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# Financial Aid Basics

*Everything you ever wanted to know about aid, but were afraid to ask...*

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# Overview

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- Applying for Aid
- Cost of Attendance
- Need-based financial aid
- Merit-based scholarships
- Consumer tips

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## What is the purpose of need-based financial aid?

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- Make higher education accessible to students who can't afford it on their own
- Enable student to apply to first-choice college
- Attend college based on best fit
  - Equity in distributing limited funds

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# How do students apply for need-based financial aid?

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Federal formula

**FAFSA (Free Application for Federal Student Aid)**  
- tax transcript



Institutional formula

**CSS/Financial Aid PROFILE**

At school's discretion:

**Institutional application**  
**Tax returns and W-2 forms**  
**Noncustodial Parent**  
**PROFILE**

Families must reapply annually

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# Which tax return information is used?

## Changes to the FAFSA for 2017-18

- Students will be able to submit a 2017-18 FAFSA as early as October 1, 2016, rather than beginning on January 1, 2017
- Students and parents will report income information from an earlier tax year (2015 instead of 2016)

IF YOU PLAN TO ATTEND COLLEGE FROM	YOU CAN SUBMIT THE FAFSA FROM	USING TAX INFORMATION FROM
July 1, 2015–June 30, 2016	January 1, 2015–June 30, 2016	2014
July 1, 2016–June 30, 2017	January 1, 2016–June 30, 2017	2015
July 1, 2017–June 30, 2018	October 1, 2016–June 30, 2018	2015
July 1, 2018–June 30, 2019	October 1, 2017–June 30, 2019	2016

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# Are there instances where a student is self-supporting?

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- ▶ Are you 24?
- ▶ As of today, are you married?
- ▶ Will you be working on a master's or doctorate?
- ▶ Are you currently serving on active duty in the US Armed forces (other than training)?
- ▶ Are you a veteran of US Armed Forces?
- ▶ Do you have children who live with you and receive more than half their support from you?
- ▶ When you were 13 or older, were both your parents deceased, were you in foster care or a ward of the court?

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## Self-supporting Student, cont.

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- Are you an emancipated minor as determined by a state court?
- Are you in legal guardianship as determined by a state court?
- Have you been declared by an emergency shelter director funded by HUD to be a homeless unaccompanied youth?
- Did the director of runaway/homeless shelter determine you to be homeless or self-supporting?

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# How is eligibility for financial aid determined?

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## **COST OF EDUCATION**

- Estimated Financial Assistance (or outside resources)
- Family contribution (EFC)

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**= STUDENT'S FINANCIAL NEED**



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# What is included in cost of education?

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- Tuition and fees
- Room and board
- Books and supplies
- Transportation
- Miscellaneous personal expenses

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# Are there other possible expenses?

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- Health insurance
- Computer
- Special needs
- Child care expenses

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# What are outside resources?

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- Scholarships from non-institutional sources (Churches, clubs, employers, etc.)
- Certain types of benefits
- Private gifts

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## How is the family contribution determined?

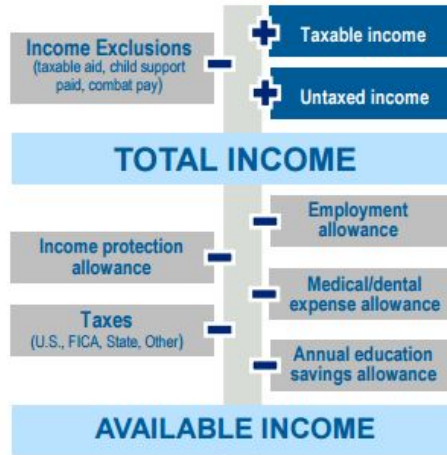
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- Parent contribution from income and assets (see next slide)
- Student contribution from income and assets



