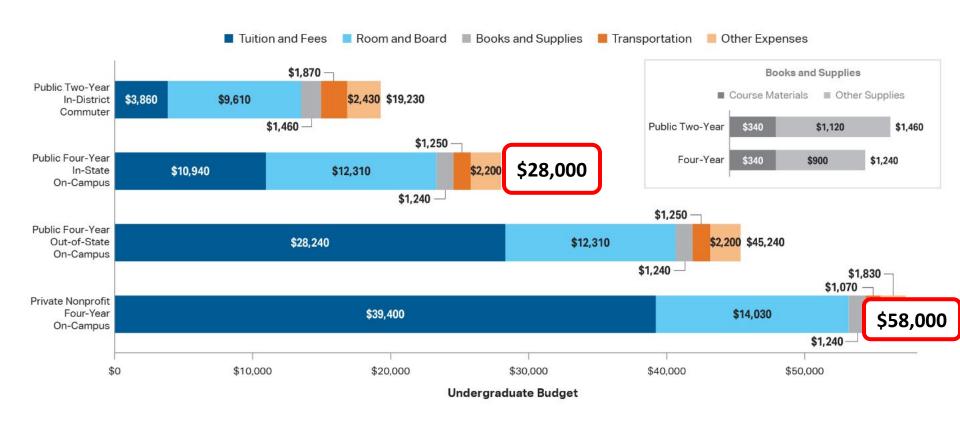
- **Deadlines**

- **Where to find help**

IS COLLEGE AFFORDABLE

THE REAL COST OF COLLEGE

- 85% of all full-time, first-time (FTFT) undergraduate students receive some form of financial aid

- 95% at private colleges; 80% at public institutions

- 60% of all funds awarded to undergraduates were from a scholarship or grant

- *If you think you need help financing college, apply for financial aid*
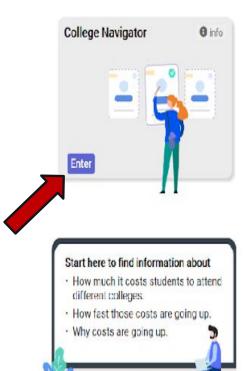
STUDENT BUDGETS, 2022-23

College Board, Trends in College Pricing and Student Aid 2022, Figure CP-1.

U.S. Department of Education
College Affordability and Transparency Center

Collegecost.ed.gov

Help

College Scorecard — info

Enter

Net Price Calculator Center — info

Enter

College Navigator — info

Enter

Start here to find information about
- How much it costs students to attend different colleges.
- How fast those costs are going up.
- Why costs are going up.

State Spending Charts — Info

Enter

90/10 Information — info

Enter

College Affordability and Transparency List — info

Enter

College Financing Plan — Info

Enter

College Scorecard

Scorecard includes "outcome data" such as:

- Costs
- Graduation Rates
- Loan Default Rates
- Loan Repayment Rates
- Average Amount Borrowed
- Employment
- Earnings
- *Interactive tool – new data recently added*

CHAMPAIGN, IL

University of Illinois Urbana-Champaign

4 Year | **Public** | **City** | **Large**

GRADUATION RATE ⓘ

86%

AVERAGE ANNUAL COST ⓘ

$15k
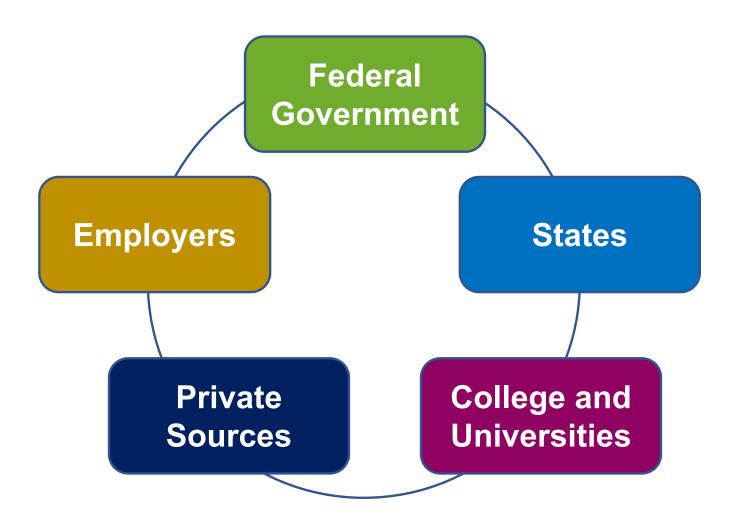
MEDIAN EARNINGS ⓘ

$77k

Academic Fields ⌄

Degree Types ⌄

Graduation Rate ⌄

Average Annual Cost ⌄

Test Scores ⌄

Acceptance Rate ⌄

Size ⌄

Type of School ⌄

Urbanicity ⌄

Specialized Mission ⌄

Religious Affiliation ⌄

FINANCIAL AID IS…

- **Scholarships**

- **Grants**

- **Student Loans**

- **Work-Study**

Federal Government

States

Employers

College and Universities

Private Sources

SOURCES OF FINANCIAL AID

MERIT-BASED

- **From College as well as Foundations**

- **Based solely on the student's credentials**

NEED-BASED

- **Calculated from FAFSA and other aid applications**

- **Sources can be federal, state, institutional**

- **Types include grants, student loans, work-study**

How do you begin – for merit based?

