What High School Counselors Need to Know About Financial Aid

Session D
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Santa Clara University
Types of Financial Aid

• Loans
• Grants
• Scholarships
• Work-Study
What Counselors really need to know

- How to motivate students to explore options early and seek access to a college education
- How to help students and their families determine “value” of higher education
- How to help students understand and adhere to application instructions and deadlines
- How to compare and evaluate financial aid offers, reduce confusion and bolster confidence

Western ACAC ~ Est. 1967  www.wacac.org
What Students Need to Learn about College and Financial Aid

CULTIVATING INTEREST AND GAINING TRUST

Why Should I Go?

• To prepare for a career and/or vocation
• To broaden world view and ability to contribute
• To realize financial advantages of bachelor degree holders over those with high school diplomas for individual and his/her family
When Should I Start This Conversation?

- The prospect of college attendance should be a part of every presentation to students.
- The objective is to keep the doors to college unlocked...each student will decide whether to walk through.
- Bring parents into the conversation early and have them register for FSA ID, which is comprised of a username and password and is the identity authentication process needed to access student application information.
Comparing Dollars and Cents.....

**Difference in Median Weekly Earnings**

- Bachelor’s degree: $1,137
- Associate’s degree: $798
- High School diploma: $678
- No High School diploma: $493

Nuts and Bolts of Applying for Financial Aid

- Attention to every deadline is critical!
- Free Application for Federal Student Aid (FAFSA) opens for Fall 2018 on October 1st and should be completed by every prospective college going student (https://fafsa.gov)
- Cal Grant deadline is March 2 (CA residents only) and requires submission of the FAFSA or CADAA
- CSS Profile may be required by some private institutions but is not required by most public institutions
Nuts and Bolts of Applying for Financial Aid, cont...

- For 2018-19 Cal Grant Award Consideration, the Cal Grant GPA Verification Form or electronic certification must be submitted from the High School to the California Student Aid Commission (CSAC) by March 2, 2018 (CA residents)
- FAFSA filers should use the Data Retrieval Tool (DRT) if available to allow transfer of tax data directly from IRS website to FAFSA
- If required, CSS Profile should be filed in the fall if a student will apply for early action or early decision
In order to be eligible to complete the FAFSA, the following criteria must be met:

- U.S. Citizen or eligible non-citizen
- Hold a valid Social Security Number
- Do not owe a refund on any federal financial aid grant
- Not in default on any federal student loan
- Registered with Selective Service (if required)
To complete FAFSA, Have following available:

• Federal Student Aid ID (register before beginning process)
• Driver’s License Number
• Federal Income Tax Form (including W2s)
• Current bank and asset statements
• Untaxed income statements, such as Social Security or welfare benefits

• Social Security Number
Differences between the FAFSA and CSS Profile

• **FAFSA:** collects demographic and financial information on student and family including size of family, adjusted gross income, age of older parent, assets other than the family home, etc.

• **CSS/Financial Aid PROFILE:** collects supplemental financial information that individual colleges request, including home equity, income and assets from non-custodial parents, etc.
Frequently Asked Questions about Completing the FAFSA

• Which parent needs to fill out the form? (custodial parent)
• Do I need to report a step-parent’s income/assets? (yes, if that person is married to custodial parent)
• Should non-custodial parent income be reported? (not on the FAFSA)
• Do retirement accounts need to be included in assets? (no, but annual contribution amount is requested)
Common FAFSA Errors

- Form Not signed by Student or Parent
- Incorrect Name
- Incorrect Social Security Number or Date of Birth
- Incorrect Parental Marital Status
- Incorrect Number of People Living in Household
- Incorrect Number of People Enrolled in College
Myth vs Reality

Public Colleges are **not necessarily** less expensive than Independent/Private Colleges when the following are considered:

- Total gift aid including merit scholarships (tuition discount)
- Total time to degree completion
- Opportunities for paid internships
Actual Cost is Rarely “The Sticker Price”
Dependent vs Independent Student: “Yes” to any of the following?

• At least 24 years of age
• Enrolled in a Master’s or Doctoral degree program
• Married
• Is a Parent
• Active duty service in United States Armed Forces
• Foster child after age 13
• Emancipated by court order

• Other considerations that are taken into account and require confirmation include applicant supports others, ward/dependent of the court, veteran of US Armed Forces or homeless as determined by department of Housing & Urban Development (HUD) or agency liaison.
Did You Know?

- Federal Student Aid programs are based on the concept that it is primarily the family’s responsibility to pay for college.
- Entrance and Exit Counseling is mandatory for all federal student loan borrowers.
- Students must be enrolled at least half-time to be eligible for a federal student loan.
- The Net Price Calculator result is only as reliable as the data provided and the college FAO has the final say on an aid award.
Need-Based Aid and Merit Scholarships

Need-Based Aid

- Based on Family Income & Assets
- Meant to help make college affordable for all
- Also based on tuition and other costs of education

Merit-Based Scholarships

- Income and Assets not considered
- But grades, test scores and rigor of curriculum count a lot!
- Many colleges also consider extracurricular activities, personal statement, LORs, etc.
“Direct Costs” vs. Cost of Attendance or “Indirect Costs”

“Direct Costs”. . . Will be billed by and must be paid to the college, includes tuition, fees, room and board if the student lives on campus.

Cost of Attendance (COA). . . includes tuition and fees PLUS room and board or living allowance books and supplies transportation and personal expenses
HOW TO HELP YOUR STUDENTS ANALYZE FINANCIAL AID OFFERS TO GET TO THE “BOTTOM LINE”
## COSTS / EXPENSES

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<th>Coll / Uni #1</th>
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<td>total of &quot;direct&quot; costs (which means the bill!)</td>
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<td>personal expenses</td>
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<td><strong>total cost of attendance</strong></td>
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## FINANCIAL AID PACKAGE INCLUDES

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<td>Work-study</td>
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### Notes

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“Takeaway” Questions Should be…….

▪ how much loan is in the package? At this rate, what will total indebtedness be by graduation?
▪ is work study a part of the package?
▪ is there a PLUS Loan included?
  ▪ if so . . . can the parent pay the expected portion out of savings or other funds, etc., in order to decline the loan?
  ▪ if not . . . and the parent wants to take the loan, are they likely to qualify since this is a credit based loan?
▪ if so . . . can they sustain payments for yrs #2-4?
“Takeaway” Questions, cont.

- how long will it take to complete the degree?
- will there be extraordinary travel/personal expenses?
- is student covered by family’s health insurance? *If not, coverage through the college will be required at an annual cost ranging from $900 to $1800.* Can the family afford the monthly / semester payments?
- will the student have summer earnings and what portion will be set aside for college expenses?
And the Answer is............... 

▪ which college offers the best financial “bottom line” for this family?

▪ which college makes the best sense in terms of “fit” and “bottom line” for this student?
After the Decision has been made . . . 

• Know that you have done your best to arm families with critical information and lessen worry about money as an obstacle to college access
• Be assured that this is the student’s family decision and input and guidance offered by you was in what you deemed to be the student’s best interest
Helpful Websites

www.fafsa.ed.gov

www.csac.ca.gov

StudentLoans.gov

www.collegenavigator.ed.gov

www.studentaid.ed.gov
Questions?

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