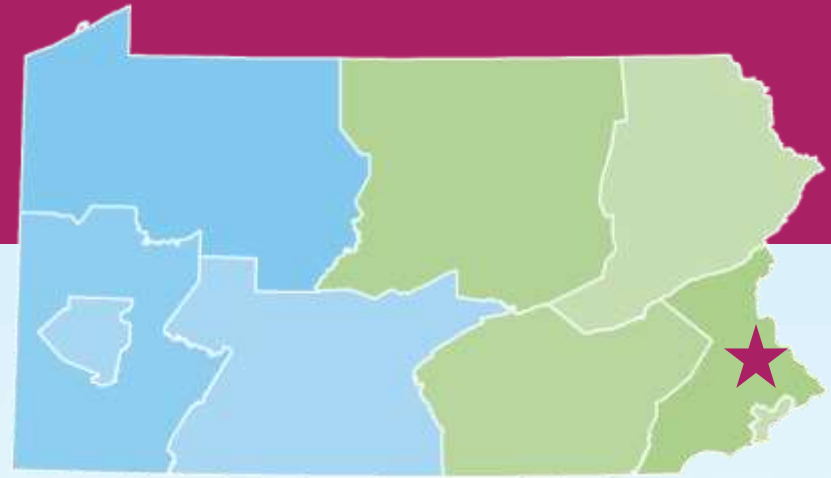


# Financial Aid 101

## Paying for Postsecondary Education



# Your Presenter



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PA Higher Education Assistance Agency (PHEAA)

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# Today's Agenda



- ✓ Applying for Financial Aid
- ✓ Identify what is needed
- ✓ What aid sources are available
- ✓ What happens next
- ✓ Making smart decisions



# Financial Aid 101

## Financial Aid Basics



# What Is Financial Aid?

- Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses.
- Grants/Scholarships (free money)
- Self-Help (work, savings, etc.)
- Loans



# Basic Principles

- Paying is the joint responsibility of the student and parent(s), to the extent possible.
- Need-based financial aid is subject to federal formula to determine financial need.
- Not all families qualify for need-based aid. There is no guarantee that you will get any free money to pay for higher education.



# Where Does the Money Come From?



- Federal Government
- State Government
- School/Colleges
- Private Scholarship Sources:
  - » HS counselors
  - » Clubs and organizations
  - » Employers
  - » Internet scholarship searches



# Financial Aid 101

## Forms





# Starting the Financial Aid Process

Know what financial aid forms each school requires

## ALL Schools Require:

- **FAFSA** (Free Application for Federal Student Aid) after Jan 1 in Sr. Year
  - » Required by all schools, PHEAA, and some scholarship organizations
- **STATE GRANT FORM (SGF)** through PHEAA
  - » Required for first-year students (and may be requested for subsequent years) = after FAFSA is completed

## SOME Schools Require:

- CSS Profile required by some postsecondary schools and scholarship organizations
- Institutional financial aid forms
- Internal school forms

# FAFSA – Free Application for Federal Student Aid

## FAFSA.gov

- FAFSA is the primary federal form for financial assistance to attend postsecondary school
- It determines:
  - » Expected family contribution, need
  - » Eligibility for most aid programs
- Must file a FAFSA to be eligible for these programs each year a student attends school
- File online – Fast, Secure, SKIP LOGIC and Built-in Edits
- Want practice? Visit FAFSA4CASTER\*

\*Access via link on FAFSA.gov



# Know When to Apply for FAFSA & Your Deadlines!



- **Federal Deadlines** - Apply anytime after January 1st of the upcoming academic year to the end of the academic year (July 1st through June 30th)
  - » **Seniors: after Jan 1<sup>st</sup> 2016**
- **School Deadlines** – some WILL be earlier
- **PA State Grant Deadlines for FAFSA**
  - » **May 1, 2016** – First-time and renewal students attending colleges, universities & college transferrable programs (excluding community colleges)
  - » **August 1, 2016** – First-time students attending community college; a business, trade or technical schools, hospital school of nursing; Open Admissions Institutions or a 2-year non-transferrable degree program at a Jr or 4-year college.

# Whose Info Goes on the FAFSA?

- Dependent Student and Parent(s)
- Independent student – only their info
- Divorced or separated parents (The parent the student lived with the most over the past 12 months. If equal, then the parent who provided more than 50% of student's support)
- Divorced/Separated parents who live in the same household
- Stepparents - YES
- Adoptive parents - YES
- Foster parents - NO
- Legal guardians - NO
- Anyone else the student is living with - NO

**STUDENT**

### Student Demographic Information

Your last name: Lastnameapp | Your first name: Haney | Your middle initial: L

Your Social Security Number: 236-04-1006

Your date of birth (mm/dd/yyyy): 04/19/1992

Are you male or female?  
 Male  Female

Your permanent mailing address (include apt. number): 123 Main Street

Your city (and country if not U.S.): Anywhere | Your state: Pennsylvania

Your ZIP code:

**Help and Hints**

Does Student Want to Provide Driver's License Information?

Select Yes if you want to provide your driver's license information.

Select No if you do not have a driver's license or an identification card or do not want to provide your driver's license information.

**STUDENT SECTION:  
Dark Blue**

**PARENT**

Application was successfully saved.

What is your parents' marital status as of today?  
 Married or Remarried

When did your parents get married or remarried? Enter the month and year. (mm/yyyy)  
 09/1989

What is your father's/stepfather's Social Security Number? | What is your father's/stepfather's last name?  
 123-45-6789 | Lastnameapp

What is your father's/stepfather's first initial? | What is your father's/stepfather's date of birth? (mm/dd/yyyy)  
 G | 01/01/1965

What is your mother's/stepmother's Social Security Number? | What is your mother's/stepmother's last name?