How do you begin – need based?

The Free Application for Federal Student Aid (FAFSA) collects basic financial data and is used to determine the student's eligibility by calculating an "index" #

Overview of the FAFSA

- Available in December

- STUDENTAID.GOV

- 2 Sections - parent and student

- Based upon two years prior tax year

- Direct Data Exchange (DDX)

GENERAL OUTLINE OF THE FAFSA

PARENTS

Family size

Number in college

Age of parents

Income*

Assets

From the IRS using Direct Data Exchange (DDX)

STUDENTS

Identifying

Demographic

Income*

Assets

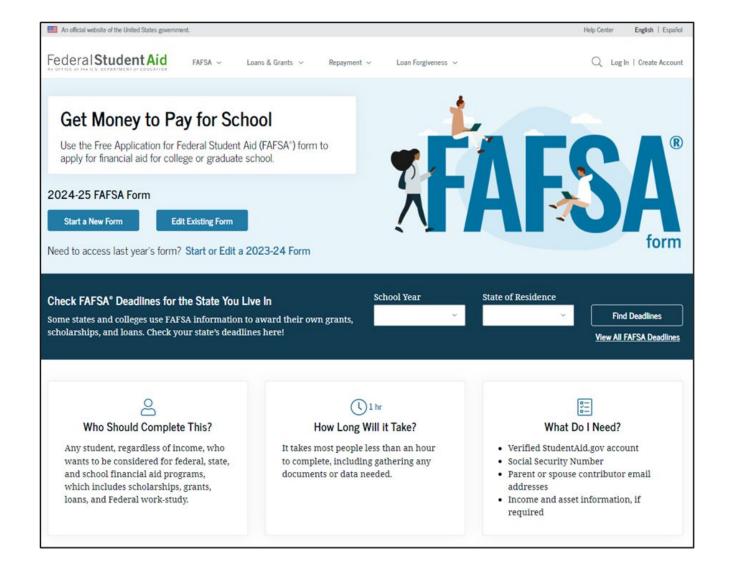College plans

Note: list up to 20 colleges, using each college's unique federal school code

FAFSA FAQS

- **Definition of parents**
- **Assets included**
    - **Savings, stocks, other real estate**
    - **529 Plans (parents)**
    - **Farm or Business**
- **Assets *not* included**
    - **Home equity**
    - **Retirement accounts**
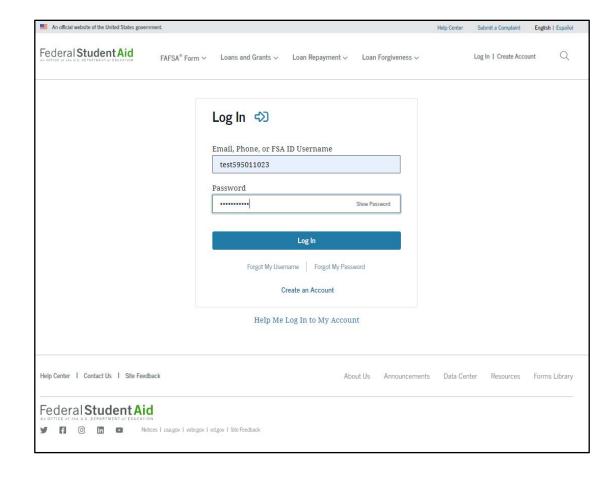   - **Insurance policies, annuities**
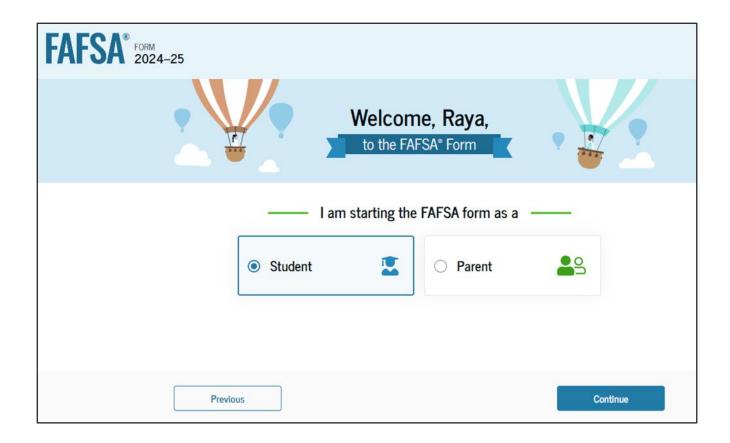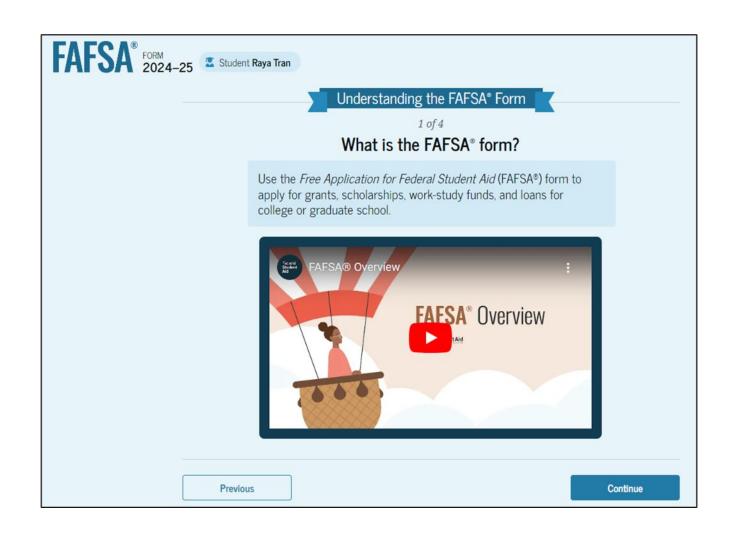- **One FAFSA per student**

