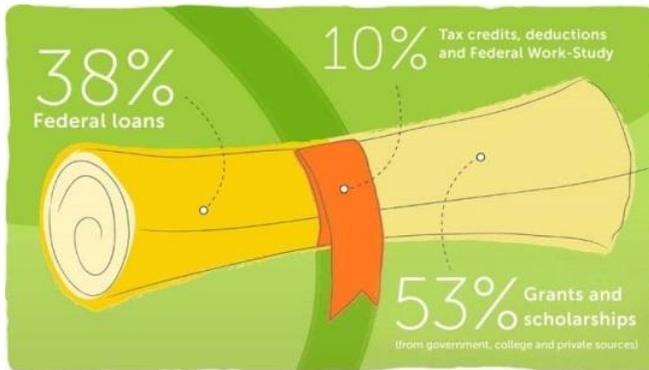


Financial Aid Can Help You Afford College



Note: Percentages do not add up to 100% because of rounding.

With financial aid, many students who can't afford the full cost of college are able to earn their degrees. In fact, most full-time college students receive some type of financial aid.

Financial aid is money that the government and other organizations give you or lend you so you can pay for college.

Financial aid comes from these sources:

- The federal government (the largest source)
- State governments
- Colleges and universities
- Private organizations, such as companies, clubs and religious organizations
- Banks and lending companies

There are four main types of financial aid.

Grants

Grants are called gift aid because they do not have to be paid back. Grants come from federal and state governments and from colleges. Most grants are "need based", which means they are usually given based on your or your family's financial circumstances. The most common type of grant is the Pell Grant. To be eligible, the U.S. Department of Education uses a standard formula to evaluate the information you supply when applying for a Pell Grant on the FAFSA. This formula produces a number called the Expected Family Contribution (EFC), which determines if you are eligible. The EFC is also the amount a family is expected to contribute to a student's education. The closer this number is to "0" the greater the amount of grant opportunity. The amount can be up to \$5,500 but is dependent on several factors including the EFC, cost of attendance at your chosen school and the amount of time you attend college.

Scholarships

Scholarships are also gift aid. Scholarships come from governments, colleges and private organizations. They may be awarded for academic or athletic ability, interest in a certain subject, or volunteer work, for example. Some scholarships are given based on membership in an ethnic or religious group. Companies may also give scholarships to children of employees.

Loans

Borrowing money from a bank, government or lending company is called taking out a loan. A loan must be paid back with an extra charge called interest. The federal government offers low-interest loans to students with financial need. Other lenders charge more interest.

Work-Study Programs

The Federal Work-Study Program offers paid part-time jobs to help students pay for part of their college cost. This is money earned by you while you attend college.

Net Price

Net price is the real price that a student pays to go to a college. It's the published price of the college minus the gift aid that the student receives. The net price of a college is often much lower than its published price.

Most colleges now offer a tool on their websites called a **net price calculator**. This online tool gives you an estimate of the actual price you would pay to go to a certain college, based on information you enter about your finances.

Your net price will be different for every college, so it's a good idea to use each college's net price calculator.

Complete the **Free Application for Federal Student Aid (FAFSA)** to be considered for financial aid from the federal government, state governments and many colleges. Go to: <https://fafsa.ed.gov/> You can also apply for financial aid directly from the colleges you're applying to and from private organizations. Some of these may require you to submit the **CSS/Financial Aid PROFILE** or other forms. Remember that meeting deadlines is your responsibility. You have to submit your applications on time to qualify for financial aid.

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When to Apply for Financial Aid

October 1 of your senior year is the first day you can file the FAFSA. College, state and private financial aid deadlines vary. Aim to file the FAFSA as close to October 1 as possible; remember that financial aid dollars are limited, and in many cases are awarded on a first-come, first-served basis. You will then have an SAR – or Student Aid Report, which is the report summarizing financial and other information on the FAFSA. This gets sent to the colleges you are seeking admission/financial aid from. The EFC is printed on this document.

To qualify in general you must have financial need, have a high school diploma/GED, have a valid Social Security Number, plan to be enrolled in an eligible associates/bachelors/program, and be a U.S. citizen or eligible non-citizen.

Don't Rule Out "Expensive" Colleges

Keep in mind that a college that charges a lot for tuition might offer you generous financial aid. It might even be more affordable than colleges that charge lower tuition. So think about net price, not published price — and don't be afraid to apply to colleges you think you can't afford.

Once you hear from the colleges you've applied to, compare your **financial aid award offers** to see which options are best for you.

Common Mistakes

- ✘ Not applying early enough
- ✘ Not reading instructions
- ✘ Not fully completing applications
- ✘ Not using the correct Social Security Number

Scholarship Tips

- Carefully follow instructions and deadlines
- Find creative ways to present yourself
- Proofread everything before you send it
- Send thank you notes