# Parent Contribution

## PARENT INCOME

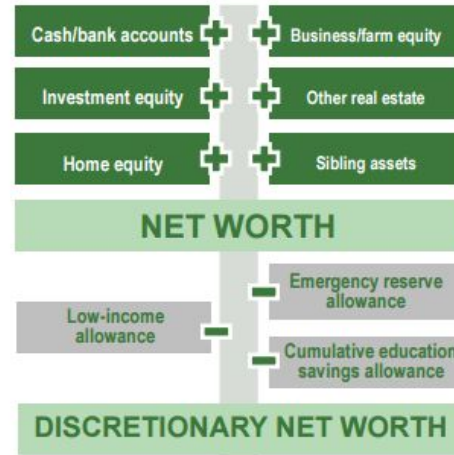


Available Income Assessment Rates

%

INCOME CONTRIBUTION

## PARENT ASSETS



Asset Assessment Rates

%

ASSET CONTRIBUTION

TOTAL PARENT CONTRIBUTION

Number in College Adjustment

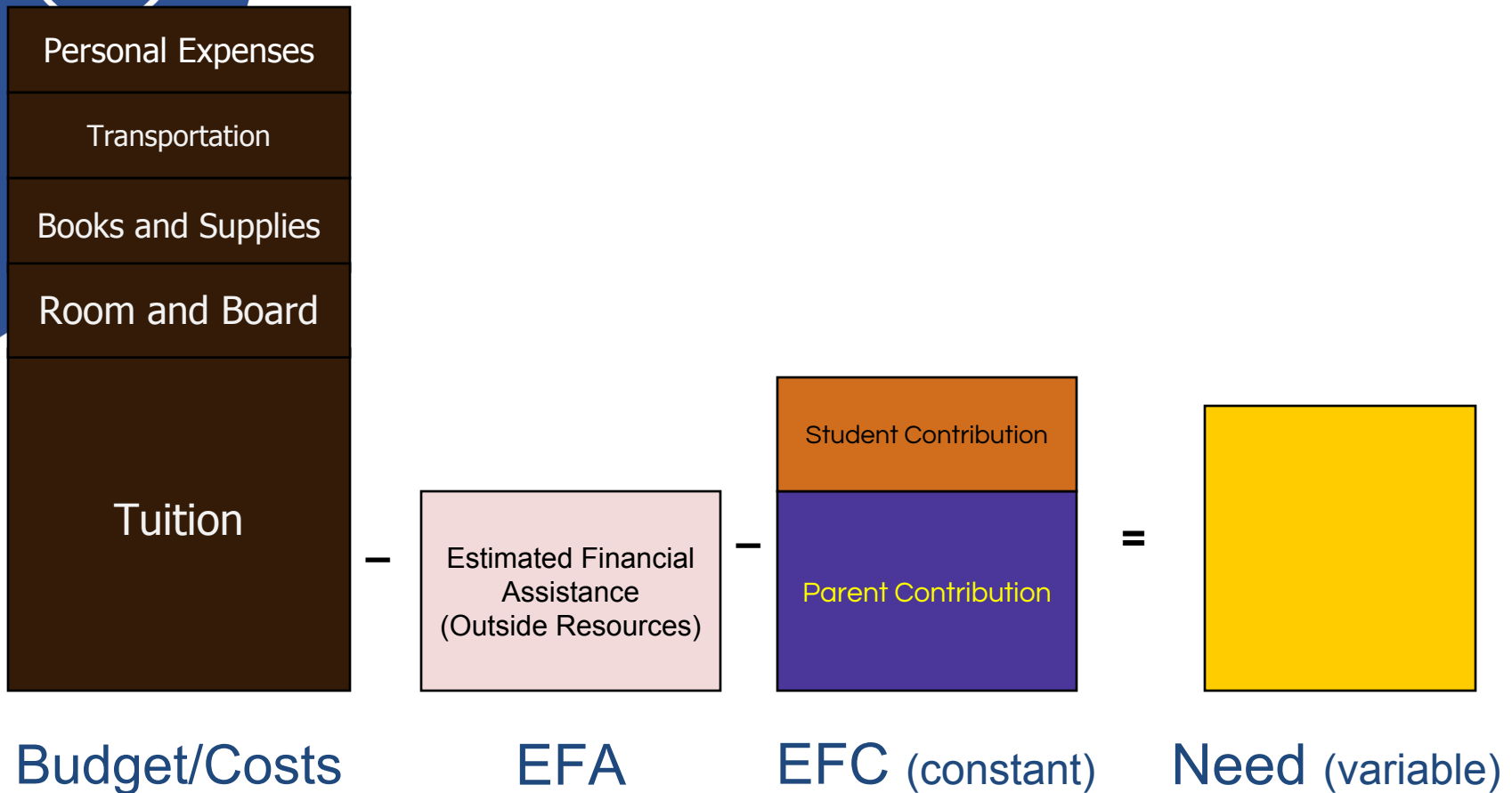
PARENT CONTRIBUTION FOR STUDENT

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# Recap:

## What is financial need?



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# How is financial need met?

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- ▶ **Gift aid**
  - Grants
  - Scholarships
  
- ▶ **Self-help aid**
  - Employment
  - Student loans

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## What Federal grants are available for students?

- Pell Grant
- Supplemental Educational Opportunity Grant (SEOG)
- Iraq and Afghanistan Service Grant
- Teacher Education Assistance for College and Higher Education (TEACH)



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# What are merit-based scholarships?

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- There can be Merit from the college and Outside Merit
- How do colleges use Merit Awards?
  - Recruiting device
  - Awarded after student is admitted
- Procedures for being considered vary
  - Nomination
  - Scholarship application
  - Admission application

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## What are athletic scholarships?

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- Usually awarded by athletics department, not admission/financial aid office
- Partial athletic scholarships
- Full athletic scholarships

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## What questions should students ask about merit and athletic awards?

- ▶ Is the scholarship renewable?
- ▶ If so, what are the requirements for renewal?
- ▶ Will the scholarship affect need-based aid eligibility?

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## What is Self Help?

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- ▶ Student Employment – Federal Work Study
- ▶ Student Loans