Studentaid.gov

Student Log In

If the student selects "Start a New Form" from the FAFSA® landing page and they are not logged in to StudentAid.gov, they are taken to the "Log In" page to enter their log-in credentials. To access the FAFSA form, all students are required to have an FSA ID (account username and password). If the student doesn't have an FSA ID, they can select "Create an Account."

Understanding the FAFSA® Form

2 of 4

Contributors to the FAFSA® Form

👥 Parents or Spouses

Your answers on the FAFSA form will determine if any contributors need to be identified. These contributors will complete their own sections of the form and are asked to provide personal and financial information, but will not become financially responsible for your education.

➡️ How to Invite

Contributors will need to log in with their own FSA ID to provide their information. To invite a contributor to your FAFSA form, you'll need to provide their name, date of birth, Social Security number, and email address.
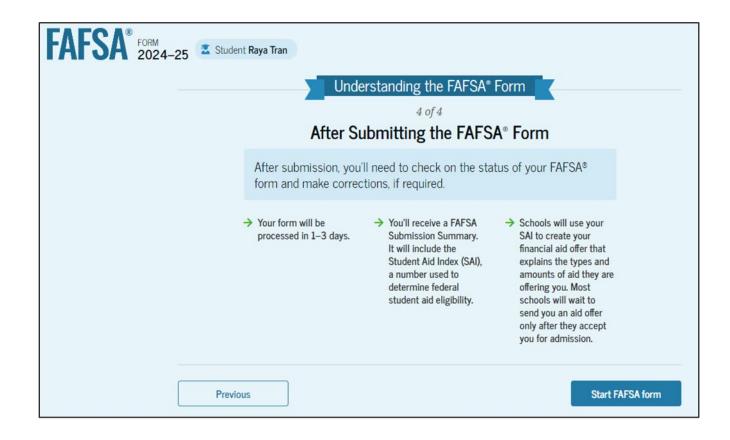
Information or Documents You May Need ∧

You might need the following information or documents as you fill out the FAFSA form:

- Tax returns
- Records of child support received
- Current balances of cash, savings, and checking accounts
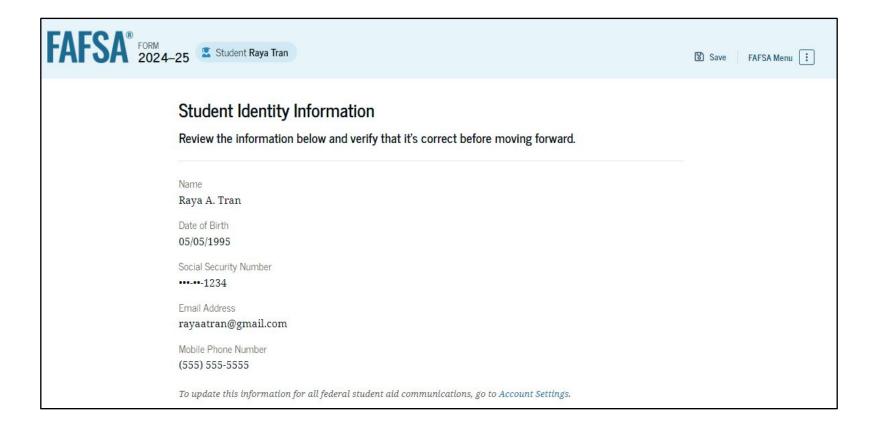- Net worth of investments, businesses, and farms

