

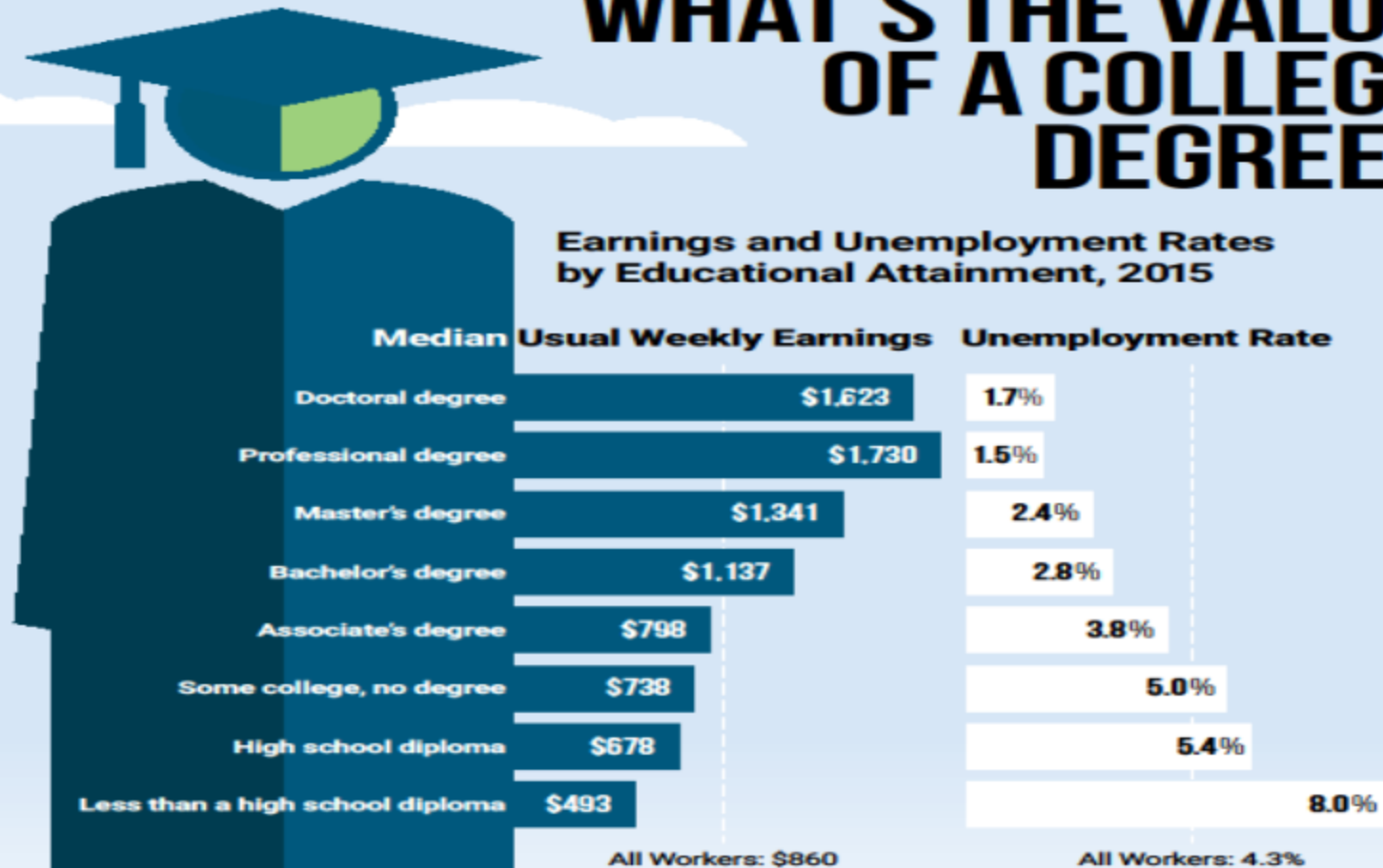


# Finding Money for College

Basics of Financial Aid and the FAFSA

# WHAT'S THE VALUE OF A COLLEGE DEGREE?

## Earnings and Unemployment Rates by Educational Attainment, 2015



Source: United States Department of Labor, Bureau of Labor Statistics [http://www.bls.gov/emp/ep\\_chart\\_001.htm](http://www.bls.gov/emp/ep_chart_001.htm)

Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers. These education categories reflect only the highest level of education attained. They do not take into account completion of training programs in the form of apprenticeships and other on-the-job training, which may also influence earnings and unemployment rates. For more information on training, see: [http://www.bls.gov/emp/ep\\_education\\_training\\_system.htm](http://www.bls.gov/emp/ep_education_training_system.htm).



