**University Counseling Morning Meeting: Financial Aid and Scholarships**

September 7, 2016

Hand-out: Scholarship List

**Cost of College**

* Financing university is primarily the responsibility of the student’s family. Do not count on receiving merit scholarships!
* What is “need-based?” What is “merit-based?”
  + *Need-based aid* is dependent solely on a family’s financial resources, as determined by a variety of financial aid applications. It has nothing to do with a student’s academic or extracurricular achievements.
  + *Merit-based aid* is dependent on a combination of student’s academic achievements, standardized test scores, and/or extracurricular achievements. Criteria may vary at different universities. Some may consider leadership roles, grades in particular subjects, minimum SAT/ACT scores, etc.
* What is “need blind?” What is “need-aware?”
  + *Need-blind* institutions do not consider a student’s ability to pay when evaluating the student for admission
  + *Need-sensitive* or *need-aware* institutions consider the family’s ability to pay when evaluating the student for admission
* *Demonstrated need* is a student’s financial need as determined by the FAFSA, CSS PROFILE, or other required financial aid applications.
  + Demonstrated need is not the same as “perceived” need. These applications do not take into account many factors and discretionary expenses (credit card bills, cell phone bills, etc.).
  + A school that “meets 100% of demonstrated need” is not necessarily “need-blind.”
* Other expenses to consider besides tuition, room and board, visa application fees, SEVIS fee (if applicable), health insurance, etc.
* Must reapply for aid every year, and be honest in your representation of your family’s finances.
* Availability of aid (need-based and merit-based) may vary by student’s citizenship
* In-State vs Out-of-State
  + At private universities, tuition and fees are the same for ALL students regardless of residency or citizenship.
  + At public universities, students who are considered “in-state” receive a lower tuition rate. Eligibility depends on factors such as residency of the student and parents, taxes, etc.
* Don’t focus on the “sticker price,” or the total cost listed on the school’s website. This is not what most families pay. Don’t rule out a school just because it has a high list price.
  + Students may actually get more funding from a private university than a public one, depending on the circumstances of the institution and the family.
  + Apply for any and all aid (need-based and merit-based), even if you don’t think you’ll qualify.

**Need-Based Financial Aid**

If your student is a US citizen or permanent resident, he or she may be eligible for need-based financial aid from the government and/or the university.

* Some awards, such as grants, are gift money that does not need to be repaid.
* The US Department of Education also offers low-interest loans, which will need to be repaid after graduation.
* Perkins Loans are available to students with exceptional financial need
* Direct (also known as Stafford) Loans are available to most students with any level of financial need.
* In most cases, you won’t apply for specific government loans; you’ll be offered the loans as part of the financial aid package. The financial aid award letter will list the details.

*FAFSA*

* US colleges and universities require a form called the *FAFSA (Free Application for Federal Student Aid)* to distribute federal financial aid such as loans and grants.
* Your eligibility for these financial programs is based on family income and tax information.
* You’ll fill out the FAFSA online, around the time that your student is applying for admission. Check each school’s deadlines. FAFSA becomes available on October 1, three months earlier than in previous years. Students entering college in Fall 2017 will use data from the 2015 tax year, one year earlier than in the past. So, families won’t have to worry about estimating their income or correcting it later.
* FAFSA determines eligibility for federal funds and is standard across colleges. FAFSA must be filed for each student attending college. Both the student and at least one parent must sign the form. You’ll need to file a new FAFSA every year that the student is in college.
* Some families may be chosen for the Federal Verification process after filing. This may require you to submit additional household or tax information. Some institutions require copies of federal tax returns.

*CSS/Financial Aid PROFILE*

* Some colleges, particularly private institutions, require a supplemental financial aid form called the *CSS/Financial Aid PROFILE (College Scholarship Service)*.
* Available online through the College Board. Check the schools to which your child is applying to find out if you'll need to complete this form in addition to the FAFSA.
* There is a fee to file, but fee waivers are available if the cost is a hardship. Cost (subject to change is $9 to register and $16 to send to each university. Additional reports are $16 each.
* The Profile is used to determine eligibility for *institutional* funds, or money that the university has available (not federal funds). In addition to many questions that are similar to the FAFSA, the Profile asks for information about your primary home, unreimbursed medical expenses, and whether other children are attending college. There is also space where you can explain any special circumstances. To file, you’ll need tax returns and W2s, documentation of assets, home value (consult Zillow.com), mortgage documentation, information about who is in the household, and payment (credit card).

*Other applications*

* Some colleges may have their own application for need-based financial aid or for scholarships, or may use the *International Student Financial Aid Application (College Board)*, a paper-based form.
* It’s important to ask each college (or check their website) about which forms are required for full consideration.

