

FINANCIAL AID FUNDAMENTALS

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INTRODUCTION



Today you will learn:

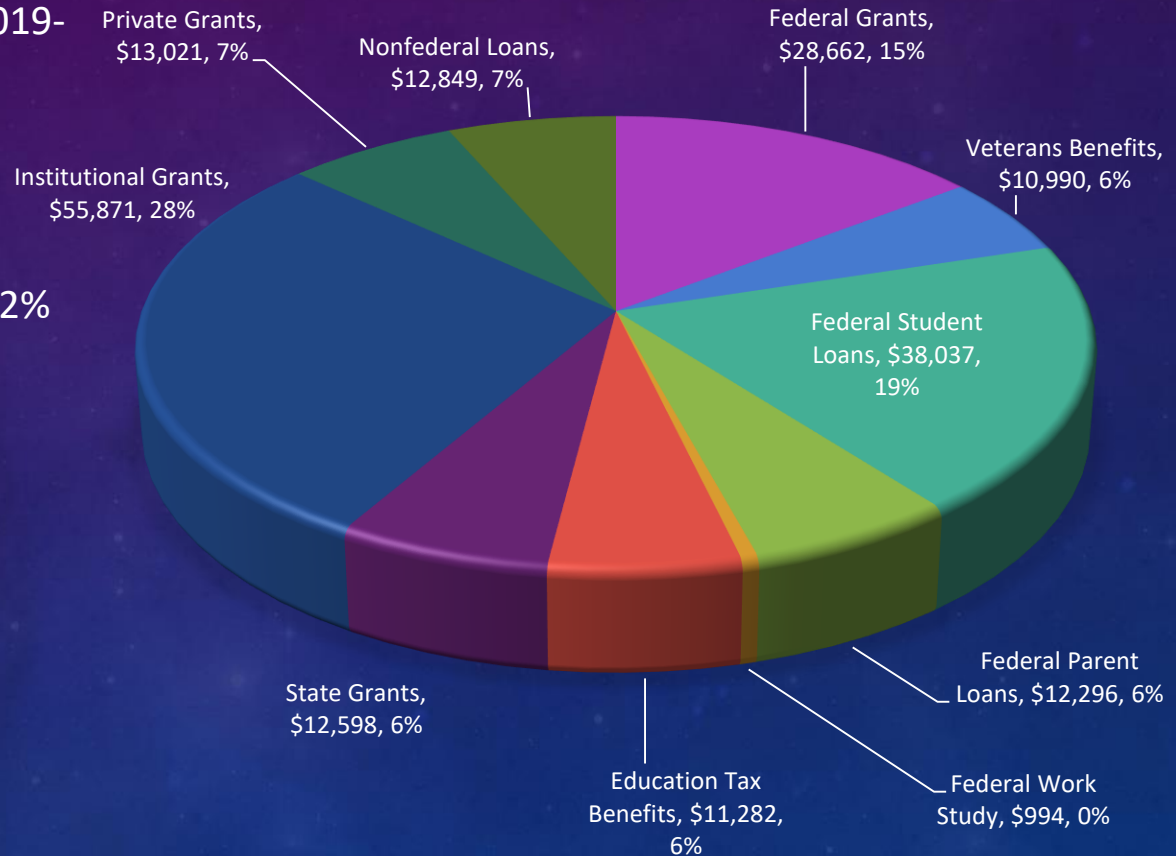
- What Financial Aid is
- Sources of Financial Aid
- When and how to apply
- Unique Circumstances

OVERVIEW

Undergraduate Student Aid by Source and Type (in Millions), 2019-20

Source: College Board, Trends in Student Aid 2020 (<http://trends.collegeboard.org>)

- Over \$196 Billion given out in Undergraduate Financial Aid in 2019-20
- Percentage in student and parent loans is reducing over time!
- Type of funding:
 - Grants / Scholarships / VA: 62%
 - Loans: 32%
 - Work: 0%
 - Tax Benefits: 6%
- Source of funding:
 - Federal: 52%
 - State: 6%
 - Institutional: 28%
 - Private: 14%
- This is a manageable process!

