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Finding Financial Aid
November 2013

Inspiring Greatness

Roscoe Smith

Assoc. Vice President for Enrollment Strategies

- 30 years in higher education
- Father of a college junior and a college freshman

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Kim Jenerette

Executive Director of Financial Aid

- 20 years in higher education
- Father of a college senior, junior, and freshman

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Tonight's Topics

- Define key terms
- Types and sources of financial aid
- Free Application for Federal Student Aid (FAFSA)
- Creating a Financial Strategy
- Closing the Final Gap

Key Terms:

Direct Charges
Variable Costs
Total Cost of Attendance

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Understanding Costs

Basic (Direct) Charges

- Itemized **charges** on a student invoice
- Paid directly to the University
  - Tuition
  - Room
  - Board
  - Fees

Variable (Out of pocket) Costs

- **Not billed** by the business office
- Paid to both University and non-University businesses
  - Books and supplies
  - Entertainment
  - Transportation

Example: Cedarville Costs

2014–15 Cost of Attendance

Basic Costs:

Tuition & Fees	$26,420
Room	3,600
Board (weighted avg)	2,750
Total:	**$32,770**

→ Estimated amount payable to Cedarville.

Variable Costs:

Books	$1,150
Personal Expenses	1,700
Transportation (Ohio)	240
Subtotal:	**$3,090**

→ Based on CCCU Survey

→ Varies based on student's state of residence ($240–2,822)

Total Cost of Attendance: **$35,860** → "Student Budget"

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Total Cost of Attendance

TCOA is:

- An **estimate** of all costs
  - Direct charges and
  - Out-of-pocket costs
- Variable
- Paid over time
  - 9-12 months

Cost of Attendance

TCOA is:

- An **estimate** of all costs
  - Direct costs
  - Out-of-pocket costs
- Variable
- Paid over time
  - 9-12 months

TCOA is NOT:

- Billed completely by the University
- Necessarily what you will pay
- Due all at once

Comparing Costs

Caution

- Compare costs from the same year
  - Private universities usually announce costs in February-March
  - State universities often announce costs in the summer

Comparing Costs

Caution

- Watch for hidden fees
  - Particularly at publically funded schools
    - Fees not controlled like tuition
- Direct charges vs. Total costs
  - Don't mistake basic cost with total cost of attendance when comparing schools

Comparing Costs

Net Price Calculators

- Estimates TCOA
- Estimates grants and scholarship
- Estimates your Net Cost
- Be sure all costs are for current year
- **cedarville.edu/finaid**

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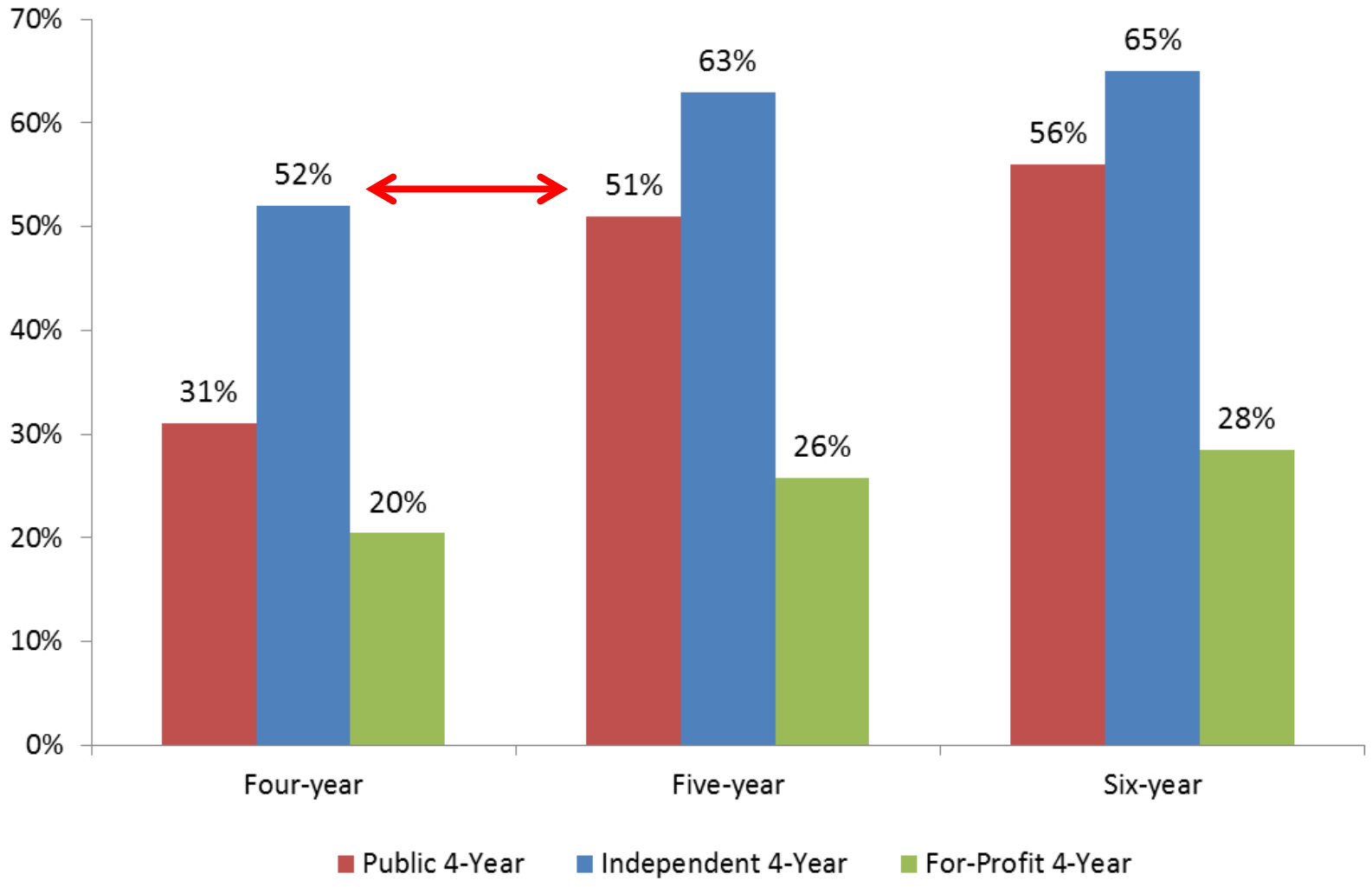
Comparing Costs