  - ▶ Federal Direct Loan (subsidized and unsubsidized – formerly known as “Stafford Loan”)
  - ▶ Perkins Loan
  - ▶ Institutional Loan
  - ▶ Private Loan

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# What might a sample aid package look like?

	Emory	Other Private	Public U.
<b>Total Cost</b>	\$63,000	\$42,000	\$19,000
<b>Family Contribution (EFC)</b>	\$5,000	\$5,000	\$5,000
<b>Financial need</b>	\$58,000	\$37,000	\$14,000
<b>Merit aid</b>	\$0	\$15,000	\$0
<b>Need grant</b>	\$55,500	\$2,800	\$4,500
<b>Student loan</b>	\$0*	\$5,500	\$5,500
<b>Work Study</b>	\$2,500	\$1,800	\$1,000
<b>Total aid</b>	\$58,000	\$25,100	\$11,000
<b>Unmet need</b>	\$0	\$11,900	\$3,000
<b>Total paid</b>	\$5000	\$16,900+loan +interest	\$8,000+loan +interest

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## What other options can help a family pay for college?

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- Summer/academic year student employment
- 529 savings plans, other savings plans
- Payment plans
- Parent Loans – PLUS, others...

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## What can outside scholarships do? What can't they do?

- Can... meet unmet need (gapping) and/or generally reduce loans or jobs
- Can't... replace EFC in a need-based award

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# More consumer tips...

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- ▶ Deadlines are important
- ▶ Early Decision/Early Action
- ▶ Net Price Calculators
- ▶ *Need-blind vs. need-sensitive*
- ▶ Differential/preferential packaging
- ▶ May 1: National Candidate's Reply Date



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# On-line resources

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- [www.studentaid.emory.edu](http://www.studentaid.emory.edu)
- The College Board  
[www.collegeboard.com](http://www.collegeboard.com)
- SmartStudent Guide to Financial Aid  
[www.finaid.org](http://www.finaid.org)
- Federal government  
[www.ed.gov](http://www.ed.gov)
- Scholarship Web sites
- School Web sites

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# Questions?

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- Thank you!