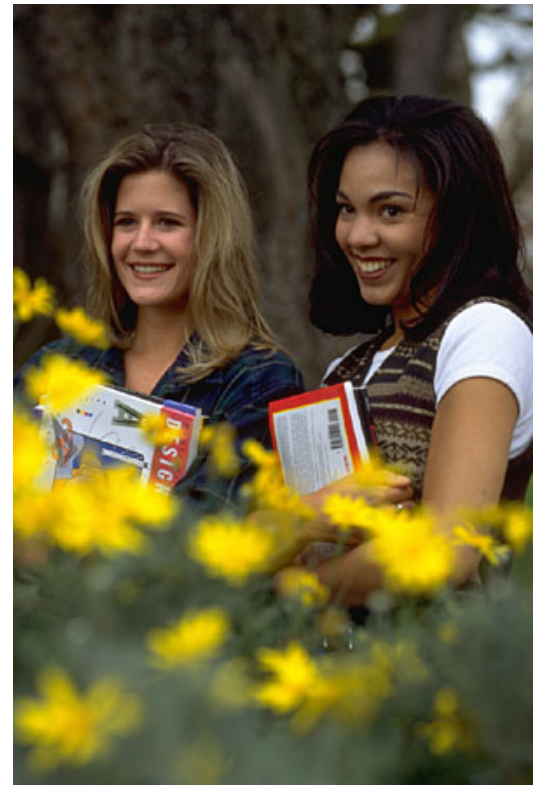


# Financing Your Education

- Definition, Purpose, and Basic Premise of Financial Aid
- Primary Sources and Types of Financial Aid
- Applying for Financial Aid and How Financial Need is Determined
- Scholarship Search Services

# What is Financial Aid?

- One source of money for postsecondary expenses
- Pays for education or training
- Pays direct education costs and indirect costs or living expenses.



# Direct Costs

- Room
- Board
- Tuition
- Fees



# Indirect Costs

- Personal
- Travel
- Books
- Supplies



# Purposes of Financial Aid

Financial Aid provides:

- **ACCESS** to postsecondary education or training
- **CHOICE** among postsecondary institutions

# A Basic Premise of Financial Aid

- Students and parents are the primary source of funds for postsecondary education and are expected to contribute to the extent they are able.
- Students and parents should avoid the misconception that anyone else has responsibility to pay for the education.

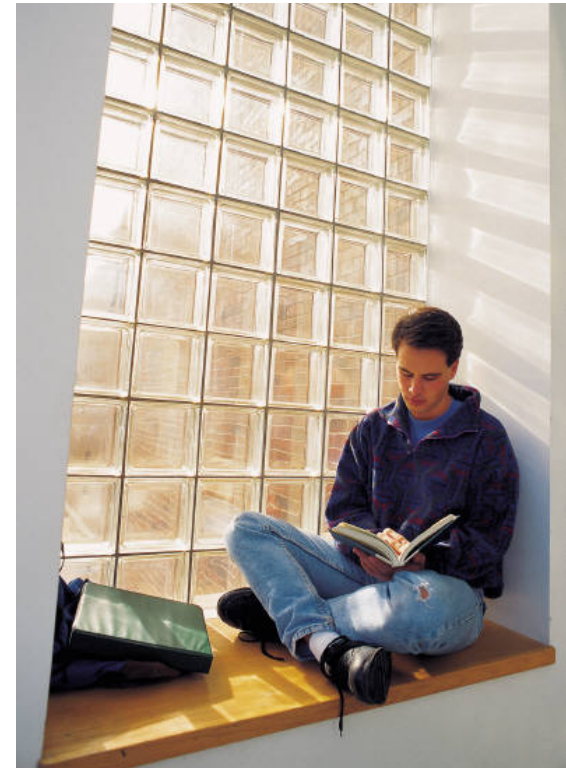
# Primary Sources of Financial Aid

- Federal Government
- State Governments
- Postsecondary Institutions
- Private Agencies



# Types of Financial Aid

- **Gift aid:** Grants and scholarships not paid back
- **Loan Aid:** Borrowed money paid back with interest
- **Work Aid:** Money earned as payment for a job



