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Applying for Financial Aid in **7** Easy Steps

NACAC
National Association for
College and Admission Counseling



You, Too, Can Pay for College



THESE DAYS, PAYING FOR COLLEGE IS NO EASY FEAT.

As college costs continue to rise—and, subsequently, disreputable companies and individuals attempt to cash in on these rising costs with scholarship scams—college-bound students and their parents have much to contend with.



Real Costs

A year at most colleges, especially if living costs are included, average about \$9,000 and can exceed \$65,000.



The Good News

If you need financial aid to help meet college costs, you are likely to receive it. Two-thirds of undergraduate students attending college in the US receive some form of financial aid. Scholarships, too, can help pave the way to higher education.



Seven Easy Steps

The following seven steps will make the process of affording higher education a little less stressful and a lot less overwhelming. Just remember to take it one step at a time.



Quick Links

Take advantage of quick and easy financial planning information at your fingertips. Visit:

- www.nacacnet.org
- www.studentaid.ed.gov
- www.fafsa.ed.gov

Beware of scholarship scams!
Visit www.nacacnet.org for updated financial aid information.





1. Set Your Expectations High: You Can Afford College

Faced with seemingly insurmountable tuition prices, complicated financial aid forms and hundreds of scholarship possibilities, it's difficult to know where to begin. In fact, paying for college may be so daunting that, in some cases, it might actually deter students and parents from the process altogether.

However, if you fall into this category—if the cost of college so overwhelms you that you choose not to consider it at all—reconsider. For starters, most parents and students overestimate the cost of college; not all tuition prices are Ivy-League prices—far from them, in fact. Additionally, while personal growth and higher learning are reasons enough to go and/or send your son/daughter to college, there are more practical things to consider as well. College graduates can choose from more jobs and have been shown to earn \$1 million more than those with only a high school education over a lifetime.

The key to affording college is knowledge—knowing not only how to pay for it, but also, and more importantly, where to look to find the resources that will allow you to afford a college education.

2. Types of College Aid

Aid for college comes in all shapes and sizes: need-based and non-need-based aid; federal and state aid; aid from colleges, themselves; and other scholarships.

A combination of the following may be available to you:

- The Federal Pell Grant
- The Federal Supplemental Educational Opportunity Grant (FSEOG)
- The Federal Perkins Loan
- Federal Direct Loans
- Federal Work-Study employment (FWS)
- Merit and other scholarships
- State aid programs

3. Where to Begin

Navigating the financial-aid maze can be confusing and overwhelming. In fact, most students and parents may not even know where to start.

As you contemplate the process, to get your feet wet, NACAC recommends using the following two resources:

- The US Department of Education: <http://studentaid.ed.gov>
- NACAC's Steps to College series on financial aid: www.nacacnet.org

Keep in mind that federal and most state governments, as well as colleges and some scholarship providers, use the Free Application for Federal Student Aid (FAFSA) for aid processing.

4. Applying for Free: The FAFSA

Most financial aid is given because the student has demonstrated need for it, and the amount of that aid is limited to the student's calculated need. Simply stated, a student's need is determined as the difference between the cost of attending the school—sometimes referred to as the cost of attendance, or COA—and the amount the student and his/her family is expected to pay, also known as the Expected Family Contribution (EFC).

$$\text{COA} - \text{EFC} = \text{Student Need}$$

The Expected Family Contribution is made up of the amount the student's parents can pay from their income and assets; the amount the student can contribute from earnings, plus savings account(s); and any amount that is being contributed as a non-repayable gift from any source. The student and parents are responsible for paying what they can; financial aid is intended to supplement such efforts, not substitute for them.

To be considered for financial aid, you are required to file a Free Application for Federal Student Aid, or FAFSA.

Many states use the FAFSA for state grant or scholarship consideration. The FAFSA may also be used for institutional aid.

To calculate how much financial aid you may need, use the FAFSA4caster at <http://studentaid.ed.gov>. To access and complete the FAFSA online, or for more information, visit www.fafsa.ed.gov.

5. Navigating the Rest of the Field: Finding Scholarships and Avoiding Scholarship Scams

In contrast to need-based grants or scholarships, other scholarships are awarded to students based on their grades, accomplishments or other personal characteristics, rather than financial need. However, few students receive scholarships out of the blue. Maximizing your chances of receiving a scholarship requires research to find the scholarships and work to complete the applications.

Call the financial aid offices of the colleges that interest you and ask about their merit or non-need-based scholarships. Another common source of scholarships are organizations in which you or your family are involved. Ask about these common sources of scholarships; many corporations award scholarships to children of employees, so ask your parents to check their place of work; local volunteer organizations may offer scholarships to worthy applicants; local or national religious organizations often have scholarships available to their members; and if you have a particular talent, like music or forensics, ask your advisor or teacher about national organizations relating to your talent that might offer scholarships. You may need a combination of these kinds of financial aid, because “full-ride” scholarships are limited.

To research scholarships outside of your local area or personal contacts, look for scholarship directories in the library, bookstore or guidance office. You can also look for scholarships on a variety of website and www.nacacnet.org/lists links to these sites.

While scholarships can be helpful in financing your college education, estimates show that families lose millions of dollars to scholarship fraud every year.

Be careful, and choose your sources wisely. For more scholarship scam information, or to report a scam, visit www.nacacnet.org.

6. Important Considerations

In spite of your hard work and research, it is possible for a college to offer admission to a student but not to offer financial aid. A college is not obligated to provide financial assistance to all accepted students, so it's a good idea to apply to at least one college whose cost is within reach of your resources without substantial aid.

You may also need to explore alternative educational plans, such as beginning your study toward a four-year degree at a less expensive two-year community college and then transferring to a four-year college or university to complete the degree. You might also check out colleges with cooperative education programs in which students can combine work with study as they advance toward a degree.

7. Where to Go for Help

Refer to the following resources for help as you make your way through the financial-aid process:

- Your high school guidance counselor
- The financial aid office at your college(s) or career school(s) of choice
- State departments of higher education: Call the Federal Student Aid Information Center (FSAIC) at 800/4-FED-AID (800/433-3243) or visit www.ed.gov/Programs/bastmp/SHEA.htm
- The US Department of Education: www.studentaid.ed.gov
- The NACAC website: www.nacacnet.org
- www.finaid.org offers comprehensive student financial aid information, advice and tools
- www.ibrinfo.org offers information about new federal student loan payment and forgiveness programs
- www.projectonstudentdebt.org offers advice for understanding borrowing to pay for higher education and how it affects families