*Tips for all financial aid applications*

* Make sure you do not leave any fields blank.
* Report all sources of income (include taxed and untaxed)
* Include the correct marital status and household size
* List specific occupations/job titles for parents. For example, specify “Chief Operating Officer of Facebook” rather than “businessman.”
* List of family members should include anyone dependent on the parents. Also include step-parent information, if applicable.
* Sign the application electronically, and file on time.
* If your family’s financial situation changes after you file (for example, if a parent begins working or a parent loses a job, if a sibling starts or ends college, etc.), contact each college to provide this information.
* When possible, use the space provided to explain special circumstances or economic situation

*Understanding financial aid award letters*

* Direct costs are billed directly by the institution: tuition and fees, and room and board.
* Indirect costs are not exact and are provided as estimates; these are not billed directly by the institution. Indirect costs include: books, personal expenses, and travel.
* The financial aid offer you receive with your admission letter is typically final and cannot be negotiated.
  + Unlike buying a car, where you can negotiate a better price, colleges are not in the business of listing a higher price than they intend you to pay (thinking that you’ll contact them to ask for a lower rate). If they have the resources to offer you aid, the amounts listed in the aid letter will be their best offer.
  + Different universities may have different budgets and resources. Additionally, the “merit” profile of a student at one school may be very different at another school. For these reasons, most universities will not “match” scholarship offers from other schools.

*Questions to ask colleges after you receive a financial aid award letter*

* What can my family expect for aid in future years? How might my award change? Will the amount of aid increase with any increase in tuition and fees?
* How will outside scholarships impact my award?
* What happens if I want to study abroad? Will my financial aid travel with me?
* Are there eligibility requirements (such as a minimum GPA) to keep my award?
* Can I appeal my award, to try to get more funding?
* Do you “match” awards? For example, if X University is offering me more money than your university?

**Merit-Based Scholarships**

*Awards through colleges & universities*

* Many institutions offer “merit-based scholarships.” These are financial awards based solely on students’ academic achievement. Awards can range in amount from a couple thousand dollars up to full tuition. Check with your universities of interest to see if they offer merit scholarships.
* Each school has its own definition of “achievement” in terms of scholarship consideration.
  + Some base awards solely on grades and rigor of coursework (honors/OIB in the French system, or AP/IB in some American schools).
  + Others look at standardized test scores (SAT or ACT) and/or extracurricular achievements in addition to grades.
* Some universities use a formula to award funds, and will guarantee a scholarship if a student meets certain criteria.
  + For example, students will receive a $20,000 per-year scholarship if they have an A- average and a combined score of 1300 on the SAT math and reading sections.
* Other universities do not have a black-and-white formula used to distribute awards, and the competitiveness of the applicant pool will determine the scholarship standards for a particular year.
  + For example, if this year more students with very high SAT scores apply to X University, then there will be increased competition for a limited number of scholarships.
* Some schools require a separate application for scholarship consideration (perhaps requiring an additional essay), but others will consider students for scholarships automatically when they apply for admission.
* Some schools offer full-tuition scholarships. See list of selected scholarships.
  + The more generous awards often require separate applications and have earlier deadlines than the regular admission deadlines.

*Outside awards*

* There are countless awards available, based on various criteria:
  + Background, citizenship
  + Field/major of interest
  + Sport, skill, interest, etc.
  + There are scholarships just for women, scholarships for students of doctors, scholarships for people who are left-handed (really!), scholarships sponsored by local organizations and businesses….
* Students can win multiple awards and apply these toward college expenses.
* Visit scholarship search and financial aid websites. See list of resources.

*Athletic Scholarships*

* For students who will play their sport competitively in college.
* Amount varies by institution and sport.
* Receiving an award requires verification of talent in the sport, national eligibility (through NCAA or NAIA), working with the admissions office and coach, and having the required GPA and standardized test scores.
* You should contact the coach at the schools in which you’re interested to find out more about the athletic recruitment process. In most cases, though, the coaches will seek out student athletes in whom they have an interest.

*Early Decision (ED) and Financial Aid*

* Early Decision is a binding admission program. Applying Early Decision is making a commitment saying that if you are admitted, you will attend the university and withdraw applications you’ve made to any other universities.
* You can only apply to one school ED.
* This program is a great choice for students who know for sure which university they want to attend.
* Benefits:
  + Get your admission decision earlier (usually mid-December)
  + Sometimes there’s a higher admission rate for students who apply ED, because admissions officers know these students are guaranteed to attend and are excited to be on the campus.
* Drawbacks:
  + There is usually not a financial aid advantage to applying ED.
  + Any financial aid or scholarship offer included with the admission letter is usually final.
  + You won’t be able to compare financial aid/scholarship offers from other schools.
* Conclusion:
  + ED should ONLY be considered if you know that X School is your top choice and you are prepared to pay the amount specified in your financial aid award letter.
  + Do research on the financial aid “habits” at your school of interest: Do they guarantee that they will meet full demonstrated need (even for students needing a visa)? Do they usually award scholarships to students with your academic profile?
  + If you are hoping for merit-based scholarships and you don’t think your family will be eligible for need-based aid--and you don’t think you’ll be able to afford the cost of the school without aid--then Early Decision may not be the best choice.