**Help and Hints**

Parents' Number in College in 2013-2014 (Parents Excluded)  
Question 73

Enter the number of people in your [parents' household](#) who will attend college between July 1, 2013 and June 30, 2014. Do not include your parents in this number.

Include:

- Yourself, even if you will attend college less than full time in 2013-2014.

**PARENT SECTION:  
Purple**

# Info You May Need to Complete the FAFSA:



- Social Security Numbers
- Driver's license (student only; this information is optional)
- Previous year's federal income tax return (1040, 1040A or 1040EZ)
- W-2 forms from all employers
- Current bank statements (checking and savings)
- Current business and farm records (if >100 employees / if you don't live on the farm)
- Records of any stocks, bonds and other investments, including 529 accounts (Net amounts)
- Additional untaxed income, tax records may be needed such as: Veteran's non-educational benefits, child support paid/received, workers' compensation, disability payments
- Alien registration or permanent resident card (if not a U.S. citizen)

# Who Is Independent?



- Are you married?
- 24 or older on Jan 1st of award year (January 1, 1993)
- Veteran (includes active duty personnel)
- Working on graduate level degree
- Emancipated minor or in legal guardianship
- Orphan, in foster care or ward of the court at anytime when student was age 13 or older
- Have legal dependents other than spouse
- Student deemed homeless by proper authority
- (PA State Grant status can be different)

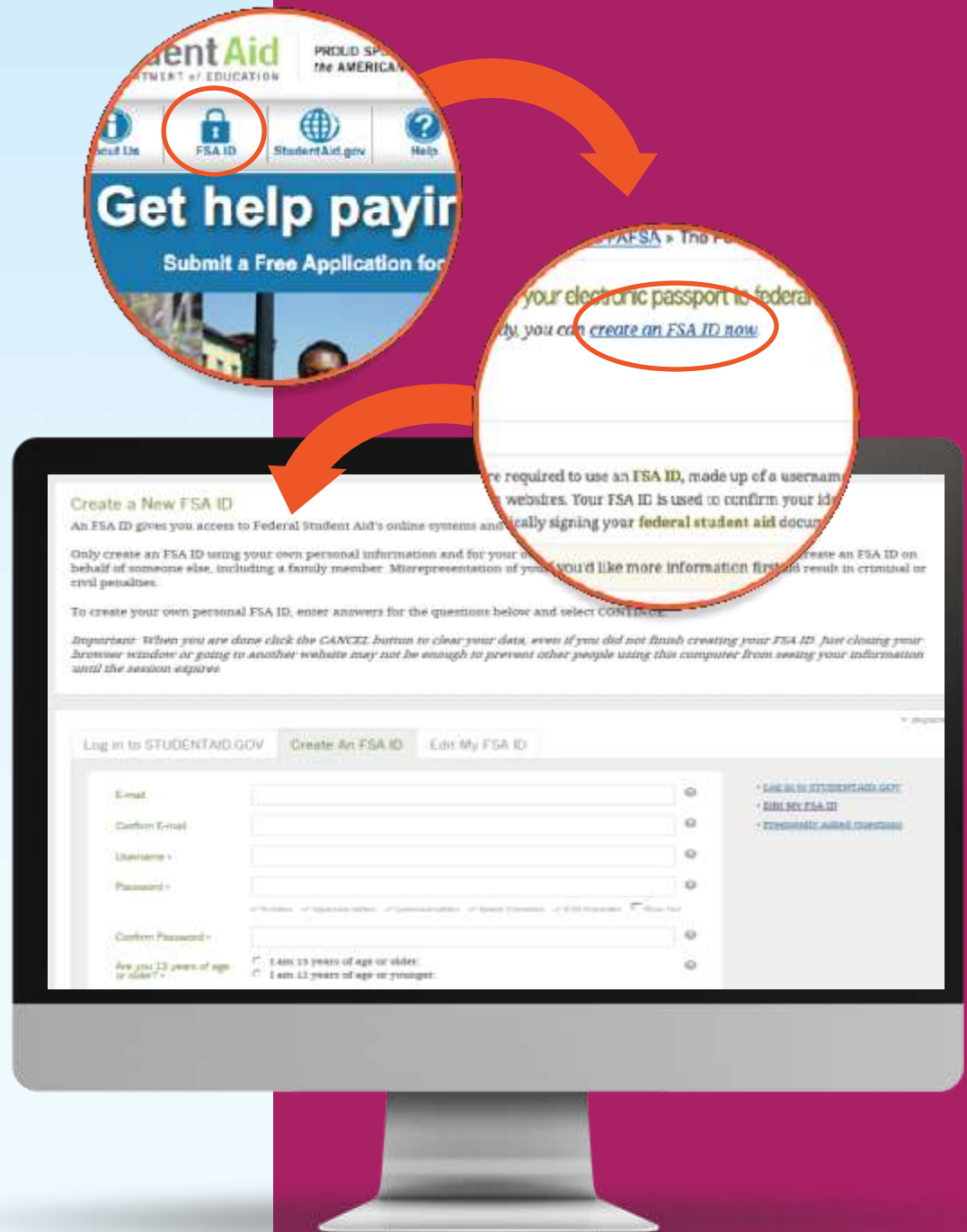
# Electronic Signature:

## Create an FSA User ID and Password:

- **NEW** - Replaces the “PIN” as of 5/10/15
- Student and one parent will sign the FAFSA electronically - each needs a SEPARATE email address and ID/password
- A verification process delays use – Get your ID/password early
- **A FAFSA IS NOT COMPLETE UNTIL SIGNED!**

## You'll use it again for:

- Renewal FAFSA
- FAFSA status and corrections
- Signing a Direct Loan Master Promissory Note (MPN)
- Complete required entrance and exit loan counseling
- Review loan history at [NSLDS.ed.gov](http://NSLDS.ed.gov)





# IRS Data Retrieval Tool (DRT)

- The IRS Data Retrieval Tool allows students and parents to access IRS tax return information needed to complete the FAFSA. Students and parents may transfer the data directly into their FAFSA.
- IRS Data is available:
  - » After 2 weeks of electronically filing federal tax return
  - » After 8 weeks of filing a paper federal tax return
  - » If student used estimated income to complete FAFSA, can go back once taxes are filed and use IRS Data Retrieval Tool.