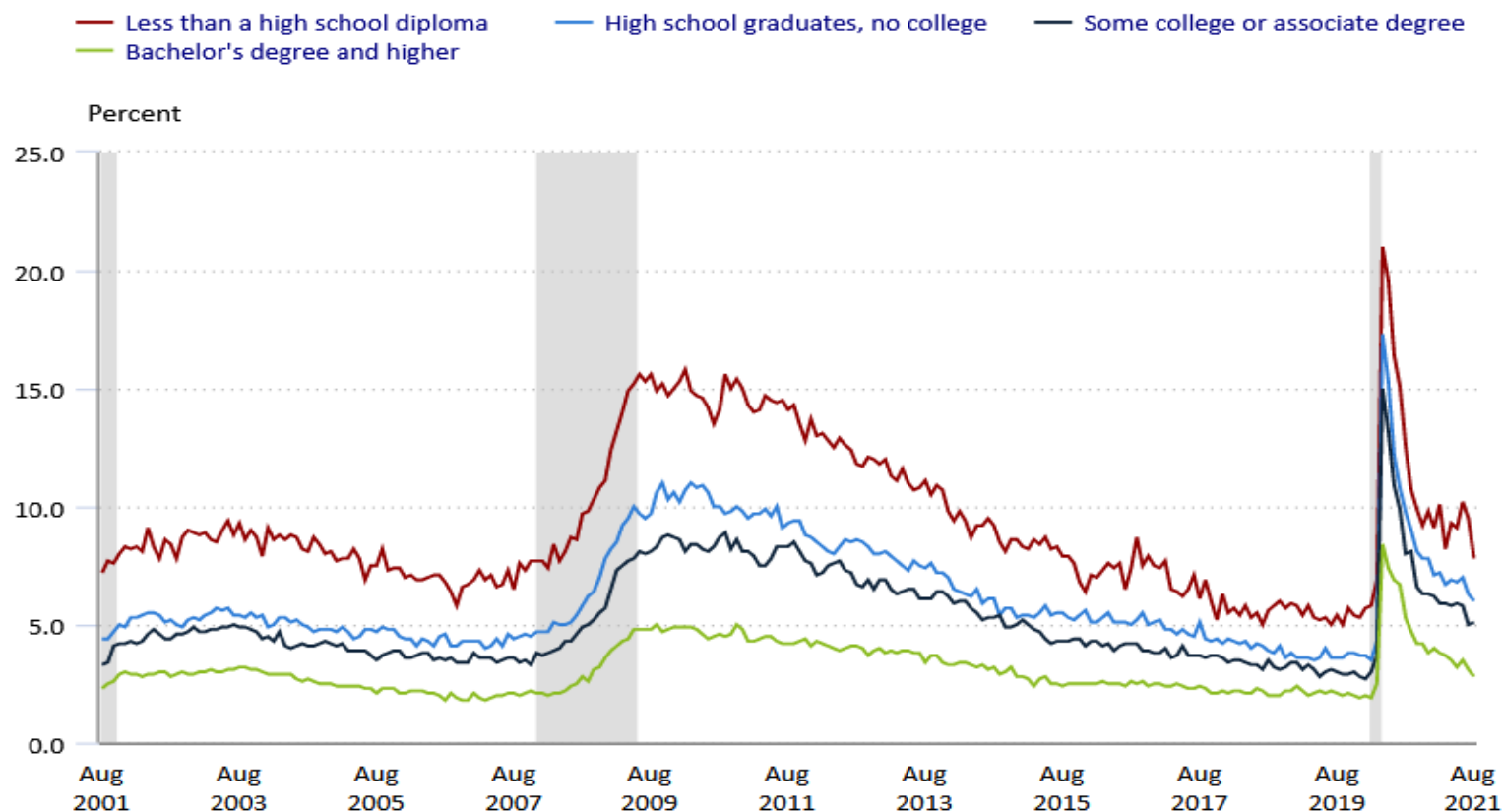


Learn more → <https://moneymanblog.com/2019/10/20/its-not-a-meme-its-a-trend/>

IS IT WORTH IT?

Unemployment rates for persons 25 years and older by educational attainment, seasonally adjusted

Click and drag within the chart to zoom in on time periods



Hover over chart to view data.

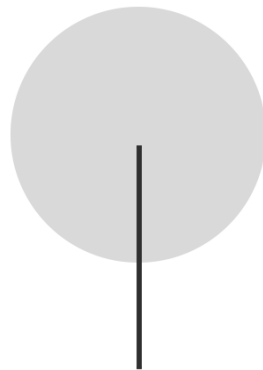
Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.



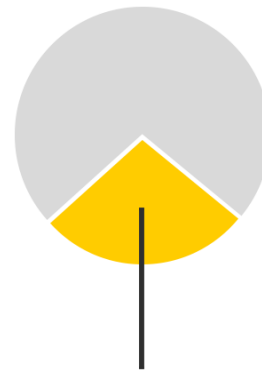
VOCABULARY

- **COA** = Cost of Attendance
- **EFC** = Expected Family Contribution
- **Financial Need** = Difference between COA and EFC



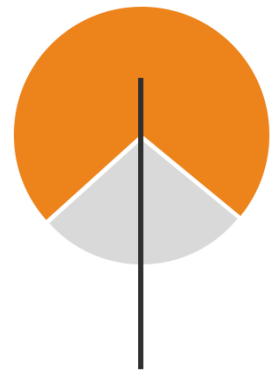
Cost of Attendance (COA)

Includes tuition and fees, housing, meals, books & supplies, transportation, and personal expenses.



Expected Family Contribution (EFC)

Determined by analyzing your family's financial information.