## We will talk about:

- Federal student aid
- State student aid
- Student aid from colleges
- Scholarships from other sources



## We will answer:

- What is financial aid?
- Who can get it?
- How much can I get?
- How do I apply?
- What happens next?
- Where can I get more info?



# What is financial aid?

- Money to pay for college or career school
  - Grants
  - Scholarships
  - Work-study
  - Loans



## Who can get federal student aid?

- U.S. citizen or permanent resident
- High school graduate/GED holder
- Eligible degree/certificate program
- Valid Social Security number
- Males registered for Selective Service
- Satisfactory academic progress in college/career school



# Who can get other kinds of financial aid?

- States, colleges, and private scholarships have their own eligibility criteria.
- Be sure you know what you need to do to qualify.



# How much federal student aid can I get?

In general, depends on your financial need.

- Financial need determined by Expected Family Contribution (EFC) and cost of attendance (COA)
- EFC comes from what you report on FAFSA® (*Free Application for Federal Student Aid*)





# How much federal student aid can I get?

- Family contribution is made up of four elements:
  - Parents' contribution from income
  - Parents' contribution from assets
  - Students' contribution from income
  - Students' contribution from assets
- Contribution from income is based on the prior-prior year to their college entrance. Thus, 2017 college freshman will complete the FAFSA with 2015 tax return information.
- Contribution from assets is based upon the date you submit the FAFSA.



# How much federal student aid can I get?

- COA is tuition, fees, room and board, transportation, books, etc.

$$\text{COA} - \text{EFC} = \text{financial need}$$



# How much federal student aid can I get?

Maximum amounts for the major programs for a dependent freshman in 2016-17:

- Federal Pell Grant: \$5,815
- Federal Work-Study: depends on funds available at school
- Direct Subsidized and Unsubsidized Loans: \$5,500 total
- Direct PLUS Loan (for parents): COA minus other aid received


Funds from other programs are available; see [StudentAid.gov/needmoney](http://StudentAid.gov/needmoney) for details.



# How much federal student aid can I get?

For early estimate, use *FAFSA4caster*:

- Go to [fafsa.gov](https://fafsa.gov) and find link in “Thinking About College?” section (lower right of home page)
- Enter some financial information
- Get an estimate



# How much state, school, and private scholarship money can I get?

Depends on the program; do your research!

- Our state aid: Illinois MAP grants have been up to about \$4700. Only for use at Illinois Schools.
- Ask college financial aid offices for info about aid available at their schools
- Free scholarship search at [StudentAid.gov/scholarships](http://StudentAid.gov/scholarships)



## How do I apply for aid?

- Federal student aid: fill out *Free Application for Federal Student Aid* (FAFSA®) at [fafsa.gov](https://fafsa.gov)
- State aid: MAP Grant Aid is automatic if you submit FAFSA and list a qualified Illinois School
- School aid: contact financial aid offices at schools you are considering
- Scholarships: visit Counselors Corner at [www.Rockfordlutheran.org](http://www.Rockfordlutheran.org). “Like” the Rockford Lutheran Guidance Office Facebook page.



# How do I apply for federal student aid?

## 1. Get a FSA ID

- Your parent will need a FSA ID too.

## 2. Go to [Fafsa.gov](https://fafsa.gov)

- Click on FAFSA ID at the top of the page.



# How do I apply for federal student aid?

## 2. Gather the documents you need to apply.

- Find checklist of what's needed on infographic called "The FAFSA Process" at [StudentAid.gov/resources#fafsa-process-graphic](https://studentaid.gov/resources#fafsa-process-graphic)
- Optional: Use the *FAFSA on the Web Worksheet* to prepare your answers. (Get worksheet at [StudentAid.gov/resources#worksheet](https://studentaid.gov/resources#worksheet))





# How do I apply for federal student aid?

## 3. Fill out your FAFSA at [fafsa.gov](https://fafsa.gov).

- Apply on or after October 1 but as early as possible to meet all deadlines.
  - State deadlines are at [fafsa.gov](https://fafsa.gov).
  - School deadlines are listed on schools' websites.
- Need help? Use the help functions within the FAFSA (including live chat) or call 1-800-4-FED-AID.
- Don't forget: watch for the confirmation page that says your FAFSA has been submitted. THEN log out.