# IRS Data Retrieval Tool – after taxes are filed

- Automatically pulls in IRS Tax info and places data into the FAFSA, or overrides estimates
- ALSO in Student Section, if student is filing taxes

The screenshot displays the FAFSA Parent Tax Information section. At the top, it says "Federal Student Aid" and "FAFSA Free Application for Federal Student Aid". The navigation tabs include "Student Demographics", "School Selection", "Dependency Status", "Parent Demographics", "Financial Information", "Sign & Submit", and "Confirmation". The "Parent Tax Information" section is highlighted in purple. A green box at the top of the form says "Application was successfully saved." Below this, there are two dropdown menus: "For 2014, have your parents completed their IRS income tax return or another tax return?" set to "Already completed", and "For 2014, what is your parents' tax filing status according to their tax return?" set to "Married-Filed Joint Return". A blue box contains the IRS Data Retrieval Tool instructions: "You, the parents, may be able to use the IRS Data Retrieval Tool to view and transfer your tax information from the IRS." Below this are three questions with radio buttons: "Did you, the parents, file a Form 1040X amended tax return?" (Yes/No), "Did you, the parents, file a Puerto Rican or foreign tax return?" (Yes/No), and "Did you, the parents, file taxes electronically in the last 3 weeks (or by mail in the last 11 weeks)?" (Yes/No). A text box explains that based on the response, it recommends transferring tax information from the IRS. Below this is a "LINK TO IRS" button. A "Which parent are you?" dropdown menu is set to "Select". A "What is your (the parents') PIN?" field is empty, with links for "Apply For A PIN" and "I Forget/Don't Know My PIN!". A "LINK TO IRS" button is also present below the PIN field. At the bottom, there are buttons for "PREVIOUS", "NEXT", "NEED HELP?", "SAVE", "CLEAR ALL DATA", "VIEW FAFSA SUMMARY", and "EXIT". A "Help and Hints" sidebar on the right provides additional information about recently filed taxes and the IRS Data Retrieval Tool. A red arrow points from the "Application was successfully saved." message to the "LINK TO IRS" button. Two orange circles highlight the "Already completed" dropdown and the "What is your (the parents') PIN?" field.

Parent Tax Information

Application was successfully saved.

For 2014, have your parents completed their IRS income tax return or another tax return?  
Already completed

For 2014, what is your parents' tax filing status according to their tax return?  
Married-Filed Joint Return

You, the parents, may be able to use the IRS Data Retrieval Tool to view and transfer your tax information from the IRS.

Did you, the parents, file a Form 1040X amended tax return?  
 Yes  No

Did you, the parents, file a Puerto Rican or foreign tax return?  
 Yes  No

Did you, the parents, file taxes electronically in the last 3 weeks (or by mail in the last 11 weeks)?  
 Yes  No

Based on your response, we recommend that you, the parents, transfer your tax information from the IRS into this FAFSA. [How you filed your taxes](#) can affect whether your tax return information is available to transfer.

Enter your PIN and click [Link To IRS](#).

Which parent are you?  
Select

What is your (the parents') PIN?  
 [Apply For A PIN](#)  
[I Forget/Don't Know My PIN!](#)  
[LINK TO IRS](#)

PREVIOUS NEXT

NEED HELP? SAVE CLEAR ALL DATA VIEW FAFSA SUMMARY EXIT

Help and Hints

Recently Filed Taxes?