Eligibility for Financial Aid

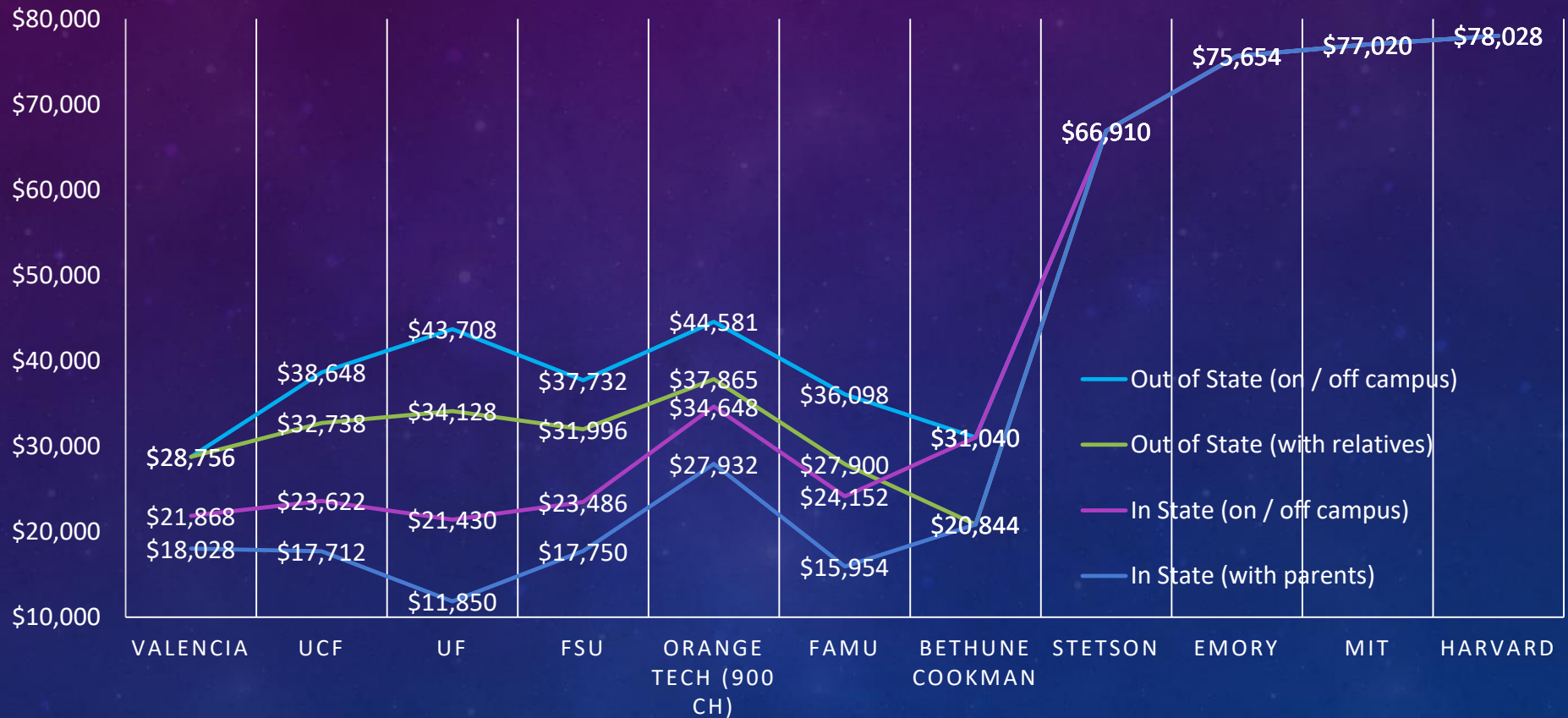
Your EFC is subtracted from the COA.



Learn more → <https://moneymanblog.com/2019/11/03/its-not-really-the-abcs-but/>

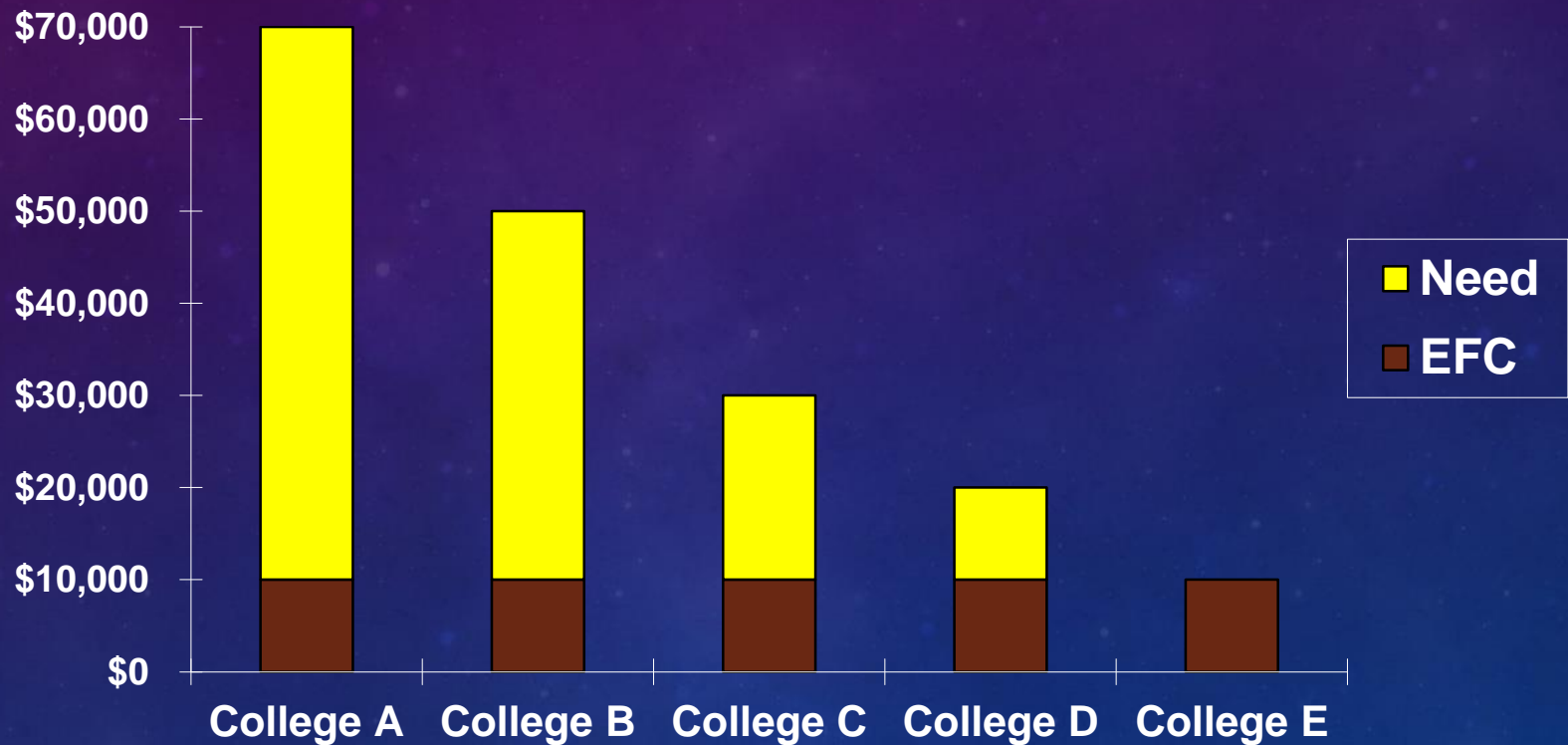
SO WHAT IS MY COLLEGE'S PRICE?

