

Welcome to Financing Your Education

**Karen Grace-Baker
Erin Knott**

What Will Be Covered Today

Financial Aid Basics



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Financial Aid Application Process

Types of Financial Aid

Financial Aid Tips

What Financial Aid Offers



- Financial Aid offers access to funds to pay for
 - Community Colleges
 - 4 Year Public and Private Universities
 - Private Career Colleges
- Allows you to compare the cost of different types of colleges you are accepted to so you can make an informed decision

Alphabet of Financial Aid Terms

EFC

Award Letter

FAFSA

Custodial
Parent

CSS

COA

SAR

Unsubsidized loan

Subsidized
loan

Stafford Loan

Who should apply for financial aid?

EVERYONE!

But...why should I apply?

Colleges use a special formula that takes into account:

1. Family size
2. Income
3. “Typical assets”- home ownership, investments, etc.
4. Colleges will not offer you merit aid until they see you don’t qualify for need aid

How do colleges calculate
financial aid?

Financial Aid Formula

Cost of Attendance (COA)



**Expected Family Contribution
(EFC)**



Financial Need

Cost of Attendance-COA

Direct Expenses

- Tuition and Fees
- Room: On Campus, Off Campus, With Parents
- Board: Meal Plan

Indirect Expenses

- Books and Supplies
- Personal Expenses
- Transportation

Expected Family Contribution-EFC

- Your Expected Family Contribution, or EFC, is the amount of money the government believes you and your family could reasonably contribute toward your education for the school year.
- Your EFC is calculated using a federal formula to evaluate the information you provide on your FAFSA.
- You will find your EFC on your Student Aid Report (SAR), which you will receive after submitting your FAFSA.



How the Formula Works

	Community College	California State University	University of California	Private College
Cost of Attendance	\$11,500	\$23,000	\$32,000	\$50,000
Expected Family Contribution	\$5,000	\$5,000	\$5,000	\$5,000
Financial Need	\$6,500	\$18,000	\$27,000	\$45,000

Applying to FAFSA (step 1 in applying for financial aid)

Collect Information

- Tax documents- W-2, 1040, 1099, etc. File and get your return early!
 - Your Social Security Number
 - Federal Student Aid PIN
 - An Email Address
- Your Drivers License Number
 - Alien Registration Number, if you are Permanent Resident

Applying to FAFSA

Fill Out a FAFSA on the Web

- Opens January 1, 2015
- English and Spanish versions are available online at

www.fafsa.ed.gov

Applying to FAFSA

Review Your Student Aid Report

- After submitting your FAFSA, you will receive a Student Aid Report, or SAR.
- The SAR contains all the information provided on the FAFSA, as well as your EFC.
 - Review your SAR for accuracy and follow the instructions if you need to make corrections.
- Each college listed on your FAFSA will receive a copy of your SAR.

Applying for Financial Aid

Submit Other Applications

- Some colleges require additional information in order to determine your financial aid.
 - CSS Profile – Institutional Funds
 - GPA Verification Form – Cal Grant
 - 2014 Federal Income Tax Forms

Applying for Financial Aid

Evaluate Your Financial Aid Offers

- Once you are accepted, the Financial Aid Office at each college you list on your FAFSA will provide you with a Financial Aid Award.
- Offers may vary based on a school's cost of attendance and availability of institutional grants, loans, and scholarships.

Get Free Help

On the Web

- Find help for questions at www.fafsa.ed.gov or click on the Live Help button during business hours.

On the Phone

- Call toll free 800-433-3243 Monday – Friday up to 8am-10pm Eastern Time

In Person

- Attend your school's FAFSA workshop night, or plan to attend a free California Cash for College workshop in January or February.

Types of Financial Aid

Federal Grant Programs



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Cal Grants

Scholarships

Work Study

Student Loans

Federal Grant Programs

Pell Grant

- Grant offered to students with an EFC below \$5081
- Maximum offered is \$5,645

Supplemental Grant

- Priority given to Pell recipients with the lowest EFCs.
- Funding is limited, and it may not be offered by all schools
- Up to \$4,000 per year

Cal Grant Entitlement Awards



California Grants



- A Cal Grant can be used at any University of California, California State University, Community Colleges, and most private colleges in California.
- Cal Grants* cover system-wide fees at CSU and UC campuses, (\$5,472 and \$12,192) and up to \$9,084 at private California colleges or universities.
- For more information on income and GPA requirements and types of Cal Grants, refer to: <http://www.calgrants.org>
 - You can receive a Cal Grant for up to four years (or eight semesters).