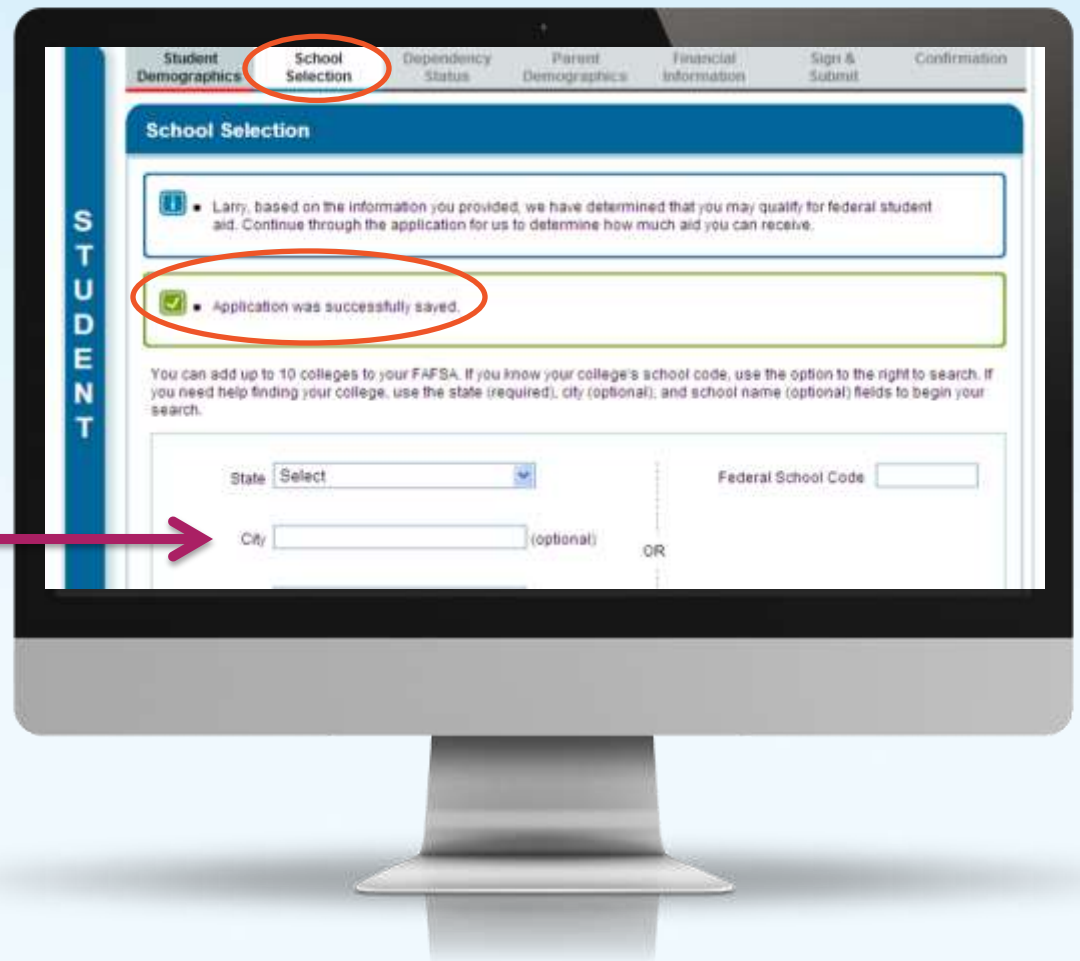
If you, the parent(s), filed your taxes electronically within the last 3 weeks, or by mail within the last 11 weeks, select **Yes**; otherwise, select **No**.

If you filed your taxes within either of those timeframes, then your tax return information might not be available from the IRS. You can attempt to use the [IRS Data Retrieval Tool](#); however, if you are not able to transfer your tax return information into your FAFSA at this time, you can try again in a week or two or you can manually enter your tax return information.

Download [Adobe Reader](#)

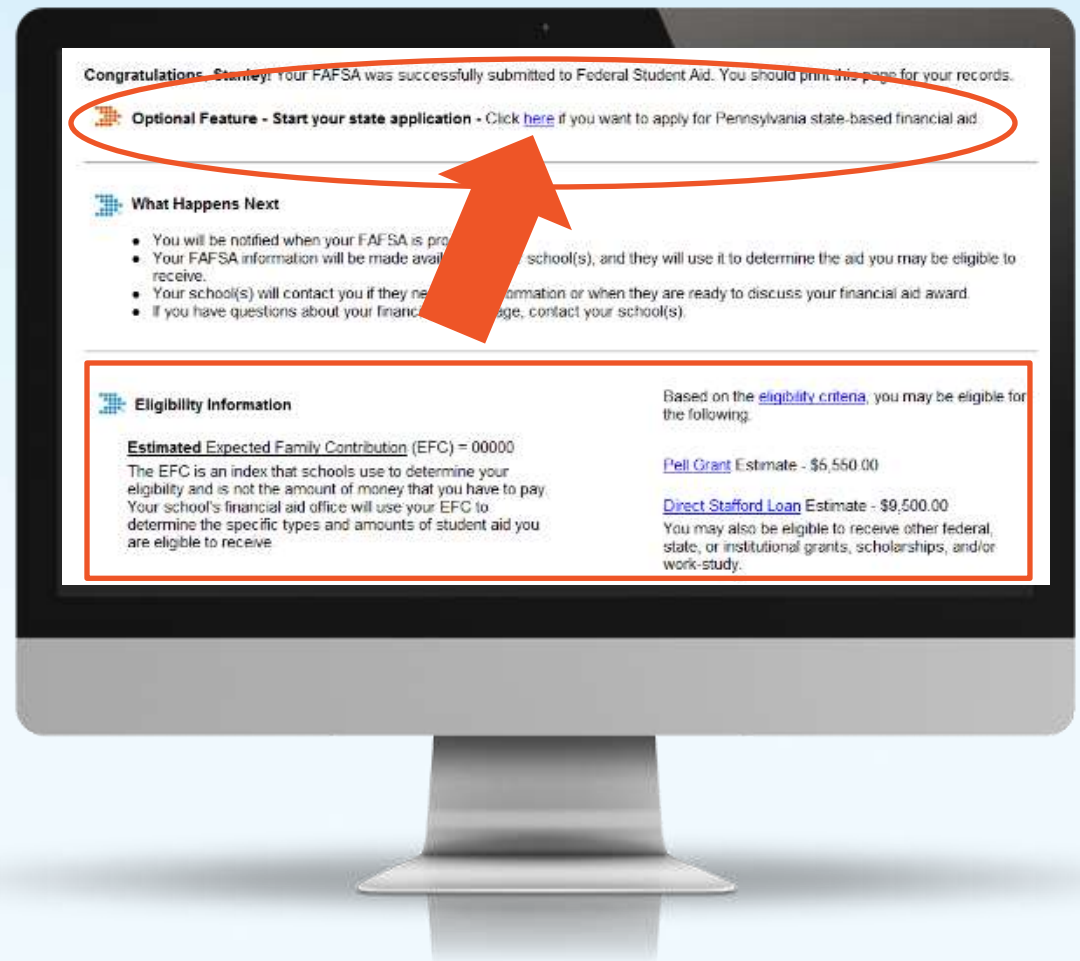
# FOTW - School Selection

- Look at more than one!
- Schools will only be allowed to see your financial information when you list them on the FAFSA
- **You can add up to 10 colleges**
- NOTE: Once your final decision is made, update your PA Grant information with the school you WILL attend.