# Criteria

- Merit scholarships
- Need-based aid
- No-need aid
- Combinations

# Sources of Financial Aid - Federal Government

	NEED ANALYSIS REQUIRED	DOLLAR AMOUNT
Federal Pell Grant	YES	\$555-\$5,550 (for 2010-2011)
Federal S.E.O.G.*	YES	\$100-\$4,000 (usually \$1,000)
Federal Perkins Loan* 5% interest rate; 9 month grace period; 10 year standard repayment period; no fee	YES	Up to \$5,500 (usually \$1,000)
Federal Work-Study Program*	YES	Varies
Federal Stafford Loan sub 3.4% (beginning July 1, 2011); unsub 6.8% fixed interest rate; 6 months grace period, several repayment options (see Student Guide); .5% net fee	YES	\$3500/\$4500/\$5500 plus \$2,000 unsub
TEACH Grant (career in teaching)	YES	\$4000
Federal Direct PLUS Loan 7.9% fixed interest rate; payments begin within 60 days of last disbursement; 2.5% net fee	NO	Up to cost of attendance-financial aid

\* ADMINISTERED AT THE STATE OR SCHOOL LEVEL

# Sources of Financial Aid - State Government

	NEED ANALYSIS REQUIRED	DOLLAR AMOUNT
Pennsylvania State Grant	YES	\$500-\$3541

New York, New Jersey, and Maryland State Grants are **not** portable.

Connecticut, Delaware, Maine, Massachusetts, Michigan, Ohio, Rhode Island, Vermont, and West Virginia State Grants **are** portable.

# Sources of Financial Aid

INSTITUTIONAL	NEEDS ANALYSIS REQUIRED	DOLLAR AMOUNT
Grants	Usually	Varies
Scholarships	Not Usually	Varies
Loans	Usually	Varies
Work Programs	Usually	Varies
OTHERS		
High School	Varies	Varies
Local Businesses and Organizations	Varies	Varies

# Applying for Financial Aid

- Need analysis (FAFSA)
- State application
- Institutional application
- Applications for private programs



# Federal Student Aid FAFSA



# on the Web




**FAFSA**  
Free Application for Federal Student Aid


[FAFSA Home](#) [Student Aid on the Web](#) [Application Deadlines](#) [PIN Site](#) [Help](#) [Contact Us](#) [FAQs](#) [Site Map](#) [About Us](#)

- Web site: [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
- 2011-12 FAFSA available on or after January 1, 2011
- Pre-Application Worksheet & built-in edits to help prevent costly errors

# FAFSA on the Web Worksheet



**2010–2011**  
FAFSA ON THE WEB WORKSHEET  
[www.fafsa.gov](http://www.fafsa.gov)



START HERE  
GO FURTHER  
FEDERAL STUDENT AID

**DO NOT MAIL THIS WORKSHEET.**

You must complete and submit a *Free Application for Federal Student Aid (FAFSA)* to apply for federal student aid and to apply for most state and college aid. Applying online with *FAFSA on the Web* at [www.fafsa.gov](http://www.fafsa.gov) is faster and easier than using a paper FAFSA.

This worksheet has been designed to provide a preview of the questions that you may be asked on *FAFSA on the Web*. Write down notes to help you easily complete your FAFSA anytime after January 1, 2010.

See the table to the right for state deadlines. Check with your high school counselor or your college's financial aid administrator about other deadlines.

- This Worksheet is optional and should only be completed if you plan to use *FAFSA on the Web*.
- Sections in purple are for parent information.
- This Worksheet does not include all the questions from the FAFSA. The questions that are included are ordered as they appear on *FAFSA on the Web*. When you are online you may be able to skip some questions based on your answers to earlier questions.

**Apply Faster—Sign your FAFSA with a Federal Student Aid PIN.**  
If you do not have a PIN, you can apply for one at [www.pin.ed.gov](http://www.pin.ed.gov). Your PIN allows you to electronically sign when you submit your FAFSA. If you are providing parent information, one parent must also sign your FAFSA. To sign electronically, your parent should also apply for a PIN.

You do not have to pay to get help or submit your FAFSA. Submit your FAFSA for free online at [www.fafsa.gov](http://www.fafsa.gov). Federal Student Aid provides free help online at [www.fafsa.gov](http://www.fafsa.gov) or you can call 1-800-4-FED-AID. TTY users (hearing impaired) may call 1-800-730-8913.

**NOTES:**

**STATE AID DEADLINES**  
Check with your financial aid administrator for these states and territories:  
AL, AS \*, AZ, CO, FM \*, GA, GU \*, HI \*, MH \*, MP \*, NC, NE, NM, NV \*, PR, PW \*, SD \*, TX \*, UT, VA \*, VI \*, VT \*, WA, WI and WY \*.

Pay attention to the symbols that may be listed after your state deadline.