SAMPLE COAS (2021-22)



Learn more → <https://moneymanblog.com/2019/11/21/indirection/>

HOW THIS FORMULA WORKS



Learn more → <https://moneymanblog.com/2019/11/03/its-not-really-the-abcs-but/>

REMEMBER PRICE \neq COST

- Price (or sticker price) is what schools call the Cost of Attendance...
- ... but your NET PRICE (or true cost) will be what you pay after the financial aid you receive!

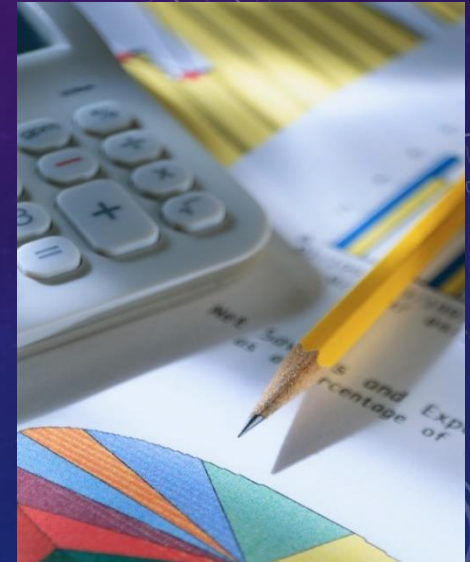
$$\begin{array}{c} \text{COST OF} \\ \text{ATTENDANCE} \\ \hline \text{TUITION} \\ \text{ROOM \& BOARD} \\ \text{FEES} \end{array} - \begin{array}{c} \text{FINANCIAL AID} \\ \hline \text{GRANTS} \\ \text{AND} \\ \text{SCHOLARSHIPS} \end{array} = \text{NET PRICE}$$

WHAT IS MY EFC?

I NEED AN EASY WAY TO FIGURE THIS OUT!

- Net Price Calculator

- Required of each college
- Usually on the Admissions or Financial Aid Page
- Provides an estimate of EFC and financial aid award
- Be aware that Garbage In = Garbage Out (GI=GO)
- Direct link to every Net Price Calculator in the country:
<https://collegecost.ed.gov/net-price>



VOCABULARY (CONTINUED)

Financial aid is:

- **Grants** (or Scholarships)
 - Money that doesn't need to be repaid
- **Loans**
 - Money which must be repaid; may be borrowed by student, parent, or both
- **Work**
 - Money which the student is given the potential to earn

THE FORMS YOU NEED TO KNOW

Applications Open:
October 1!

- **FAFSA** - Free Application for Federal Student Aid

- Required by **all** colleges
- Free form
- <http://www.fafsa.ed.gov> or myStudentAid app

- **PROFILE**

- Some colleges need this
- Electronic only
- Paid form / Free for families earning < \$100K
- <https://student.collegeboard.org/css-financial-aid-profile>