Previous   Continue
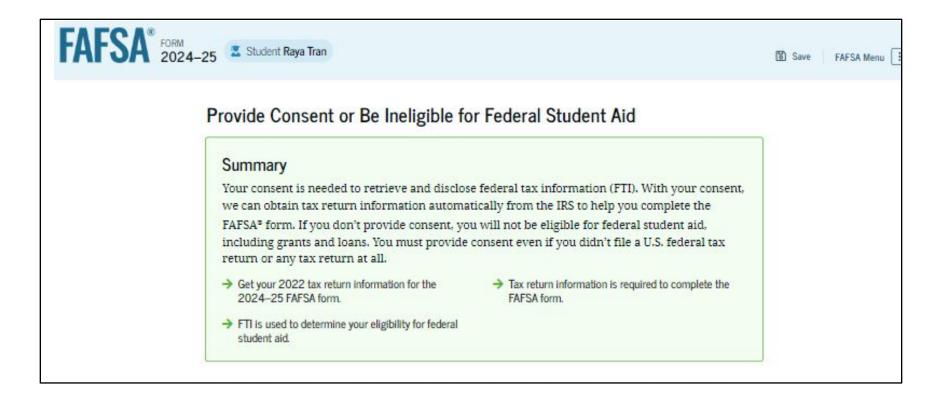
FAFSA® FORM 2024–25

Student **Raya Tran**

After Submitting the FAFSA® Form

After submission, you'll need to check on the status of your FAFSA® form and make corrections, if required.

→ Your form will be processed in 1–3 days.

→ You'll receive a FAFSA Submission Summary. It will include the Student Aid Index (SAI), a number used to determine federal student aid eligibility.

→ Schools will use your SAI to create your financial aid offer that explains the types and amounts of aid they are offering you. Most schools will wait to send you an aid offer only after they accept you for admission.

Previous

Start FAFSA form

Student Identity Information

This is the first page within the student section. The student can verify that their personal information is correct. To update any of the personal information, the student must access their Account Settings on StudentAid.gov.
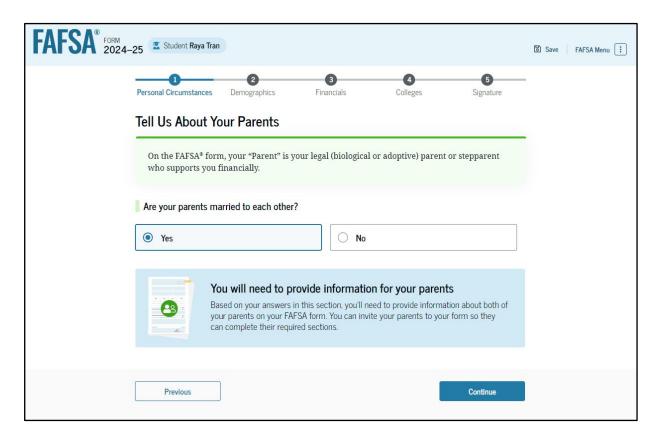
Student Provides Consent

This page informs the student about consent and their federal tax information. By providing consent, the student's federal tax information is transferred directly into the FAFSA® form from the IRS to help complete the Student Financials section. The student selects "Approve" to provide consent and is taken to the next page.

Student: Tell Us About Your Parents

The FAFSA® form considers their "Parent" to be their legal (biological or adoptive) parent. The student is asked if their parents are married. The student selects "Yes" and is required to invite their parents to their FAFSA form to complete the required parent sections.
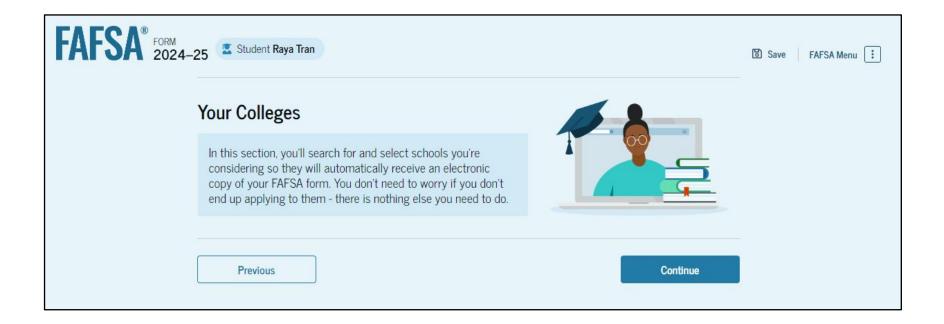
Student Invites Parents to FAFSA® Form