AK	April 15, 2010 (date received)
AR	Academic Challenge - June 1, 2010 (date received) Workforce Grant - Contact the financial aid office. Higher Education Opportunity Grant - June 1, 2010 (fall term) (date received) - November 1, 2010 (spring term) (date received)
CA	Initial awards - March 2, 2010 + * Additional community college awards - September 2, 2010 (date postmarked) + *
CT	February 15, 2010 (date received) + *
DC	June 20, 2010 (date received by state) + *
DE	April 15, 2010 (date received)
FL	May 15, 2010 (date processed)
IA	July 1, 2010 (date received)
ID	Opportunity Grant - March 1, 2010 (date received) + *
IL	As soon as possible after 1/1/2010. Awards made until funds are depleted.
IN	March 16, 2010 (date received)
KS	April 1, 2010 (date received) + *
KY	March 15, 2010 (date received) #
LA	July 1, 2010 (date received)
MA	May 1, 2010 (date received) #
MD	March 1, 2010 (date received)
ME	May 1, 2010 (date received)
MI	March 1, 2010 (date received)
MN	30 days after term starts (date received)
MO	April 1, 2010 (date received) #
MS	MTAG and MESO Grants - September 15, 2010 (date received) #
MT	HELP Scholarship - March 31, 2010 (date received) #
ND	March 1, 2010 (date received) #
NH	March 15, 2010 (date received)
NH	May 1, 2010 (date received)
NJ	2009-2010 Tuition Aid Grant recipients - June 1, 2010 (date received) All other applicants - October 1, 2010, fall & spring terms (date received) - March 1, 2011, spring term only (date received)
NY	May 1, 2011 (date received) + *
OH	October 1, 2010 (date received)
OK	April 15, 2010 (date received) #
OR	OSAC Scholarship - March 1, 2010 Oregon Opportunity Grant - Contact the financial aid office.
PA	All 2009-2010 State Grant recipients & all non-2009-2010 State Grant recipients in degree program - May 1, 2010 (date received) # All other applicants - August 1, 2010 (date received) #
RI	March 1, 2010 (date received) #
SC	Tuition Grants - June 30, 2010 (date received) SC Commitment on Higher Education - no deadline State Grant - February 15, 2010 (date received) # State Lottery - September 1, 2010 (date received) #
TN	April 15, 2010 (date received) #
WV	April 15, 2010 (date received) #

# For priority consideration, submit application by date specified.  
\* Applicants encouraged to obtain proof of mailing.  
\* Additional form may be required.

STATE AID DEADLINES

# PIN Web site

- Web site: **Welcome to the Federal Student Aid  
PIN Web site**   
[www.pin.ed.gov](http://www.pin.ed.gov)
- The PIN Application is for students and parents to apply for a new Federal Student Aid PIN.
- Your PIN serves as your electronic signature.
- Your PIN can be used each year to electronically apply for federal student aid
- Can get PIN before January 1

# Applying for Financial Aid

- Need analysis (FAFSA)
- State application
- Institutional application
- Applications for private programs



# Private Scholarship Search

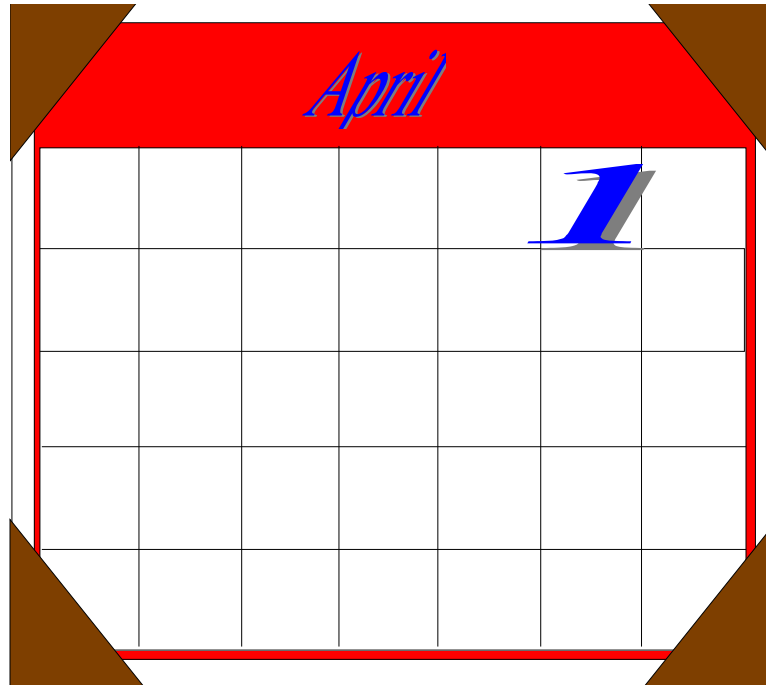
Free Internet scholarship search engines:

- [www.fastweb.com](http://www.fastweb.com) - FastWeb
- [www.finaid.org](http://www.finaid.org) - The SmartStudent Guide to Financial Aid
- [http://apps.collegeboard.com/cbsearch\\_ss/welcome](http://apps.collegeboard.com/cbsearch_ss/welcome) - CollegeBoard
- [www.petersons.com/ss/code/prompt](http://www.petersons.com/ss/code/prompt) - Peterson's search
- [www.nextstudent.com/scholarship\\_search](http://www.nextstudent.com/scholarship_search) - NextStudent
- [www.scholarshipexperts.com](http://www.scholarshipexperts.com) – ScholarshipExperts
- [www.collegescholarships.com](http://www.collegescholarships.com) – College Connection Scholarships
- [www.iefaf.org](http://www.iefaf.org) - International Education Financial Aid

# Financial Aid Calendar

- January 1 of the award year is the earliest that a student can submit or mail their Free Application for Federal Student Aid (FAFSA). For example, for the upcoming 2011-2012 academic year, January 1, 2011, is the first date that the FAFSA can be submitted.
- Most people wait until they have completed their tax forms so that they have accurate information to put on their FAFSA.

# Deadlines are very important!



- Submit FAFSA by March 1.

# Financial Aid Calendar

- If tax forms cannot be completed in time to meet the deadlines, you should estimate the information. Estimating is allowed and should be done in this situation.
- You can always go back and correct an incorrect estimate, but you can never go back and not miss a deadline.

# Principles of Need Analysis

The Federal Methodology is a national standard of ability to pay:

- Distributes scarce resources
- Allocates funds equitably and consistently
- Parents and students are primarily responsible for the educational expenses.
- Income and assets reflect family financial strength
- Uses income from the latest completed tax year and assets as the date of FAFSA completion
- Family circumstances considered

# EFC for Dependent Student

Parental contribution from  
income & assets  
(as adjusted, if more than 1  
household member in college)

+ Student contribution from  
available income & assets

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= **EFC**



# Determining Eligibility for Financial Aid

Cost of Attendance (COA)

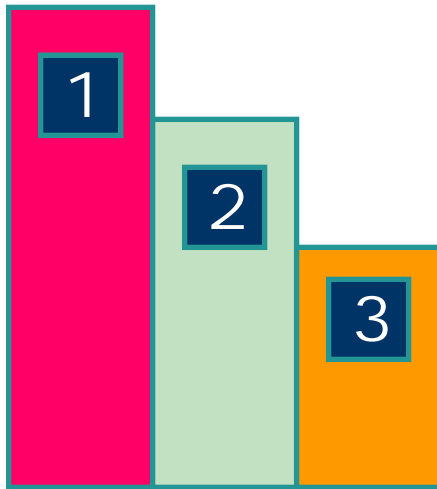


– Expected Family Contribution (EFC)

---

= Student's Financial Need

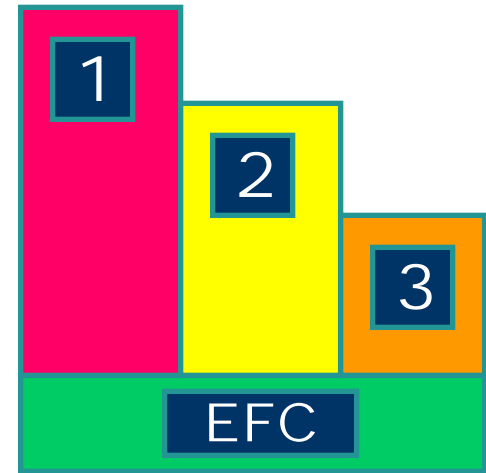
# Need Varies Based on Cost



COA  
(variable)



EFC  
(constant)



Need  
(variable)

# Eligibility for Aid Equals Need



# Available Aid May Not Equal Need



# What Do I Owe?

Cost of Attendance (COA)

– Financial Aid

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= Actual Family Contribution