Tip! Use the IRS Data Retrieval Tool to automatically import tax info from the IRS into your FAFSA:  
[StudentAid.gov/irsdrv](https://StudentAid.gov/irsdrv).



## How do I apply for federal student aid?

4. Watch for response by e-mail confirming that your FAFSA was processed.
  - Double-check that your info is correct by logging on at the FAFSA site and reviewing your data.
  - Correct any mistakes and submit the corrected info.



# How do I apply for federal student aid?

5. Watch for e-mails or letters from the schools you are considering.

- Give the schools any additional paperwork they ask for.
- Meet all deadlines or you could miss out on aid!



## What happens next?

- Each school will tell you how much aid you can get at that school.
- Once you decide which school to attend, keep in touch with the financial aid office to find out when and how you will get your aid.



## A few helpful details

- The names of colleges you list will not be included in the information sent to those institutions.
- Divorced or separated families:
  - The parent the student lived with the most during the prior 12 months is the “FAFSA” parent.
  - If the “FAFSA” parent remarries, the step-parents income and assets are included.



## More helpful details

- Home and Retirement assets are not counted in FAFSA
- Cash assets are counted as of the date you hit the "submit" button. (Pay bills ahead to lower your balance)
  - If the older parent is 45, \$17K of savings assets are protected. Raises as you get older.
- A "Direct Plus Loan" for parents is not necessarily the best deal.
  - Current rate 6.31%, plus a 4.27% loan fee.
- University review of Special Circumstances



# Merit Aid

- Visit the Counselor's Corner page at:  
[www.rockfordlutheran.org](http://www.rockfordlutheran.org)
- Visit [www.cfnil.org](http://www.cfnil.org)
- Search out audition/athletic information on the web site of schools you are interested in.
  - Look into this at the beginning of your senior year, at the latest. Some auditions/tryouts are in the fall of your senior year.



## Sample scenario-Anna

- ACT score of 31, a GPA of 3.5, and ranking in the top 5% of her high school class
- **Expected Family Contribution = \$32,000**  
Family Size: 4 (two in college, including Anna)  
Family Income: \$210,000  
Assets: \$298,000  
Anna's Income: \$445  
Anna's Assets: \$420
- **The Financial Aid Package**  
Merit Scholarship: \$18,000  
Student Loan (interest not subsidized): \$5,500  
Student Employment: \$2,300  
Total Financial Aid: \$25,800





# Sample scenario-Eduardo

- GPA of 3.7 and an ACT score of 27. \$4,000 in annual out-of-pocket costs.
- **Expected Family Contribution = \$1,307**  
Family Size: 4 (one in college) Family Income: \$60,000  
Assets: \$0
- **The Financial Aid Package**  
Merit Scholarship: \$14,000  
Need-based Grant: \$11,790  
Federal Pell Grant: \$1,400  
Supplemental Ed. Opportunity Grant (SEOG): \$650  
State Grant: \$4,197 Federal Perkins Loan: \$2,000  
Federal Interest Subsidized Stafford Loan: \$5,500  
Student Employment: \$2,000
- **Total Financial Aid: \$41,537**



# Sample scenario-Peter

- GPA of 2.9. Active in his congregation, Peter hoped that kind of service and action would be recognized and rewarded by the Lutheran university in his home state.
- **Expected Family Contribution = \$12,751**  
Family Size: 4 (one in college)  
Family Income: \$68,810 Assets: \$2,500
- **The Financial Aid Package**  
College Scholarship: \$14,000  
Lutheran Heritage Scholarship: \$1,000  
College Grant: \$6,500 Work Study: \$2,400  
Student Loans: \$5,500  
Total Financial Aid: \$29,400