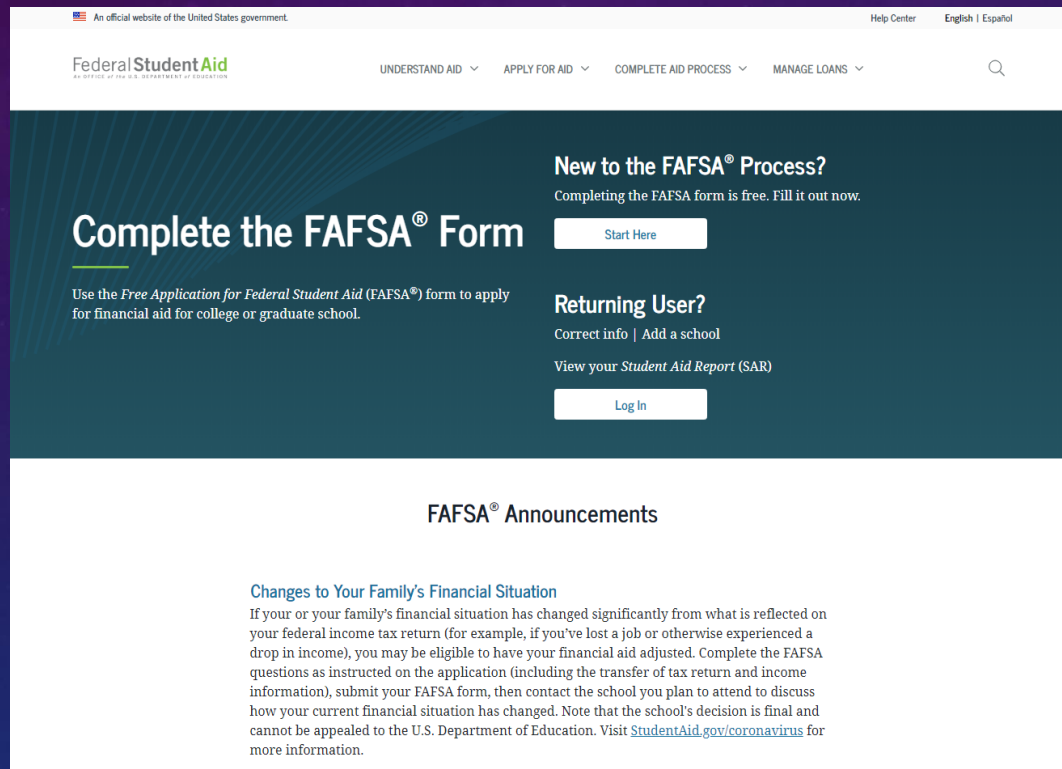
- **Institutional Application**

- One per school
- Usually part of admissions packet



Learn more → <https://moneymanblog.com/category/applying-for-aid/>

FAFSA APPLICATION HOME PAGE



The screenshot shows the FAFSA Application Home Page. At the top, there is a navigation bar with the Federal Student Aid logo, a search bar, and links for 'UNDERSTAND AID', 'APPLY FOR AID', 'COMPLETE AID PROCESS', and 'MANAGE LOANS'. Below the navigation bar, the main content area is divided into two columns. The left column features a large heading 'Complete the FAFSA® Form' with a subtext 'Use the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid for college or graduate school.' The right column has two sections: 'New to the FAFSA® Process?' with a 'Start Here' button, and 'Returning User?' with links for 'Correct info | Add a school' and 'View your Student Aid Report (SAR)', followed by a 'Log In' button. Below these sections is a 'FAFSA® Announcements' section with a subheading 'Changes to Your Family's Financial Situation' and a paragraph of text explaining how changes in financial situation can affect aid eligibility.

An official website of the United States government. Help Center English | Español

FederalStudentAid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

UNDERSTAND AID ▾ APPLY FOR AID ▾ COMPLETE AID PROCESS ▾ MANAGE LOANS ▾

Search

Complete the FAFSA® Form

Use the *Free Application for Federal Student Aid* (FAFSA®) form to apply for financial aid for college or graduate school.

New to the FAFSA® Process?

Completing the FAFSA form is free. Fill it out now.

Start Here

Returning User?

Correct info | Add a school

View your *Student Aid Report* (SAR)

Log In

FAFSA® Announcements

Changes to Your Family's Financial Situation

If your or your family's financial situation has changed significantly from what is reflected on your federal income tax return (for example, if you've lost a job or otherwise experienced a drop in income), you may be eligible to have your financial aid adjusted. Complete the FAFSA questions as instructed on the application (including the transfer of tax return and income information), submit your FAFSA form, then contact the school you plan to attend to discuss how your current financial situation has changed. Note that the school's decision is final and cannot be appealed to the U.S. Department of Education. Visit [StudentAid.gov/coronavirus](https://studentaid.gov/coronavirus) for more information.

WHAT ABOUT FLORIDA?



- Florida has 14 different state scholarship / grant / work programs
- Some are need-based, others are not!
- Florida Financial Aid Application (FFAA) opens October 1
- For Bright Futures, make sure to report your SAT scores to a Florida “state” university
- For more info, go to <http://www.floridastudentfinancialaid.org/>




THE FSA ID (YOUR ELECTRONIC SIGNATURE)



- Used for all Federal Student Aid Websites
- One required for student and a different one for parent
- Must use two different email addresses
- Set it up at <https://fsaid.ed.gov/>



FSA ID WEBPAGE

 An official website of the United States government.

[Help Center](#) [Feedback & Ombudsman](#) [English | Español](#)

 [UNDERSTAND AID](#) [APPLY FOR AID](#) [COMPLETE AID PROCESS](#) [MANAGE LOANS](#) [Log In](#) | [Create Account](#) 

Log In

FSA ID Username, Email, or Mobile Phone

[Forgot My Username](#)

Password

[Show Password](#)

[Forgot My Password](#)

[Log In](#)

or

[Create an Account](#)

IT'S NOT APPARENT WHO IS A PARENT...