The student is asked to enter personal information about their parents in order to send them an invite to their FAFSA® form.
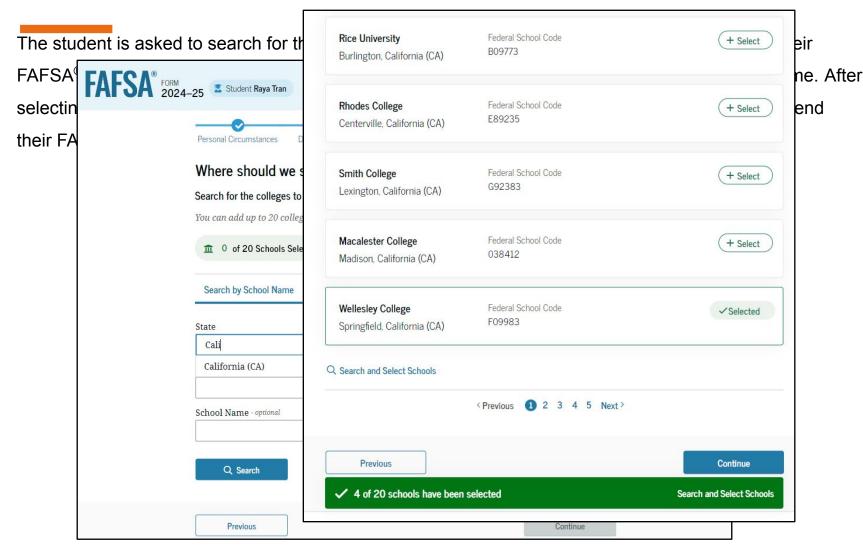
Student Selects Colleges

This is the first page in the Select Colleges section, which is the final part of the FAFSA® form's student section to require information. It provides an overview of the section.
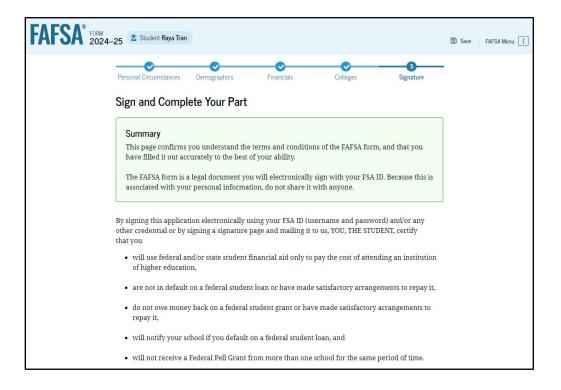
College Search

The student is asked to search for th[...] eir

FAFSA[...] ne. After

selectin[...] end

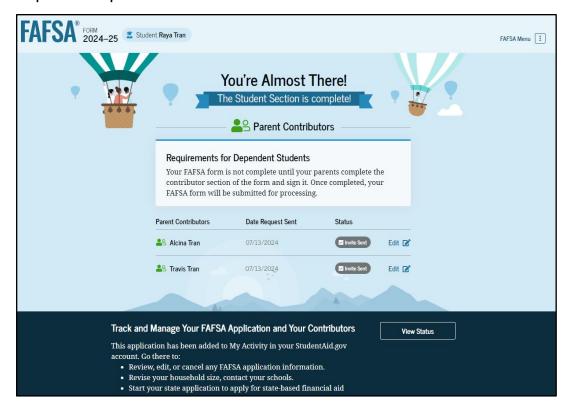their FA[...]

Student Signature

On this page, the student acknowledges the terms and conditions of the FAFSA® form and signs their section. After agreeing and signing, the student is able to submit their section of the FAFSA form. Since parent information has not been provided, the FAFSA form is not considered complete and can't be processed yet.

Student Section Complete

Upon signing the student section, the student is presented the student section complete page. This page displays information for the student about next steps, including tracking their FAFSA® form. The student is reminded that their form is not completed and can't be submitted until the parent completes the contributor section of the form and signs it. Next, in this scenario, the student's invited parent will enter the FAFSA form and complete the parent section.

Student's Parent Email

Raya Tran Wants Your Help on a FAFSA® Form

Raya Tran has identified you as a parent on their *Free Application for Federal Student Aid* (FAFSA®) form.

Parents are required to provide their financial and demographic information on the student's FAFSA form. This does not make you financially responsible for Raya's educational costs or any federal student loans they decide to accept.
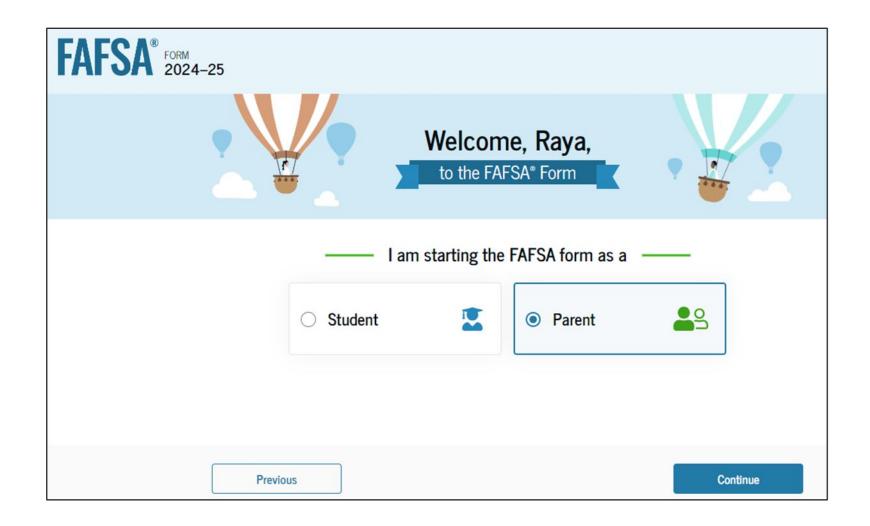
Visit the 2024-25 FAFSA Help Center

