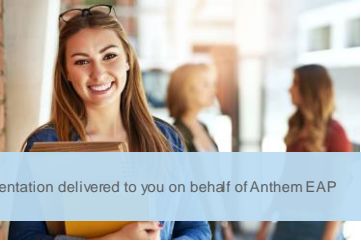


**College Tuition:
Understanding
Financial Aid**



A presentation delivered to you on behalf of Anthem EAP

AnthemEAP

1

Objectives

- Financial Aid Options
- Acronyms
- Misconceptions
- How to Calculate Financial Aid
- Completing the Free Application for Federal Student Aid
- Understanding the Expected Family Contribution
- Grants
- Federal Loans
- Repayment Options


2

Financial Aid Options

Financial Aid

- Federal Grants
- Federal Loans
- State Grants
- College Scholarships
- Work-Study
- Athletic Scholarships

3



Financial Aid Acronyms

FAFSA: Free Application for Federal Student Aid

CSS: College Scholarship Service

EFC: Expected Family Contribution

4

Financial Aid Misconceptions

- We can't afford to send our child to a private college. We will get the same amount of financial aid regardless of the college our child attends, we will just apply it to a state school tuition.
- We won't get any financial aid; we earn too much and own an expensive home. We don't even need to bother with the FAFSA form.
- With all of our expenses, I am sure we will get financial aid.
- We already put our money into our child's name to save on taxes. We will just have to write the checks.

5

How to Calculate Expected Financial Aid

Cost of College


- Tuition, room, board, books, computer, supplies, travel

subtract the Expected Family Contribution

- Parent assets
- Parent income
- Student assets
- Student income

subtract Merit-based scholarships

equals Expected Financial Aid



6


EFC and Financial Aid

	Private College	In-state Public College
Estimated Cost	\$45,000	\$20,000
Expected Family Contribution	(\$20,000)	(\$20,000)
Financial Aid	\$25,000	\$0

7

- ### Completing the FAFSA
- Separate sections for student and parent info
 - Based on where the student lives
 - Follow instructions very carefully
 - Set it up in advance by using the worksheets
 - Review all information carefully
 - Get a PIN for you AND your student
 - Apply online in November of your student's senior year

8



FAFSA: Understanding Expected Family Contribution

- Assets
- Income

Possession Matters!

- Almost 6% of the assets in the name of the parent
- 20% of the assets in the name of the student
- 22% - 31% of the parent's income
- 50% of the student's income

9

Will You Qualify?

- Assume a family of four, one child entering college
- The older parent is 50
- Family income is \$150,000
- Parents included assets are \$50,000
- Student had a summer job and earned \$3,000
- Student's included assets are \$10,000
- EFC is \$39,827

File the FAFSA anyway. Nearly 30% of families that qualify for grants and lowest loans do not apply.

	Private University	Public
Estimated Cost	\$45,000	\$18,000
EFC	(\$39,827)	(\$20,000)
Financial Aid	\$5,173	\$0

10

Will You Qualify?

	Private University	Public
Estimated Cost	\$45,000	\$18,000
EFC	(\$4,200)	(\$4,200)
Financial Aid	\$40,800	\$13,800

- Assume a family of four, one child entering college
- The older parent is 50
- Family income is \$50,000
- Parent included assets are \$20,000
- Student had a summer job and earned \$2,000
- Student included assets are \$5,000

11


Grants

- Pell Grant
- Academic Competitiveness Grant
- National SMART Grant
- Supplemental Educational Opportunity Grants (SEOG)
- Merit and athletic scholarships
- Local scholarships
- Employer-sponsored scholarships
- Competitive scholarships

12

Federal Loans

- Perkins Loans
- Stafford Loans
- Parent Loan for Undergrad Student (PLUS)



13

Federal College Loans: Repayment Options

<p>Perkins Loans</p> <ul style="list-style-type: none"> • Principal and interest payments begin nine months after leaving school • Standard term is 10 years <p>Stafford Loans</p> <ul style="list-style-type: none"> • Principal payments begin 6 months after leaving school • Standard term is 10 years • Public service grants for teacher-prep programs and civil-service jobs 	<p>PLUS Loans</p> <ul style="list-style-type: none"> • Standard – 10-year term begins 60 days after the final disbursement of the academic year; principal + interest • Delayed upon request for up to five years while your undergraduate dependent child is attending school • Graduated repayment schedule <p><i>Be aware of the new Income-Based Repayment Plan.</i></p>
--	--

14

Resources

- www.finaid.org
- www.fafsa.ed.gov
- www.collegeboard.org
- www.ed.gov
- Book: Paying for College Without Going Broke by Kalman Chany

15