# Examples of Financial Aid Packages

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# College

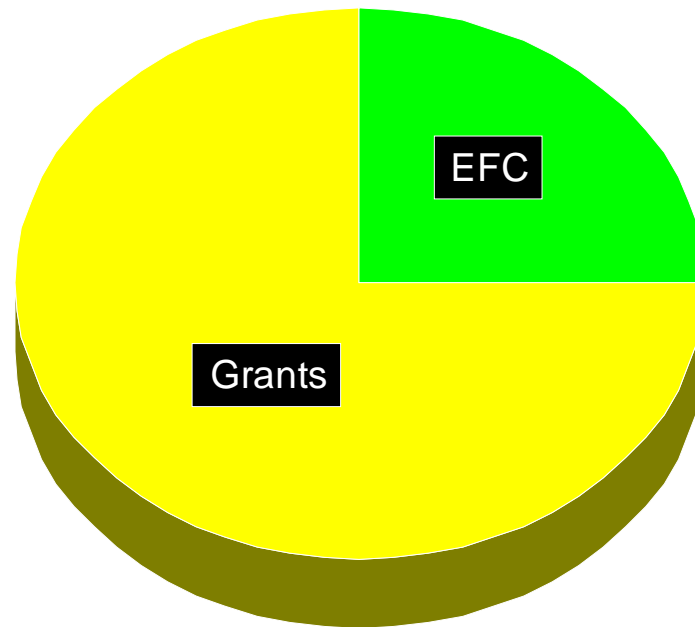
Cost \$20,000

-EFC 5,000

Need \$15,000

Package #1:

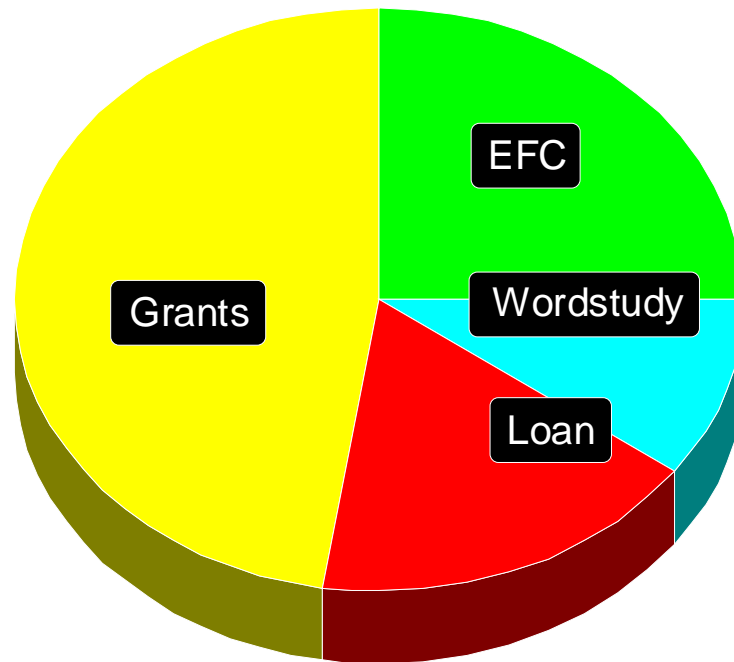
\$ 15,000 Grants  
and Scholarships



# College

Cost \$20,000  
-EFC 5,000  
Need \$15,000

Package #2:  
\$ 9,500 Grants  
\$ 3,500 Loan  
\$ 2,000 Work study



# College

Cost \$20,000

-EFC 5,000

Need \$15,000

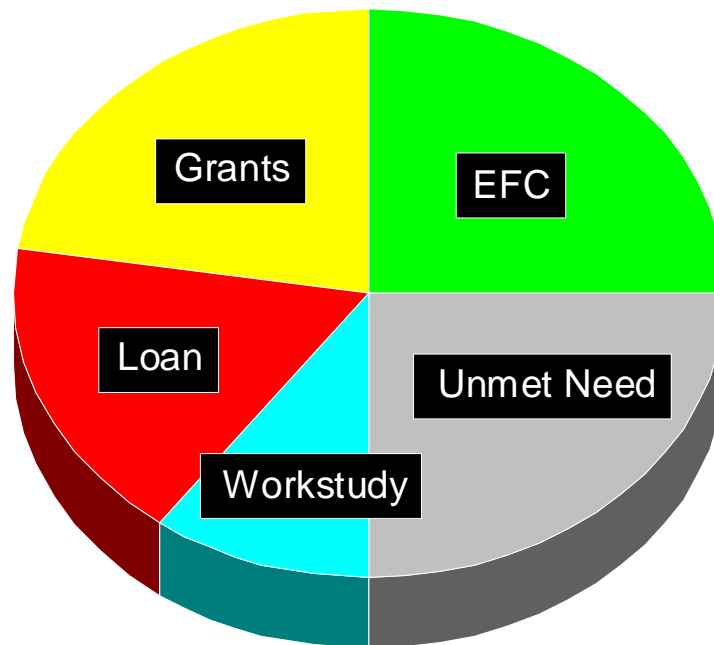
Package #3:

\$ 4,500 Grant

\$ 3,500 Loan

\$ 2,000 Work study

\$ 5,000 Unmet Need



# Thank You!