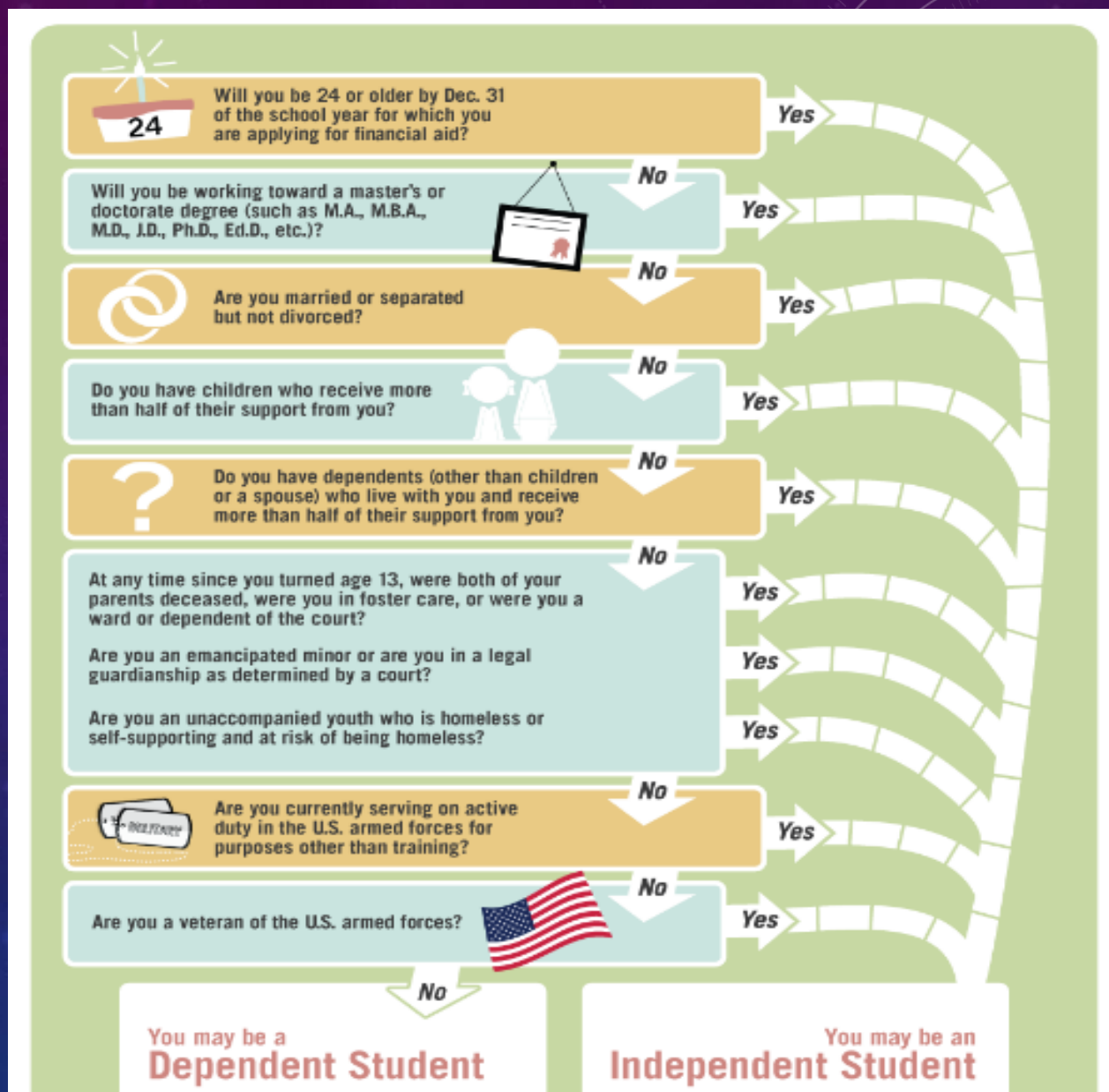
- For FAFSA:
 - Custodial Household
 - Who does the child live with?
 - THEN, who provides more support?
- For Some Colleges (mainly private):
 - Non-Custodial Parent Profile
- Stay tuned – changes coming in 2024-25.



Learn more → <https://moneymanblog.com/2019/03/10/its-not-apparent-who-is-a-parent/>

AM I DEPENDENT OR INDEPENDENT?

- What if my situation is unique?
 - Appeal for independent override
 - Fill out the FAFSA with no parent information
 - Borrow Unsub Loan



Learn more → <https://moneymanblog.com/2019/09/14/it-all-independes/> and <https://moneymanblog.com/2019/09/15/try-the-grey-stuff-its-delicious/>

WHAT YEAR'S INFORMATION AM I USING?

- For Students attending 2022-23:
 - FAFSA online October 1, 2021
 - Income information based on 2020 Tax Year
 - Assets and Family Information as of filing date
- What if 2021 or 2022 income will be dramatically different?

Income Earned from
January to
December 2020

FAFSA Filed starting
October 2021

Tax Return filed January –
July 2021

School year starts
August 2022 (bill
due June 2022 /
December 2023)



Learn more → <https://moneymanblog.com/2020/04/06/expecting-the-unexpected-in-your-pjs>

HOW DOES MY TAX INFORMATION GET TO MY FAFSA?

- Use the IRS Data Retrieval Tool
- Once for parent(s) / student
- Will not work if:
 - You have not filed a tax return / you filed PR or Foreign return
 - You don't have a valid SSN
 - Your marital status changed after 12/31 of last year
 - Your marital status for FAFSA does not match your marital status for the IRS
- You will not see your data if you transfer it (\$ #,### vs. \$ 1,234)
- You can choose to enter by hand, but you may be selected for verification



Learn more → <https://moneymanblog.com/2020/05/30/trust-but-verification/>

WHAT IS VERIFICATION?

- About 35% of student applicants nationwide selected
- Prove what you submitted on the FAFSA
- May require:
 - Copies of tax forms (use the DRT)
 - Verification Form
 - Proof of Identity / HS Grad / Immigration Status



Learn more → <https://moneymanblog.com/category/verification/>

MERIT OR NEED?

