

# Financial Aid Overview

**Cost of Attendance** = tuition, fees, room, board, books, travel, personal expenses. Most students don't pay this full price because of financial aid. "Expensive" schools often have most money to give in scholarships!

**EFC**=Expected Family Contribution. Based on the FAFSA, this is how much the government says your family should be able to pay for your college. It's likely to be higher than you think. You may have to take out a loan to meet this number.

## **Demonstrated Financial Need = Cost of attendance minus your EFC**

If a college's Cost of Attendance is \$40,000 and your EFC is \$10,000, your demonstrated need is \$30,000. Some colleges guarantee they will meet 100% of demonstrated need (you're still expected to pay your EFC—in this example, \$10,000). And the financial aid they offer may include loans, which must be repaid. Some schools guarantee 100% of demonstrated need with NO LOANS. This is a very good deal, although the schools are among the most selective.

<https://blog.prepscholar.com/colleges-that-offer-complete-financial-aid>

## **Types of Financial Aid Available**

- Gift Aid: scholarships and grants (free money!)
- Self-Help Aid: Work-study and loans (you must repay loans!)

## **Sources of Financial Aid**

The main sources by far are the government (federal and state) and the individual college or university. This financial aid will be included in the financial aid award you receive from a college upon being admitted. APS students also have the Achieve Atlanta Scholarship, which is need-based and offers \$5,000/year for a four-year school. Outside organizations provide scholarships, but those account for only a tiny fraction of financial aid.

## **Categories of Financial Aid**

- Need-based (you may still qualify even if income is fairly high). Given by the government or the school.
- Merit-based (academic, athletic, musical, etc.). Usually given by the school.

## **How to Get Financial Aid**

**You must submit the FAFSA!** Available October 1. Some private colleges also require you to fill out the CSS Profile to distribute their institutional funds. CSS Profile asks for more in-depth financial info.

## **Get Estimates Now**

- To estimate how much federal financial aid you might qualify for, use the FAFSA4Caster.
- To estimate what you might pay at a given school, see the Net Price Calculator on the school's website.
- To determine if you might qualify for an academic merit scholarship at a given school, see if your grades and test scores fall in the school's top 25% of admitted students. To see how you stack up, visit the College Board website, choose a college, click on "Applying" then click on the tab "Academics and GPA."
- Check College Navigator to see a school's average financial aid award.

## **Loans**

Many students take on some debt, but be thoughtful. Federal loans are better than private loans. They have more flexible repayment options and are capped so you can't get too deeply in debt. Everyone who fills out the FAFSA can get a federal loan, but only those with financial need will qualify for a subsidized federal loan.

- Subsidized Loan: No interest will accrue until after the student graduates or leaves school.
- Unsubsidized Loan: Interest will begin accruing as soon as the loan is taken out.
- Fixed Interest Rate: Best! The interest rate will stay the same until the loan is repaid.
- Variable Interest Rate: Avoid! The interest rate can shoot up at any time, making it much harder to repay.

**Try to borrow no more than \$32,000 total for undergraduate school. That's \$8,000 per year and about the maximum you can get with federal loans.**

### **Make Sure a Financial Safety School Is on your List. This Means:**

- An academic safety school (where your grades and test scores are in the top 25% of admitted students)
- A school you can afford even without aid (so a state school, and perhaps a technical college)
- A school you are willing to attend

### **Keep College Costs Down**

- Keep your grades up. This is important for both getting into college and for getting aid, and it is essential for getting the HOPE or Zell Miller scholarship.
- If you have HOPE or Zell, commit to keeping up your college grades to maintain them!
- Prep for the SAT/ACT. A higher score will raise the likelihood of getting merit aid.
- Start at a technical college and transfer—you can satisfy certain basic credits for much less.
- Do well on AP tests—this can get you out of taking (and paying for) some college classes.
- Dual enrollment can allow you to get college credits for free.

### **Financial Aid To-Do List**

- Parents and students: discuss finances and what you can afford for college.
- Visit FAFSA4Caster to estimate your EFC.
- Visit Net Price Calculator on the website of each school on your list to estimate need-based aid.
- Evaluate the likelihood you'll receive merit aid at each school on your list (if you're in the top 25%).
- Search for outside scholarships and apply for ones you're eligible for, but this is likely small piece of the puzzle. Outside scholarships account for about 5% of financial aid in the US, and some colleges may deduct the amount of such scholarships from your financial aid award. If they deduct them from scholarships or grants, you haven't saved anything. It's better if they deduct such scholarships from loans, but best if they allow you to "stack" them, meaning they'll let you add any outside scholarships to the financial aid they are providing.

### **Resources**

#### Books in the CCC:

- *The Financial Aid Handbook: Getting the Education You Want for the Price You Can Afford*. Carol Stack and Ruth Vedvik. (Revised edition, 2017). This is a wonderful book for parents and students!
- *The College Solution: A Guide for Everyone Looking for the Right School at the Right Price*, Lynn O'Shaughnessy, 2012.
- *Paying for College: Everything You Need to Maximize Financial Aid and Afford College*, Kalman A. Chany, 2019. This book has some complicated financial strategies that some may find helpful and some won't. The best part is that it walks you through the FAFSA line-by-line if you have any questions.

#### Websites:

- FAFSA: [www.studentaid.ed.gov](http://www.studentaid.ed.gov) (FAFSA4caster is on the same site)
- Federal Student Aid: [www.studentaid.ed.gov](http://www.studentaid.ed.gov) (everything you need to know about federal student aid)
- College Board: [www.collegeboard.org](http://www.collegeboard.org)
- College Navigator: <https://nces.ed.gov/collegenavigator/> (statistics on financial aid and much more)
- College Scorecard: <https://collegescorecard.ed.gov/> (lots of data on college costs, graduation rates, etc)
- College Solution: [www.thecollegesolution.com](http://www.thecollegesolution.com)
- Grady CCC: [www.tinyurl.com/cccgardy](http://www.tinyurl.com/cccgardy)
- YouTube has helpful videos on how to fill out the FAFSA