# FAFSA Completion Page

- Apply for your State Grant from the FAFSA Completion/Confirmation page
- Start your state application to apply for Pennsylvania state based financial aid
- TRANSFERS FOTW data to the State Grant Application

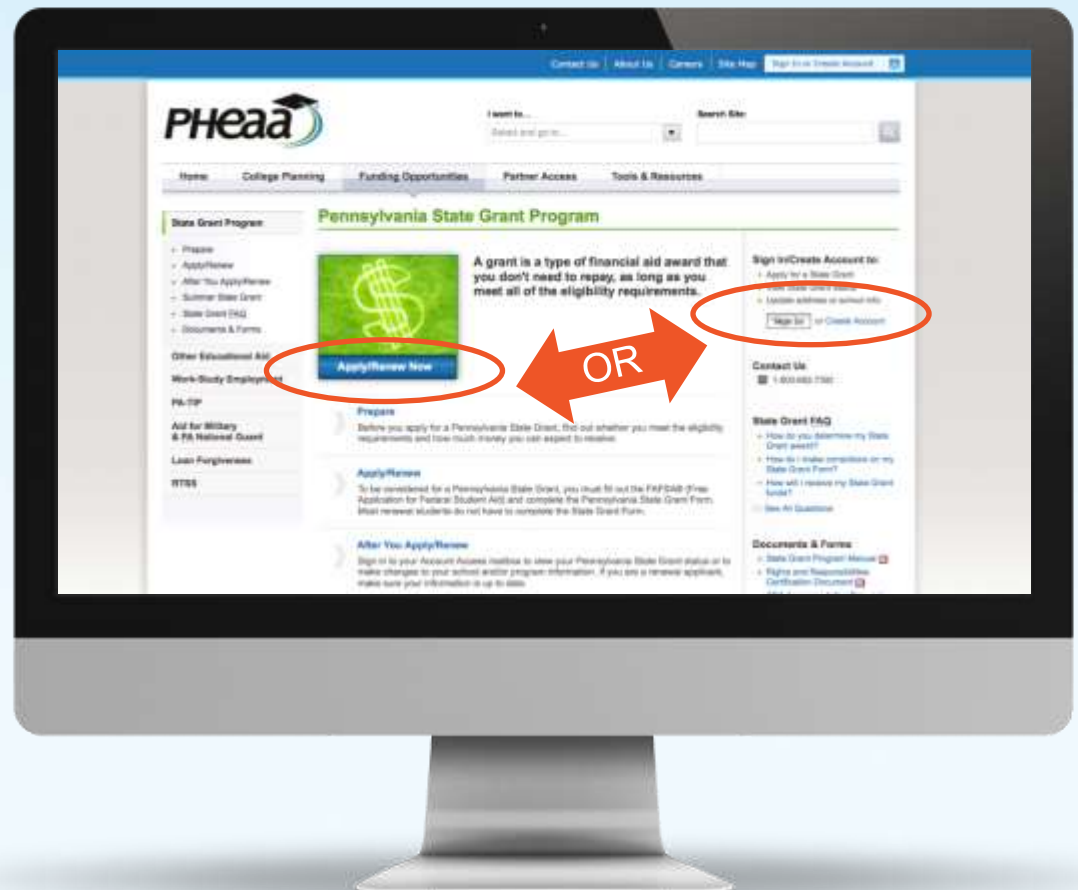


# PA State Grant Form

- Students who click on the link will be automatically moved to the PA State Grant Form and will be presented with the additional questions needed to determine State Grant eligibility which includes such items as enrollment status, value of PA 529 College Savings Program, program of study, and employment status.
- Printing, signing and mailing in the State Grant confirmation page is the last step in the process. PHEAA is working on an electronic signature capability, but that is not available at this time.
- Students will be able to view their status on Account Access at [PHEAA.org](https://www.pheaa.org) about 3 days after completing the FAFSA online.