HOW DOES THE MONEY GET AWARDED?

- **Merit-based financial aid**

- 4% of Money
- Given for academic, athletic, or other talent
- Private Funds only (no Government Funds)
- In Florida, Bright Futures

- **Need-based financial aid**

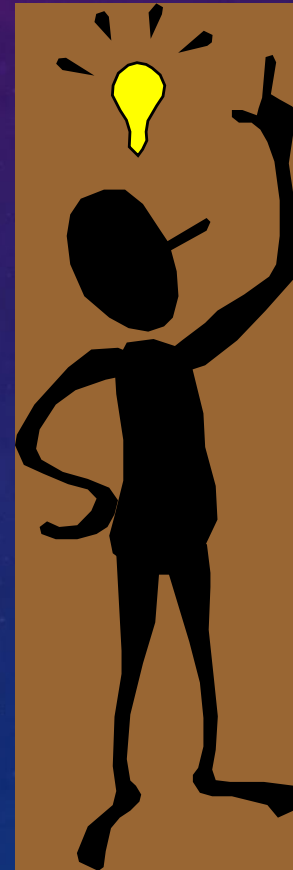
- 96% of money
- Given based on financial need determined by FAFSA and EFC test
- All federal money, most state money, and most college money awarded using this system

- **Merit within need**

- Sub-category of need-based
- New federal programs follow this model (TEACH)
- Many colleges use this basis for their own money

LET'S TAKE A QUICK BREAK FROM THE ACTION...

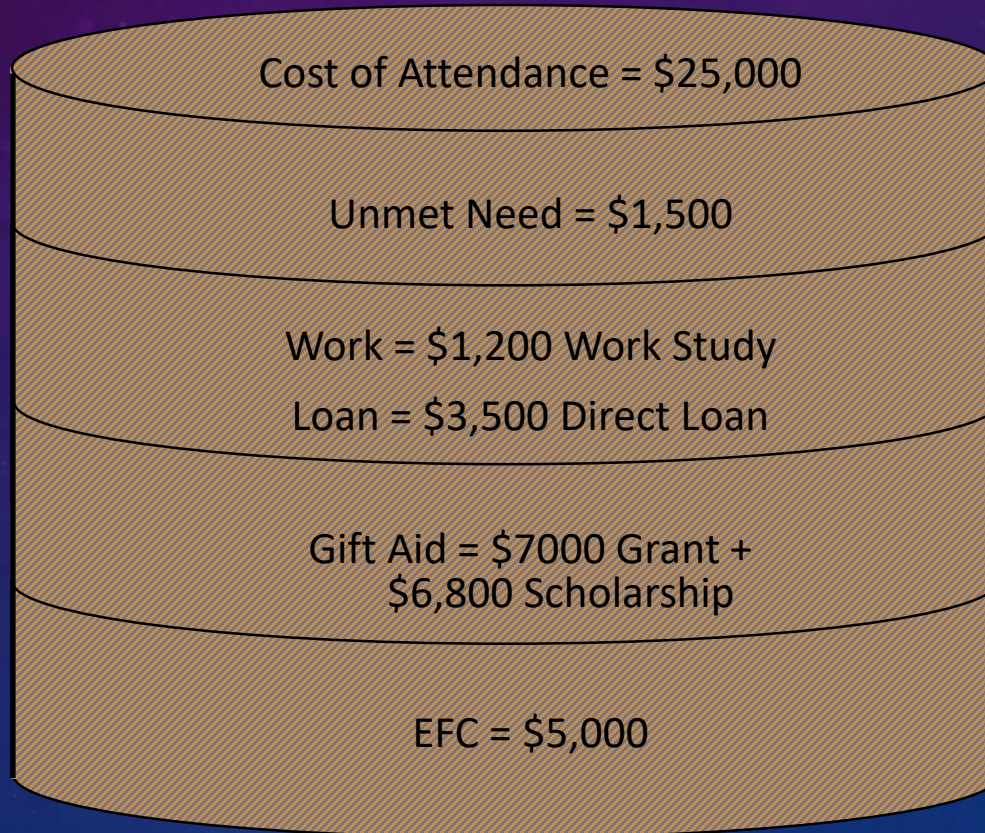
- Everyone fold your arms...
- Look down at which wrist is in front
- Left - Visual Learner
- Right - Oral Learner
- Doesn't work? - Kinesthetic Learner



THE FINANCIAL AID BARREL

Remember:

$$\begin{array}{rclcl} \text{COA} & - & \text{EFC} & = & \text{Need} \\ \$25,000 & - & 5,000 & = & 20,000 \end{array}$$



Learn more → <https://moneymanblog.com/2020/02/26/help-ive-been-displaced>

HOW DO I PAY MY EFC?