*Based on 2014-15 grant year

Scholarships



- Provide free money for college which is usually based on your area of study or merit, such as good grades, high test scores, athletic, musical or other special talents, and community service.
- Can be granted through individual colleges or outside organizations
- Usually require separate applications, and may require transcript, essay, interview, or audition.
- Some scholarships are based on financial need.

Free Internet Search Engines

- Benefits of Searching Online
 - Gain access to thousands of scholarships
 - Get personalized information on scholarships that match your major, talents, and interests
 - Receive email notifications of scholarship opportunities
- Highest Quality Free Scholarship Search Engines
 - www.fastweb.com
 - www.collegeboard.com
 - www.scholarships.com
 - www.finaid.org



Scholarship Organizations



www.hsf.net

BILL & MELINDA
GATES *foundation*

www.gatesfoundation.org

Tips on Applying for Scholarships



Beware of False Claim!!



“Guaranteed or your money back!”

“Give me your credit card or bank account number to hold this scholarship”

“The scholarship will cost some money”

“You’ ve been selected . . .”

“You’ re a finalist in a contest” (that you never entered)

Student Employment aka “Work Study”

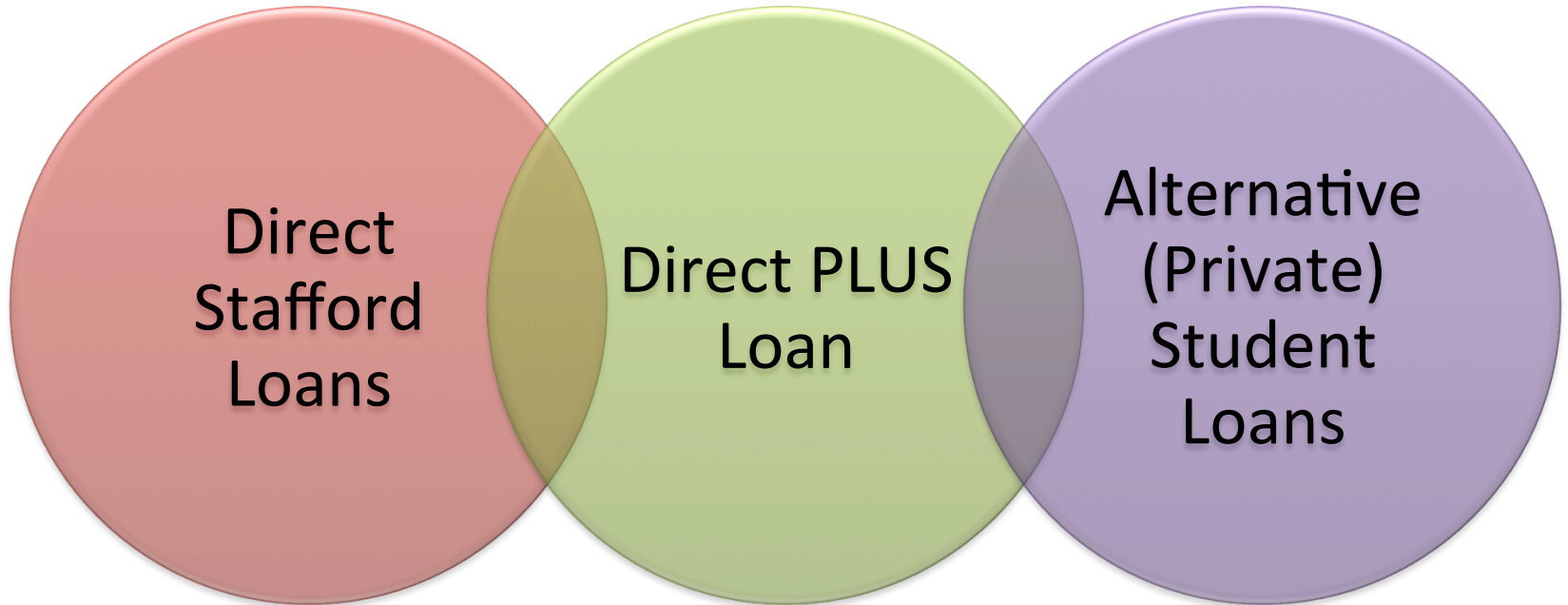
Student employment programs let you earn money through the university in certain jobs on or off campus.



Benefits of Working on Campus

- Allows you to earn money to assist with educational expenses
- Reduces the need for student loans
- Provides flexible hours, as employers understand that school comes first and will usually work around your class and study schedules
- Many jobs are office positions which will provide you with work experience which you can include on your resume
- Students who work on campus learn valuable time management skills and often perform better than students who do not work.