# Sample scenario-Katherine

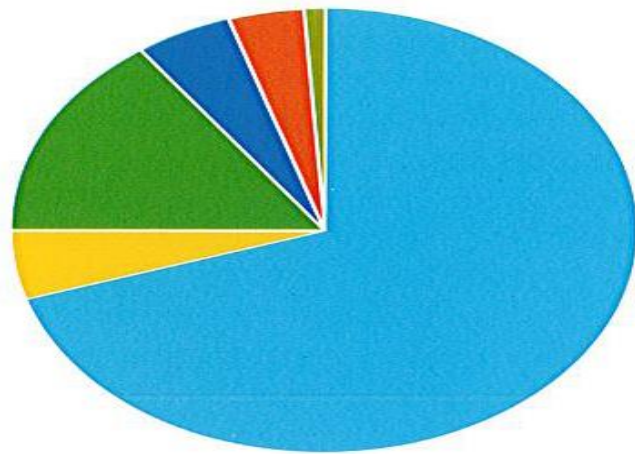
- GPA of 3.25 and ACT score of 24 put Katherine in the middle range of accepted students at the college she chose. Volleyball player. Division III school.
- **Expected Family Contribution = \$21,266**  
Family Size: 4 (one in college)  
Family Income: \$120,000 Assets: \$0
- **The Financial Aid Package**  
College Grant: \$9,000  
College Need-based Grant: \$8,878  
Stafford Loan: \$5,500  
Student Employment: \$2,000  
Total Financial Aid: \$25,378

# TYPES OF FINANCIAL ASSISTANCE

Augustana students qualify for many different types of financial assistance including state, federal, private and institutional (awarded by Augustana).

## Types of financial assistance received by incoming first-year students (2010-11)

- Augustana Grants & Scholarships 70%
- College Work Study 5%
- Student Loans 15%
- State Grants 5%
- Federal Grants 4%
- Private Scholarships & Grants 1%



# RANGE OF FINANCIAL ASSISTANCE

The chart below is based on the 2010-11 incoming class and indicates the range of financial assistance for which students may qualify, based on their families' income range. [Note: awards will vary based on a number of factors, including academic performance, family size, number of children in college and student/parent assets.]

## Range of financial assistance received by incoming first-year students (2010-11)



# Comparisons

- Time to Degree
  - Four Year Private School 79% in four years
  - Four Year Public School 49% in four years
- Resulting “Price” of a Bachelor’s Degree
  - Four year-Private school-Average Net Price
    - $\$26,400 \times 4 = 105,600$
  - Four-year Public School-Average Net Price
    - $\$14,120 \times 5 = 70,600 + \text{lost income}(45,000)$
    - $=115600.$
  - (Source NAICU and College Board)



# Comparisons-Lutheran vs. Flagship Schools

- Better career preparation
- Stronger sense of values
- Greater involvement in communities
- Personal interaction with Professors
- More effective in helping develop a sense of purpose
- More likely to graduate in four years



# Comparisons

- A recent survey of graduates reveals that:
- 86% of Lutheran college alumni felt faculty members were interested in students personally as well as academically. (vs 44% for flagship university alumni)
- 67% had conversations with professors outside of class. (vs 34% for flagship university alumni)
- 70% of Lutheran college alumni had a professor who was a mentor in college. (vs 48% for flagship university alumni)





# Savings Plans-529 Plan

- Private College 529 Plan offers something that no other 529 plan can; a guaranteed way to purchase tuition at today's rates at participating private colleges and universities across the country. You get tomorrow's tuition at today's prices, for up to 30 years after it was purchased—guaranteed.
- <https://www.privatecollege529.com>





# CSS/Financial Aid-Profile

- Welcome to PROFILE. By filling out one form, you can apply online for nonfederal financial aid from almost 300 colleges and scholarship programs.
- <https://student.collegeboard.org/css-financial-aid-profile>



# Tax Benefits for Education

- American Opportunity Tax Credit

The American Opportunity Tax Credit provides a federal income tax credit of up to \$2,500 (40% refundable) per student based on the first \$4,000 in postsecondary tuition, fees and course materials paid by the taxpayer during the tax year.

- Lifetime Learning Tax Credit

The Lifetime Learning provides a federal income tax credit of up to \$2,000 per taxpayer based on the first \$10,000 in postsecondary tuition and fees paid by the taxpayer during the tax year.

- <http://www.finaid.org/otheraid/tax.phtml>



# Where can I get more info?

- [StudentAid.gov](http://StudentAid.gov)
  - Info about aid programs
  - Links to free scholarship and college searches
- [www.LutheranColleges.org](http://www.LutheranColleges.org)
- <http://rockfordlutheran.org/academics/counselor-s-corner>
- [www.fastweb.com](http://www.fastweb.com)
- [www.collegezone.com](http://www.collegezone.com)



Questions?