# Online State Grant Application

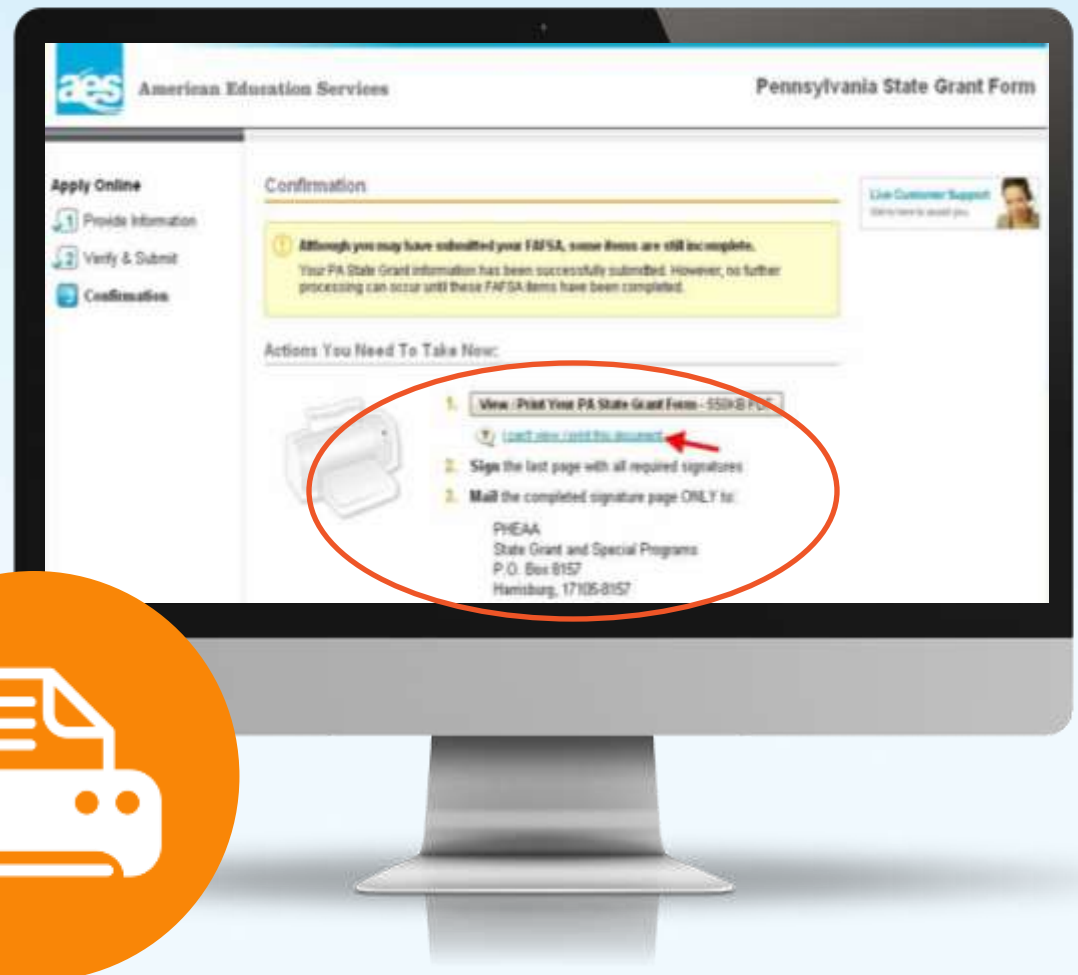
- Link off the FAFSA Application Confirmation Page
  - » **Missed the link or it wasn't available?**
    - Link in an email sent to student/parent from PHEAA, OR
    - Go to [PHEAA.org](http://PHEAA.org); State Grant Program; and complete the form
- Additional questions needed to determine PA State Grant eligibility:
  - » Enrollment status (full-time/part-time)
  - » Value of PA 529 College Savings Program
  - » Program of study for students in vocational programs
  - » Employment status



Help screens are available for all questions

# All Done? Now What?

You MUST print, sign & mail in the grant confirmation page



# Financial Aid 101

Forms Are Filed – Now What?





# The process continues



**Department of Education's Central Processing System uses the information to calculate and create your Need Analysis**

- EFC is calculated
- SAR/ISIR - reports your eligibility for aid to you and your school choices
- Grant eligibility is calculated
- Schools receive your results
- You apply/applied to your school choices
- Once accepted - schools produce Award Letters (aid packages)
- You compare Award Letters
- Determine true costs of school and make choices

# What School Costs are Considered?

- School costs include:
  - ✓ Tuition and fees
  - ✓ Room and board
  - ✓ Books and supplies
  - ✓ Transportation
  - ✓ Miscellaneous living expenses
  - ✓ Child care, if necessary



**You can receive  
financial aid up to  
the total of the  
school regardless  
of your EFC!**



# Net Price Calculators



**The Higher Education and Opportunity Act (HEOA) of October 2011 requires schools to offer a Net Price Calculator on their websites**

- Enables current and prospective students, families and consumers to determine an estimate of an individual net price at a particular institution.
- **ESTIMATED** data must be provided by each institution:
  - » Total price of attendance
  - » Tuition, Fees, Room and Board
  - » Expenses (ie. personal, transportation)
  - » Estimated total merit and need-based grant aid
  - » Estimated net price (attendance minus grant aid)
- **Does not include scholarships**



# Determining Need-Based Eligibility



- Student submits FAFSA
- Family undergoes Need Analysis
- Expected Family Contribution (EFC) is determined based on:
  - » Parent income and assets
  - » Student income and assets
  - » Family size
  - » Number of children in college
  - » Age of the older parent
- This is NOT necessarily the amount you will pay each year!

# How is EFC Calculated?

- In theory, the EFC is a number calculated to measure and compare the general financial strength of all families applying for aid - it is NOT the amount you are expected to pay.
- EFC formula considers a family's taxed & untaxed income, assets, size, how many will be attending college, and age of oldest parent
  - » Includes allowances for taxes and focuses mainly on income
  - » Parent + student contribution = EFC
- NOT AN ASSET: Home, personal property, qualified retirement funds, and value of life insurance is excluded from assets
- Asset Protection Allowance is applied against parent's reported assets
  - » EFC calculation roughly uses 6% of parent asset contribution and 20% of student contribution
  - » Student income contribution used in the calculation: 50% of amounts over \$6,400
  - » Parent contribution divided by number of children in college at the same time

# Calculating Financial Need

**Schools/colleges receive financial aid information and calculate financial need**

- Financial Aid Office (FAO) “packages” student based on financial need and available funding (varies from school to school)
- Financial aid award letter sent to student

|                |          |
|----------------|----------|
| School cost    | \$26,000 |
| EFC            | −\$3,000 |
| <hr/>          |          |
| Financial Need | \$23,000 |



# Financial Aid Award Letter

- Official notification from school about financial aid, terms and conditions
- Lists the type and amount of each award to be received
- Describes what must be done to accept or reject any award
- Discloses students rights, responsibilities and academic requirements



# Reviewing the Financial Aid Package

- After reviewing their packages, students should be sure they know and understand the following:
  - » How much of the financial aid is free money?
  - » Which awards are based on need, and which are based on merit?
  - » Are there any conditions on the free money; in particular, is there a GPA requirement?
  - » Will awards change from year to year?
  - » Will institutional awards increase as tuition increases?
  - » Will loans be needed? If so, how much?