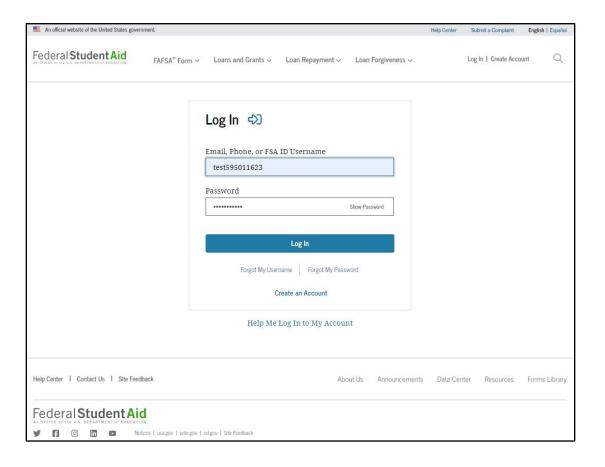**Accept Invitation**   Decline Invitation

By accepting this invitation, you agree to share your personal and contact information from your StudentAid.gov account on the student's FAFSA form. Once you accept, your information will be linked to this form.
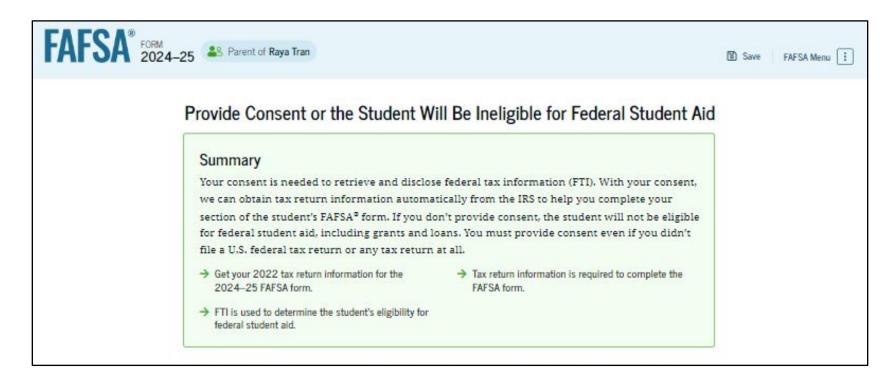
Student's Parent Log In

The parent is taken from their email to the "Log In" page to enter their log-in credentials. To access the FAFSA® form, all users are required to have an FSA ID (account username and password). If the parent doesn't have an FSA ID, they can select "Create an Account."

Parent Provides Consent

This page informs the parent about consent and their federal tax information. By providing consent, the parent's federal tax information is transferred directly into the FAFSA® form from the IRS to help complete the Parent Financials section. The parent selects "Approve" to provide consent and is taken to the next page.
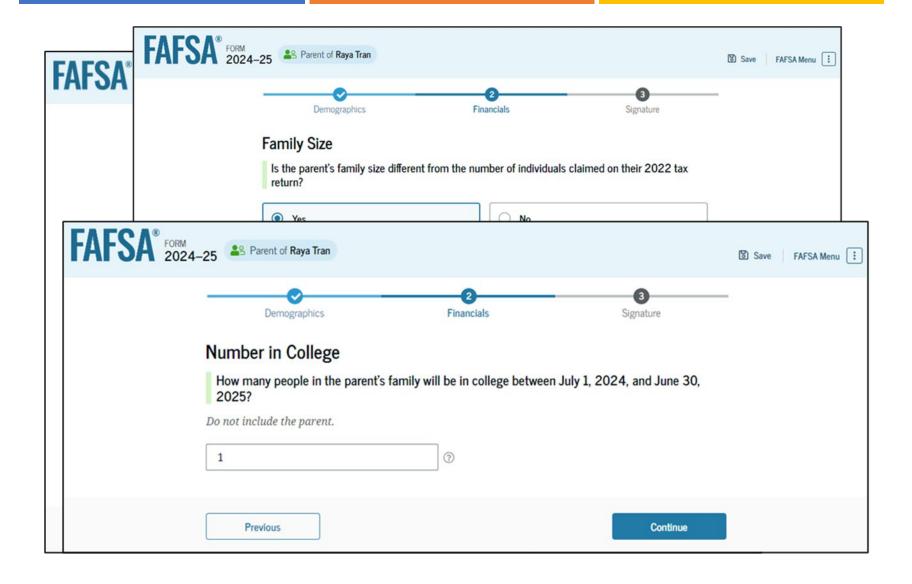
Student's Parent Demographics