- **Past Income**
 - Savings
- **Present Income**
 - Salary
 - Payment Plans
- **Future Income**
 - Loan Programs



“INSIDER” TIPS



- Find out the deadlines and comply!
 - Use a matrix
 - Keep copies of what you send
- If you have questions, ask!
- Don't rule out a school just because of its cost
- Look at all of your financing options

SOURCES OF FINANCIAL AID

- Federal Government
- State Government
- College / University
- Private Agencies
(Rotary, Elks, church or
synagogue group)
- Professional
associations
- Parent's employer



SCHOLARSHIP SEARCHES

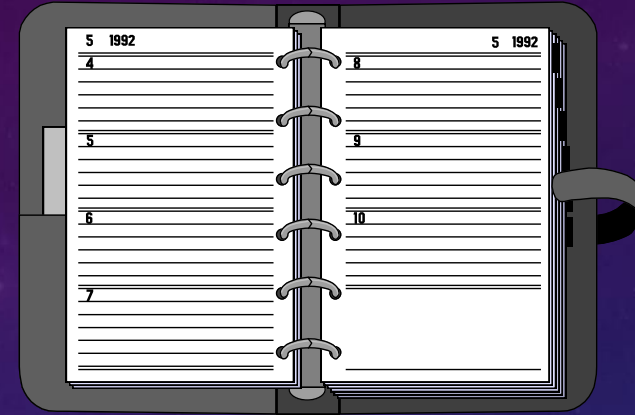
- Is there money out there?
- Can I get any of it?
- Fastweb www.fastweb.com
 - 1.5 Million Scholarships
 - \$3.4 Billion
 - Set up a profile
 - Set up your own unique email address for scholarships
 - Scholarships with essays have less applicants
- Don't forget that your school may have its own scholarship program / application!



Learn more → <https://moneymanblog.com/category/scholarships/>

THE FINANCIAL AID CALENDAR

- **October 1:** FAFSA and CSS Financial Aid Profile are available
- **November 1:** Many College Early Decision deadlines for Profile / FAFSA
- **November - December:** Complete forms
- **December:** Early Decisions are mailed
- **December - February:** Many school's deadlines for forms (?)
- **Late February - March:** Schools may call you with questions
- **End of March - Early April:** Admissions and Financial Aid notification mailed



THE FINANCIAL AID CALENDAR (CONTINUED)

- **April:** Compare award letters from different schools
- **May 1:** DECISION DEADLINE - Tell all schools yes or no
- **May:** Pay deposits (tuition, room and board) - about \$500
- **June:** Bill for the Fall semester, due by 8/1 or so
- **October:** FAFSA and CSS Profile for the next year are available
- **November - December:** Bill for the Spring Semester



"I NEED MORE HELP!..."



- <http://www.fafsa.ed.gov> - FAFSA on-line
- <https://student.collegeboard.org/css-financial-aid-profile> – CSS Financial Aid Profile on-line
- <http://www.finaid.org> - great all around information page; includes links to free scholarship searches
- <http://moneymanblog.com> – financial aid focused blog with lots of great info
- Each college's financial aid office
- Your high school guidance office

UNIQUE STUDENT SITUATIONS

What If I am Considered...

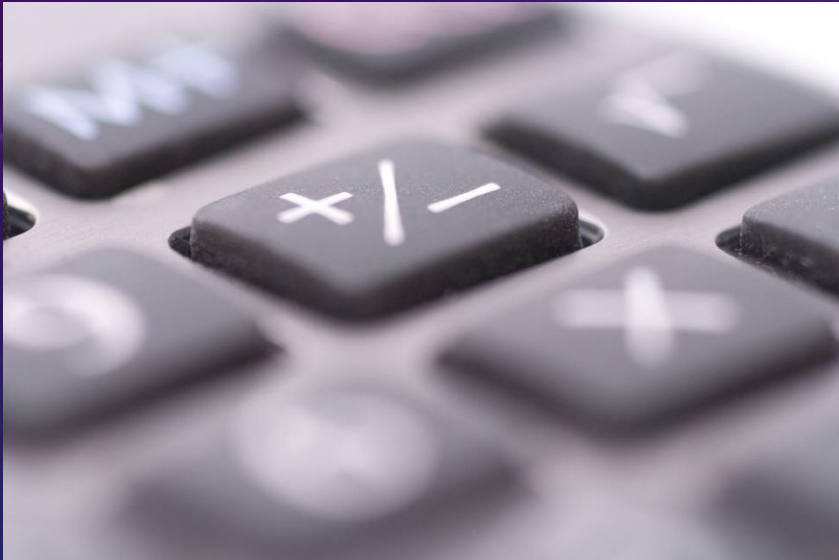
- A Ward of the Court?
- Emancipated?
- In Legal Guardianship?
- Homeless/An Unaccompanied Youth?

UNIQUE STUDENT SITUATIONS, CONTINUED



- What if I am a citizen, but my parents do not have a Social Security Number?
- What Non-Citizen Statuses are eligible for Financial Aid?
- What is the difference between eligible non-citizens and DACA students?
- If I am classified as a DACA student, am I eligible for any type of Financial Aid?

WHAT IF MY SITUATION HAS CHANGED...



Professional Judgement

- My parents 2020 income does not reflect my family's current financial situation
- My parents recently divorced
- One of my parents has recently died
- My family has excessive medical bills (paid)

WHAT IF MY PARENTS ARE NOT WILLING TO PROVIDE ANY PARENTAL DATA?

- Some parents do not want their children to know their financial business
- Call from a Financial Aid professional to explain the process
- Unsubsidized loan only option

WHAT IF THE STUDENT HAS BEEN ABUSED OR NEGLECTED BY A PARENT

Documenting the situation is key to a Dependency Override Appeal:

- Students should reach out to Financial Aid with documentation to support their situation
- Police/DCF/Social Worker Report
- Letters/statements of support from trusted members of the community

THANKS FOR YOUR ATTENTION!!



**Financial Aid Professionals will be staying around
for a while for any questions...**