# Comparing Packages

| <b>Cost</b>                                | <b>\$20,000</b> | <b>\$30,000</b> | <b>\$50,000</b> |
|--|-----------------|-----------------|-----------------|
| <b>EFC</b>                                 | \$ 3,000        | \$ 3,000        | \$ 3,000        |
| <b>Need</b>                                | \$17,000        | \$27,000        | \$47,000        |
| <b>Free Money</b>                          | \$ 6,000        | \$ 8,000        | \$18,000        |
| <b>Loans</b>                               | \$ 5,500        | \$ 7,000        | \$ 8,000        |
| <b>Work-Study</b>                          | \$ 0            | \$ 2,000        | \$ 3,000        |
| <b>TOTAL AID</b>                           | <b>\$11,500</b> | <b>\$17,000</b> | <b>\$29,000</b> |
|  |                 |                 |                 |
| <b>Gap =<br/>(Cost – Aid)</b>              | <b>\$ 8,500</b> | <b>\$13,000</b> | <b>\$21,000</b> |
| <b>Actual Cont. =<br/>(Cost – Free \$)</b> | <b>\$14,000</b> | <b>\$22,000</b> | <b>\$32,000</b> |

# Special Circumstances



## If things change....

- ✓ Divorced or separated parents
- ✓ Unemployment
- ✓ High medical expenses
- ✓ Recent death or disability
- ✓ Reduced income



# Financial Aid 101

## Federal and State Aid



# Federal Programs

- Pell Grant (2015-16 max award \$5,775)\*
- Campus-based aid – amounts determined by FAO
  - » FSEOG..... up to \$4,000
  - » Federal Work-Study..... FAO determines
- For most programs, student must be enrolled at least half-time.

\* Goes to most financially needy students



# Pennsylvania State Grant\*

- In-state (PA) - Full-time up to \$4,340
- In-state (PA) – Part-time 1/2 of the FT award
- Out-of-state - Up to \$600 in DC, DE, MA, OH, RI, VT, WV
- Amount determined in part by the cost of the school

\* Must be at least half-time to be eligible



# Financial Aid 101

## Federal Loans



# Federal Direct Loan Program

- Available to ALL students REGARDLESS of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
  - » 4.29% variable/fixed interest rate (AY 15/16), 1.068% fee
  - » Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- AWARDED to every eligible undergraduate student
- In student's name, no collateral or credit check, must sign MPN
- Available loan amounts increase in subsequent years
- No payments required while attending school & 6-month grace period

Based on FAFSA, students have a combination of:

- **Subsidized** = govt pays interest in school and grace status
- **Unsubsidized** = interest accrues in school and grace

**StudentLoans.gov & school's website!**

# Federal Direct Stafford Loan Program Borrowing Limits

| Undergraduate Students                |  |  | Graduate Students  |
|---------------------------------------|--|--|--|
| Annual Limits                         | Dependent Students   | Independent or dependent students whose parents are unable to borrow a PLUS Loan | Graduate or Professional Studies   |
| <b>1<sup>st</sup> Year</b>            | <b>\$5,500</b> Total<br>No more than \$3,500 may be subsidized   | <b>\$9,500</b> Total<br>No more than \$3,500 may be subsidized                   | <b>\$20,500</b> each academic year<br>Graduate / Professional students are no longer eligible for subsidized loans |
| <b>2<sup>nd</sup> Year</b>            | <b>\$6,500</b> Total<br>No more than \$4,500 may be subsidized   | <b>\$10,500</b> Total<br>No more than \$4,500 may be subsidized                  |  |
| <b>3<sup>rd</sup> Year and beyond</b> | <b>\$7,500</b> Total<br>No more than \$5,500 may be subsidized   | <b>\$12,500</b> Total<br>No more than \$5,500 may be subsidized                  |  |
| <b>Aggregate Limits</b>               | <b>\$31,000</b> Total<br>No more than \$23,000 may be subsidized | <b>\$57,500</b> Total<br>No more than \$23,000 may be subsidized                 | <b>\$138,500</b> Total<br>No more than \$65,000 may be subsidized  |



# Federal Direct PLUS Loan

- For parents of dependent undergrad or graduate level students
- Direct Parent PLUS Loan - in parent's name for student costs
  - » 6.84 % variable/fixed interest rate; 4.272% fees (AY 15/16)
- Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- Can borrow up to the Cost of Attendance
- MUST apply each year loan is taken
- No Debt-to-Income test, only lenient credit check
  - » Can have an endorser (co-signer)
- Principal payment can be deferred while student is in school
  - » Interest will continue to accrue
- IF denied - student is eligible for an additional \$4,000 unsubsidized loan
- Must complete a FAFSA to determine any additional aid

# Financial Aid 101

## Private/Alternative Loans



# Private/Alternative Loans



**Consider these  
ONLY after looking  
into all other sources  
of financial aid**



# Alternative/Private Education Loans

- From private lenders or financial institutions
  - » In student's name/co-signers usually required
- Some loan products have a co-signer release
  - » Can borrow up to the Cost of Attendance
  - » Based on credit scores and debt-to-income
  - » Repayment may be deferred until education completed
  - » Terms vary by lender – compare before making choices
  - » Students must sign a “Self Certification Form” per DOE