Student Loan Programs



Direct Stafford Loans

Subsidized Stafford Loan

- Based on financial need. The government pays interest while you're in college.
- Amount
 - Freshmen – \$5500 (\$2000 unsub)
 - Sophomores – \$6500(\$2000 unsub)
 - Junior/Senior – \$7500(\$2000 unsub)
- Interest Rate – 3.86% at repayment

Unsubsidized Stafford Loan

- Awarded to all eligible students, regardless of income or assets.
- Amount
 - Freshmen – \$5500
 - Sophomores – \$6500
 - Junior/Senior – \$7500
- Lifetime limit(undergrad) =\$31,000 (up to \$23,000 can be subsidized)
- Interest Rate – 3.86%

Direct PLUS Loans

- Only for parents for them to borrow to up to the total cost of undergraduate study minus all other financial aid received from their child's education
- Repayment begins 60 days after the final disbursement for the year. Parent can apply for deferment.
- Interest Rate – 6.41%
- Repayment Period – 10 Years
- Credit check required; no adverse credit history
- Must be US Citizen, not default on any education loans



Alternative (Private) Loans



- Allow students to borrow funds to pay for educational expenses
- Often carry higher interest rates and fees than federal loans, and may have less attractive repayment terms.
- Interest rates are variable and can change from month to month.
- Loans are usually based on your credit rating – not financial need – and may require a cosigner.

How Da Vinci helps families



- **What we do:**
 - Provide free FAFSA workshops in January and February (Bilingual Spanish/English)
 - January 27 -5:30-7:00pm
 - February 19-5:30-7:00pm
 - Provide counseling to students on the colleges that are most generous with financial assistance (financial and merit)
 - Provide resources for financial aid/scholarship
 - Financial aid resource from US Government-(www.finaid.org)
 - Scholarship database on Naviance
 - College NetPrice Calculator tool (collegecost.ed.gov/netpricecenter.aspx)
 - Recommend local scholarships to students
 - Provide dates/times for local financial aid workshops available at local high schools and community centers-Usually held in January or February
 - Cash for College workshops held at LA Convention Center (www.lacashforcollege.org/workshops)
 - Assist students in completing Cal Grant form for California grants
 - Provide referrals to experienced financial advisors (fee based) for additional information on money management, financial aid, etc.

How Da Vinci helps families

- **What we don't/can't do:**



- Provide advice on how to complete or what to include on FAFSA & CSS Profile forms
- Provide counseling to parents on how to gain cooperation for completion of forms from non-custodial parent/ex spouse, etc.
- Provide advice or guidance on your personal situation or on how to obtain \$ to meet 'financial gap' between what college offers and what EFC is determined
 - Should I use my retirement plan to fund my student's education?
 - Should I take out a private loan?
 - Should I list my second house (or vacation home) on my application?
 - Should I list my child's other parent and their location as 'unknown' in order to get more \$?
 - Should I take out a second mortgage or line of credit on my house to help finance my student's education?

How can I figure out how much financial aid I'm going to get from a particular college?



Net Price Calculator and how it can help you

- What is net price?
 - It is the 'sticker price' (COA) minus any grants or scholarships that you might be eligible for
 - It includes direct costs (tuition and fees, room and board) and indirect costs (books, supplies, transportation)
- What is the net price calculator?
 - An easy way for students and parents to 'estimate' what it might cost them 'out of pocket' to attend a particular college.
 - Prospective students HAVE to enter information about themselves to find out what students like them paid to attend the institution in the previous year, after taking grants and scholarship aid into account.
 - It is a requirement for colleges to have this on their website if they receive federal funds (Pell grants, Stafford loans, etc).



Net Price Calculator and how it can help you

- Where can I find it?
 - On individual college website
 - Often on Financial aid page
 - Sometimes easier to go into 'Search' on the college website and input 'net price calculator'
 - Google 'Net price calculator for XYX (XYZ is college name)'
 - On CollegeBoard website-www.collegeboard.org
 - www.netpricecalculator.collegeboard.org
 - Google-College Board Net price calculator
- How will it help me?
 - It will help to determine an estimated cost of what it will cost your student to attend the colleges that they are thinking of attending. But remember.....it is only as good as the data you input into it.
 - It will help you to narrow down how much it 'might cost' you to attend various colleges and you can 'compare' the various costs

Financial Aid Tips

Be Aware of
All Deadlines

Start a
Financial Aid
File

File Taxes
Early

Double Check
All
Information
for Accuracy

Communicate
with your
Financial Aid
Office

THANK YOU FOR
ATTENDING!