This is the first page in the Parent Demographics section. It provides an overview of the section.
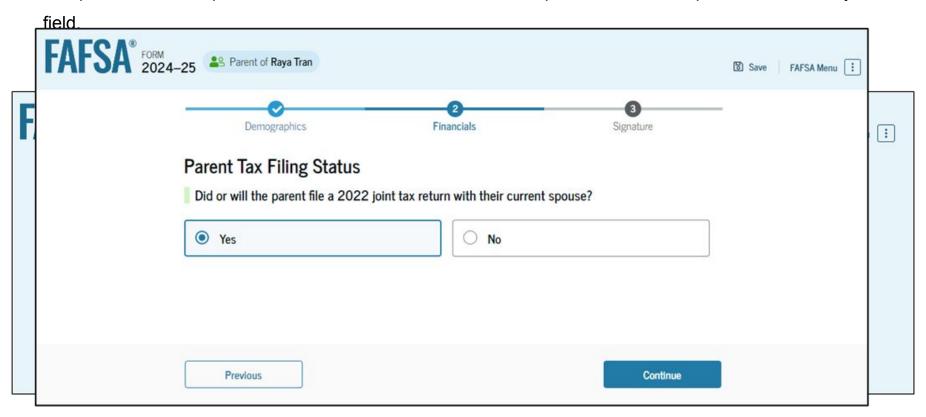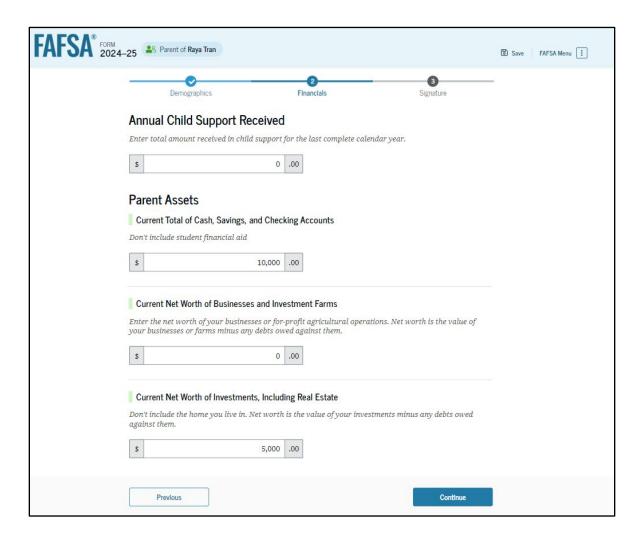
Parent Tax Return Information
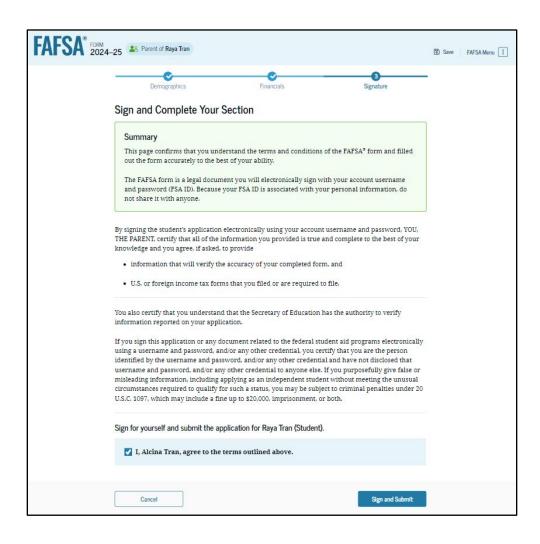
The parent is asked questions about their 2022 tax return. The parent enters a response in each entry field.

Parent Assets

Parent Signature

FAFSA® Confirmation

Upon sub... ...n page.

This page... ...dent will

receive a... ...eted and

signed, th...

SPECIAL CIRCUMSTANCES MATTER

- When the numbers don't tell the whole story
- When the situation is expected to change (or has)
- Must be able to document
- Ex. decrease in income, healthcare costs, legal fees, etc.
- ***Consideration will vary from school to school***

Special Circumstances

Loss of employment

Dependent care

Secondary school tuition

Uncovered medical/dental expenses

Marital status change

One-time expenses (emergency home repairs, …)

SUPPLEMENTAL FINANCIAL AID APPLICATIONS

- **The College Scholarship Service (CSS) Financial Aid *PROFILE***

or

- **A College's own application for financial aid**

APPLY WITH CSS PROFILE

CSS Profile

Each year CSS Profile unlocks access to more than $10 billion in nonfederal aid to thousands of students.

Sign in to Fall 2023/Spring 2024

Check Participating Schools and Scholarships

Learn More

Learn How to Apply

Complete the Application

Completing the CSS Profile for the Noncustodial Parent

Information for Parents

https://cssprofile.collegeboard.org/

UNIVERSAL PHILOSOPHY:
FINANCING A COLLEGE EDUCATION IS "A PARTNERSHIP"

- **Students** and their **parent(s)** have the primary responsibility to pay for college (to the extent they are able).

- Financial aid assessment is NOT a cash flow analysis but rather an evaluation of an individual family's **appropriate** economic strength.

- The contribution is determined by a standard formula that assesses a family's **ability** to pay.

