FINANCIAL AID

Planning for the future

Harriton High School
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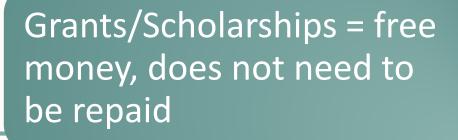   **Villanova University**

Before you start....

Begin with a positive attitude !

- Involve your child/family in the admission <u>and</u> financial aid process

- Discuss your ability to pay for college with your child or family throughout the application process

- Talk about choices, expectations, options
  -- academic and financial --

Before you start....

- Ask questions along the way

- Each school has their own unique approach to financial aid

- Consider **academic** & **financial** differences between schools so you can realistically compare offers of aid

Types of Financial Aid

Grants/Scholarships = free money, does not need to be repaid

Loans = money that need to be repaid

Student Employment = on or off-campus employment

Categories of Financial Aid

Merit based Aid

Grant assistance that is awarded based on something other than financial need.

Merit is defined by the institution or organization providing the funds.

Need-based Aid

Grant aid awarded to students based on demonstrated financial need.

Merit-Based Aid

Grant assistance given to students strictly based on merit

- Award usually remains the same over the course of the student's academic career

- Merit may be defined in a variety of ways
  - **Academic record**   **SAT, ACT, GPA, RANK**
  - **Special characteristics**   **Leadership, Creativity**
  - **Skills or talents**   **Musical, Athletic, Writing**
  - **Involvement**   **Community service, volunteer work, activity, paid employment**

Merit-Based Aid

- Amounts can vary significantly from school to school

  Rule of thumb: the more competitive the institution the less merit-based aid

- May or may not require an application, interview, submission of additional materials

- May be administered by an office other than the FA Office

Merit-Based Aid

- May require a student to apply for admission by an earlier date

- Things to consider:

    Think about loss of opportunity to compare awards if applying Early Decision (ED)

    Discuss this process with Guidance Office before applying ED

Need-Based Aid

Need-Based Aid aid awarded to students based on financial need

- Re-evaluated each year as financial situations may change.
  - Need will vary based on Cost of Attendance (COA) of the school
  - Determination of need could be based on the FAFSA, CSS Profile or both

How do you apply for need based aid?

- Complete the Free Application for Federal Student Aid (FAFSA)
- Check with your school if they need additional forms

    Some schools also have their own forms

    Schools may require a copy of tax returns (personal and/or business), W-2 forms or IRS Data Retrieval or tax return transcript

    The CSS PROFILE may also be required at some institutions

What Is The FAFSA?

Free Application For Federal Student Aid (FAFSA)

- A standard application - collects financial & demographic data about the student & parent
- Use it to apply for federal & state aid (may be application for college aid, depending upon the school)

  File one FAFSA per student (__not__ one per college)

  Need to file a FAFSA every year

When to File the FAFSA?

Begin to file for aid in the fall of the Senior year

You would use your **2019** taxes if you are applying for aid for the **2021 - 2022** academic year.

Application looks for income information 2 years prior. No more guessing or last-minute questions about not filing taxes in a timely manner.

DEADLINE:

Make sure you ask about your school's deadline for aid.

Filing The FAFSA

- Based on Prior Prior Year tax information but current asset information and current household size

- Students need to be encouraged to apply even if they are not sure of their attendance at a particular school

- Don't wait to be accepted to college to file for financial assistance. Deadlines are important.

Financial Need

Cost of Attendance

-Expected Family Contribution (EFC)

Financial Need

Cost of Attendance

Cost of Attendance typically includes:

- ◦ Tuition & fees

- ◦ Room & board

- ◦ Books & supplies allowance

- ◦ Personal expenses allowance

- ◦ Transportation allowance

Commuters – Room & Board is eliminated but schools use a commuter allowance

What Is The Expected Family Contribution (EFC)?

- EFC is determined by a formula that considers a student & parents' financial situation

- Amount a family can reasonably be expected to contribute to the student's education during the school year

- EFC & Financial Need are guidelines used by schools to determine aid package

- Formula used by the FAFSA is the Federal Methodology (FM)

How Is The EFC Calculated?

Primary Factors Considered:

– *Taxable Income: AGI (wages earned + interest dividends + other taxable income)*

– *Untaxed income & benefits*

– *Number in family*

– *Number of dependent children in college*

– *Assets: FAFSA <u>does not</u> use home value or business value for small businesses; CSS Profile does*

How Is The EFC Calculated?

For more detailed information on how the EFC is calculated visit:

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www.collegeboard.com

Big Future (https://bigfuture.collegeboard.org/pay-for-college/paying-your-share/expected-family-contribution-calculator)

www.finaid.org

Select Financial aid calculators and see how your family contribution changes based on changes to income, assets, family size, etc.

Institutional Methodology (IM)

Some schools require the CSS Profile

- Primarily used by private schools

- Collects supplemental data (i.e. home equity, financial data of non-custodial parent, etc.)

- Basis for awarding institutional need-based aid only

- Complete form at www.collegeboard.com

- There is a fee to file the CSS Profile

Sources of Aid

- Federal

- State

- School/College/University

- Private/Outside Organizations

  Civic organizations (ex. local Rotary Club, parent's employer, churches)

Federal Aid: Grants, Work & Loans

– Federal Pell Grant

– Teacher Education Assistance for College & Higher Education Grant (TEACH)

– Federal SEOG

– Federal Work Study

– Federal Nursing Student Loan

– Federal Direct Loan

– Federal Direct PLUS Loan (parent's loan)

State Aid

- Awards may be merit or need based

- May require some type of residency requirement

- Deadlines for applying for state aid may vary from state to state

- Contact your state higher education assistance agency for specific details on their programs of aid

College/University

– Many schools offer their own sources of aid. Funding varies from school to school therefore aid packages may vary significantly

– May be merit or need based aid or a combination of both

– Check with each school you are interested in about their policies, process & deadlines

Outside Sources

Private sources of scholarship funds include:

➤ Service/Fraternal Organizations

➤ Employers/Business

➤ Churches/Religious Groups

The web is an excellent resource for parents, students and counselors to seek **free** scholarship assistance

Additional things to consider

- Inform your school of unusual circumstances

- Follow up with all requests for additional information

- You need to reapply for need based aid every year

- Find out how your school will handle Prior Prior Year (PPY) income changes

Additional things to consider

- Remember we will be using PPY income each year, how might that affect future year need based aid eligibility?

- If your family financial situation changes between years your need-based aid package may change

- Contact the Financial Aid Office with your questions or concerns regarding the financial aid process

Net Price Calculators (NPC)

NPC is a tool schools must have to assist you in knowing what federal aid you may be entitled to. Many schools will also allow you to determine school-based aid on the NPC as well.

It is a tool – it is not the final award letter

Carefully read the things the school considers when it calculates aid on the NPC.

Timeline for Aid Application

start to apply for private aid

schools will send financial aid offer to you

•review financial aid awards and determine which package is best for you and your family

October

May 1

September

November – April

begin to file FAFSA and/or CSS Profile and any other forms school requests (Early Decision may change timelines)

Deposit deadline for admission

Questions?

Good luck as you navigate through this process !