Financial Aid "FAQs" and Figures

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How do families pay for college?

- There are four sources of funds to pay college costs:
  - Money that's been saved
  - Current income
  - Money that's borrowed
  - Money that's awarded

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How do students apply for financial aid?

FAFSA
- Free Application for Federal Student Aid
- www.FAFSA.gov

CSS Profile
- student.collegeboard.org/profile

Some schools also may require:
- Tax returns and W-2 forms
- Non-custodial Parent PROFILE
- Institutional aid application

What information goes on these forms?

- Both forms collect the same types of information; the PROFILE collects more of it
  - Student identifying data (name, address, etc.)
  - Student income information
  - Student asset information
  - Student dependency questions
  - Family data (size, number in college, etc.)
  - Parent income information
  - Parent asset information
  - Names of schools to receive the data
  - Signature/statement of accuracy

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Has applying for aid changed?

- Beginning with 2017-18, the FAFSA and PROFILE will begin to use "prior-prior year" (PPY) income data

- On the 2017-18 FAFSA and PROFILE, income will be reported from 2015 (the PPY), rather than 2016 (the prior year)

- Allows the 2017-18 FAFSA to be available in October of 2016 rather than January of 2017
  - PROFILE has previously been available in October

- Will allow almost universal use of IRS Data Retrieval by all FAFSA filers

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What is "IRS Data Retrieval?"

- The ability to move federal income tax data from the IRS database to the FAFSA

- Change to PPY means ability to retrieve the data at time of initial FAFSA filing

- Can move parental, student or both sets of tax data

- For 2017-18, 2015 tax year's return(s) must be on file for IRS to retrieve data

- Some tax filing situations cause Data Retrieval to not be usable (e.g., 1040X filing, etc.)

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How do families sign a FAFSA?

- Students and parents electronically sign the FAFSA with a Federal Student Aid ID (FSA ID)

- Student aid applicant must have one; parent with data on the FAFSA must have one
  - Each must be attached to unique e-mail address

- Process involves creation of username and password

- FSA ID can be created when completing the FAFSA or beforehand (recommended if possible)
  - When completing the FAFSA: at fafsa.gov
  - Beforehand: Information at StudentAid.gov/fsaid

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Can an aid applicant apply as self-supporting?

- Students can apply as self-supporting only IF:
  - They're 24 years of age
  - They're married
  - They're pursuing a graduate degree
  - They're in the Armed Forces or are a veteran
  - They have a child **and** provide more than 50% support
  - They're orphaned or are/have been a foster child
  - They've been emancipated by a state court
  - They have a court-appointed legal guardian
  - They're homeless or at risk of being homeless

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How is aid eligibility determined?

Cost of education

\- Expected Financial Assistance (outside resources)

\- Calculated family contribution

= Student's financial need

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What is included in the cost of education?

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

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What are outside resources?

- Funds from sources **other than** the college/university
  - Clubs and civic organizations
  - Churches
  - Employers
  - Foundations
- Certain types of benefits (e.g., military)
- Private gifts

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What is the "family contribution?"

- A figure derived from the financial data provided on the FAFSA and/or PROFILE

- Represents the calculated capacity of the family to contribute toward the cost of education

- Takes into account factors such as income, assets, family size and number of children attending college

- **Annually determined**, so can change from year to year as factors change

- Ranges from zero (no contribution) to $1,000,000 and above (000000 to 999999)

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What about merit-based scholarships?

- Funds awarded on the basis of factors **other than** or **in addition to** financial need
  - Academic factors
  - Talent factors
  - Service factors
  - (Fill in the blank) factors

- **Procedures for being considered vary**
  - Nomination process
  - Scholarship application
  - Admission application

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What are the typical components of a financial aid award/package?

- **Gift Aid**
  - Grants (Institutional, Federal, and State)
  - Merit-Based Scholarships
  - Funds not requiring work or repayment

- **Self Help**
  - Student Employment
  - Student Loans (at some schools)

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How is need met?
Some sample aid packages

	Davidson	Public U.	Private U.
Cost	$64,573	$24,900	$45,000
EFC	$15,000	$15,000	$15,000
Need	$49,573	$9,900	$30,000
Merit	$0	$0	$15,000
Grant	$47,473	$4,400	$6,000
Loan	$0	$4,000	$4,000
Work Study	$2,100	$1,500	$2,000
Total Aid	$49,573	$9,900	$27,000
Unmet Need	$0	$0	$3,000
Total Paid	$15,000	$15,000+loan +interest	$18,000+loan +interest

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Do you have any "consumer tips?"

- Hire an admission/aid consultant(?)
- Avoid scholarship programs that charge application fees
- Avoid scholarship search services that charge fees

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What are some on-line resources?

- School web sites
  - Net price calculators
- www.davidson.edu
- Federal government www.StudentAid.gov
- State aid authority/commission web sites
  - In NC, it's cfnc.org
- The College Board www.collegeboard.org
- Scholarship search web sites
  - Fastweb.com, Scholarships.com, another 30,400,000

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Additional Questions?

Thank you for coming!

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