- **Special circumstances** matter; they can and do affect ability to pay.

- **Communication** is vital.

- *The Financial Aid Office is your advocate!*

THE FINANCIAL AID AWARD LETTER (OR "PACKAGE")

THE FINANCIAL AID AWARD LETTER

- Will contain a combination of
    - scholarship, grant, loan and work-study funds

- Why might "packages" be different?
    - cost of attendance
    - scholarship criteria and availability
    - institutional philosophy and funding

- Renewal for four years

Costs

Gift aid

Net cost

Loan/work options

Other

University of the United States (UUS)
Student Name, Identifier

Costs in the 2013-14 year

Estimated Cost of Attendance $ X,XXX / yr
Tuition and fees .... $ X,XXX
Housing and meals .... X,XXX
Books and supplies .... X,XXX
Transportation .... X,XXX
Other educational costs .... X,XXX

Grants and scholarships to pay for college

Total Grants and Scholarships ("Gift" Aid; no repayment needed) $ X,XXX / yr
Grants from your school .... $ X,XXX
Federal Pell Grant .... X,XXX
Grants from your state .... X,XXX
Other scholarships you can use .... X,XXX

What will you pay for college

Net Costs $ X,XXX / yr
(Cost of attendance minus total grants and scholarships)

Options to pay net costs

Work options

Work-Study (Federal, state, or institutional) .... $ X,XXX

Loan options*

Federal Perkins Loans .... $ X,XXX
Federal Direct Subsidized Loan .... X,XXX
Federal Direct Unsubsidized Loan .... X,XXX

*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

Other options

Family Contribution $ X,XXX / yr
(As calculated by the institution using information reported on the FAFSA or to your institution.)

- Payment plan offered by the institution
- Parent PLUS Loan
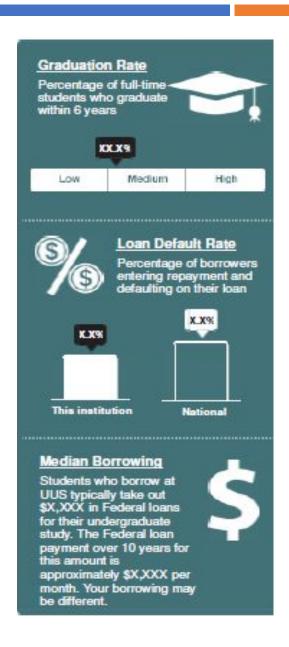- Military and/or National Service benefits
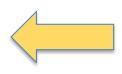- Non-Federal private education loan

Customized information from UUS

Graduation Rate
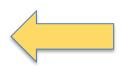Percentage of full-time students who graduate within 6 years

XX.X%

| Low | Medium | High |

Loan Default Rate
Percentage of borrowers entering repayment and defaulting on their loan

X.X%

X.X%

This institution   National

Median Borrowing
Students who borrow at UUS typically take out $X,XXX in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately $X,XXX per month. Your borrowing may be different.
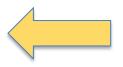
Current "*graduation rate survey*" as reported to the National Center for Education Statistics under IPEDS
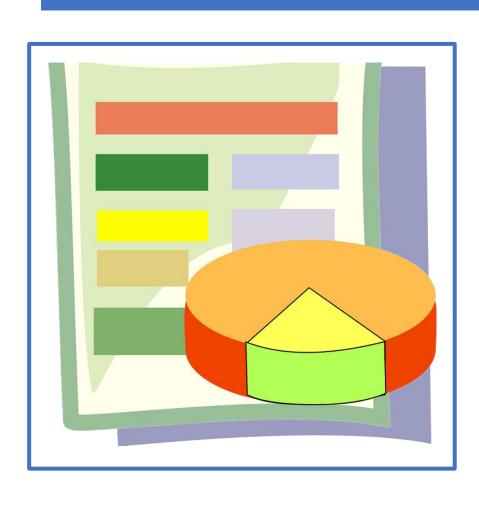
Current "*cohort default rate*" as calculated by the Department

NEW "*median debt*" calculated by the Department

AWARD LETTER COMPARISON TOOLS

- *Finaid.org*

- *ISAC.org*

- *Consumer Financial Protection Bureau*

DEADLINES ARE ESSENTIAL!

- Know each College's *priority* deadlines

    - Read and retain all communication you receive

    - Merit scholarship deadlines

    - Admission Decision deadlines

    - Deadlines for supplemental documents (verification worksheet, etc.)

ASK FOR HELP

- Your HS Guidance or College Counselor

- A College's Financial Aid Office

- Online
  - *collegezone.com*
  - *finaid.org*
  - *studentaid.gov*
  - *College Web Sites*
  - *Video tutorials on FSA YouTube channel:*
    - *How to Create Your FSA ID*

Admission application, now

CSS Profile – October 1

FAFSA – December

Special circumstances

Award Letter – January through March

Ask questions

Enroll in College!

May 1 – National Candidate Reply Date

KEY TAKEAWAYS