- **READ THE FINE PRINT**

**Private Education Loan Applicant Self-Certification**

**SECTION I: APPLICANT INFORMATION**

**SECTION II: DECLARATION OF INTENT**

**SECTION III: COST OF ATTENDANCE AND ESTIMATED FINANCIAL ASSISTANCE**

**SECTION IV: APPLICANT SIGNATURE**

# Financial Aid 101

## Scholarships



# Scholarship search:

- Start early – and KEEP LOOKING
- Don't forget to continue studies!
- GOOGLE your interests
- Don't PAY for information
- Criteria varies by school
  - » If you're asked to pay, it's not free money - (SCAM)
- Don't disqualify yourself until IT disqualifies YOU
- Don't fear ESSAYS
- Provide what is asked
- Small scholarships ADD UP
- Activities, Athletics, Family, Hobbies, Participation, Attributes – DO YOUR RESEARCH
- **Don't miss DEADLINES**
- Write it down!

**Don't miss out on FREE Money!**



- ✓ [FastWeb.com](#)
- ✓ [EducationPlanner.org](#)
- ✓ [Chegg.com](#)
- ✓ [FinAid.org](#)
- ✓ [Scholarships.com](#)
- ✓ [Scholarship-Page.com](#)
- ✓ [DoSomething.org/Scholarships](#)
- ✓ [Colleges.Niche.com](#)
- ✓ [StudentScholarships.org](#)
- ✓ [BigFuture.Collegeboard.org](#)
- ✓ [MeritAid.com](#)
- ✓ MORE....

# Types of Scholarships

- Postsecondary (in-house) scholarships
- Local and regional scholarships
- National scholarships



# School Scholarships



- Most postsecondary schools have internal scholarships
  - » Criteria varies by school
  - » Check their websites (financial aid, admissions)
  - » Note DEADLINES
- High school community scholarships
  - » Check with your guidance counselor
  - » Many internal scholarships exist - note DEADLINES
- Don't forget about national scholarships
  - » Companies, organizations, groups





# Scholarship Search Tips



- Start searching early
- Use **FREE** scholarship search sites
- Don't ignore scholarships with smaller award amounts
- Don't miss deadlines
- Search for scholarships every year
- Check corporate websites such as Target, Walmart, Kentucky Fried Chicken:
  - All have scholarship programs and you don't have to work there to get them



# fastweb.com

- Excellent site to use for searching as it is a database that pulls specific scholarships for students based on their input. It also sends email alerts when a scholarship matches the student.
- Largest, most accurate and most frequently updated scholarship database.
- [FastWeb.com](https://www.fastweb.com)



# Your Scholarship Resume

- Activities and Hobbies
- Clubs
- Sports
- Community Service
- Religious Affiliation
- Academic Interests
- Keep track of the hours spent in community service, working and doing special projects.
- Write down the dates you participated in various activities.

# Displacement vs. Stacking

Ask your school's Financial Aid Office:

**“ If I receive an outside scholarship, will you reduce the scholarship money you gave me by that amount or will you stack my new scholarship on top of what you gave me? ”**



# Financial Aid 101

## Smart Borrowing



# MySmartBorrowing.org

An interactive, online tool created by PHEAA that helps students and families:

- Estimate career salaries & college tuition
- View the impact of savings on overall cost
- Calculate loan repayment
- **Avoid overborrowing**



MySmartBorrowing.org

# How it Works

MySmartBorrowing guides students and families through four easy sections:



1

**Select a Career**



3

**Factor in Savings**



2

**Select a School**



4

**Get Results**

# View the Results

Once you input your selections, you can:

- ✓ View your potential salary in your new career
- ✓ Add & compare college costs
- ✓ See if you're borrowing too much





# Financial Aid 101

Be a Smart Consumer



# What Can You Do Now?

- Student and parent apply for an FSA ID at:
  - » [StudentAid.ed.gov/fsaid](https://StudentAid.ed.gov/fsaid)
- Visit websites with free information about college, financial aid and careers
- Explore scholarship opportunities – locally, regionally and nationally
- Use Net Price Calculator at schools interested in attending to get an estimate of your “net price” to attend
  - » Net Price Calculator available on each school’s website
- Use the free online tool, FAFSA4caster, to estimate EFC and eligibility for federal financial aid
  - » Available via link on FAFSA.gov



# Be a Smart Consumer



- Do your research.
- What is the net price that you will pay?
  - » Use the Net Price Calculator at schools you are interested in attending to get an estimate of your “net price” to attend
  - » Net Price Calculator available on each school’s website
- What is the graduation rate?
- What is the average debt of graduates?
- What is the repayment rate and default rate of the school’s borrowers?
- What is the employment outcome for recent graduates?

# Ways to Reduce the Need for Financial Aid

- Graduate on Time
  - » 4 year for bachelor's degree / 2 year for associate's degree
- Research and find the right school and major
  - » Minimize transfer and change of major
- Earn college credits while in high school through AP courses, vo-tech and dual enrollment
- Consider options for cutting costs (commute, take summer classes, buy used books, make smart meal plan choices)
- 2 + 2 Strategy (2 years at a community college then transfer credits to a 4-year school)
- 3 + 2 (master's degree)

# Beware of the 5-Year Plan

Things like double majors, study abroad, internships, and athletics can enhance the educational experience and improve marketability. But it comes at a price:

- Total cost just increased by 25%
- The 5<sup>th</sup> year likely costs 20% more than the 1st year did
- Loss of institutional funds if they only allow for 4 years
- Loss of PA State Grant if all 4 years have been received
- Reduction in student borrowing capacity if maximum loans received in the first 4 years (only \$4,000 left)
- Talk it over and plan ahead!

# QUESTIONS?



# Contact Information

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