Caution

- Consider the average time required to graduate
  - State universities generally have 5-6 year avg.
  - Potential savings can disappear with additional time

Four-Year, Five-Year, and Six-Year Graduation Rates by Institutional Type



Key Terms:

Expected Family Contribution

&

Demonstrated Need

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Expected Family Contribution

- EFC
- Calculated from the FAFSA
- Reported on the Student Aid Report (SAR)
- A standardized measure of a family's financial resources
- Family contribution has two components
  - Student Contribution
  - Parent Contribution

Expected Family Contribution

- EFC stays the same regardless of which college you attend
- Not an estimate of what you will actually pay
- Used to calculate **demonstrated need**

Demonstrated Need

Student #1 – School A

	Total Cost of Attendance	$32,000
–	Expected Family Contribution	$18,000
=	**Demonstrated Need**	**$14,000**

This student may qualify for institutional need-based financial aid (grants).

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Demonstrated Need

Student #2 – School A

	Total Cost of Attendance	$32,000
–	Expected Family Contribution	$34,000
=	**Demonstrated Need**	**$ 0**

This student will not qualify for institutional need-based financial aid (grants), but is still eligible for merit-based aid (scholarships).

Demonstrated Need

Student #2 – School B

	Total Cost of Attendance	$38,586
–	Expected Family Contribution	$34,000
=	**Demonstrated Need**	**$4,586**

This student now has demonstrated need and may qualify for institutional need-based financial aid (grants) as well as merit-based aid (scholarships).

Questions?

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Types of Financial Aid

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Types of Financial Aid

	No Need (Merit-Based)	Need Based
Gift Aid	Scholarships • Academic • Athletic • Music Funded primarily by universities and private sources	Grants • Federal grants • State grants • Institutional grants Funded primarily by gov't agencies and universities
Self Help Aid	Campus Employment Federal Parent PLUS Loan Private /Educational Loans	Federal Work Study Federal Student Loans • Subsidized • Unsubsidized

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Sources of Financial Aid

Federal Aid

- Large source of financial aid
- Aid awarded primarily on the basis of financial need
- Must apply every year using the Free Application for Federal Student Aid (FAFSA) **www.fafsa.gov (do not go to ww.fafsa.com)**

Sources of Financial Aid

Federal Aid

- Grants
  - PELL
  - SEOG (Supplemental Educational Opportunity Grant)
- Loans
  - Student Loans
    - Subsidized Stafford Loan
    - Unsubsidized Stafford Loan
  - Parent PLUS Loans

Sources of Financial Aid

State Aid

- Residency requirements
- Awarded on the basis of both merit and need
- Use information from the FAFSA
- Deadlines vary by state; check FAFSA on the Web site – **www.fafsa.gov**
  - **Ohio deadline is October 1, 2014**

Military Sources

- ROTC
- National Guard
- VA Benefits (**www.va.gov**)
  - Yellow Ribbon

Sources of Financial Aid

Outside Aid

- Scholarships and grants
- Foundations, businesses, charitable organizations
- Deadlines and application procedures vary widely

Sources of Financial Aid

Civic Organizations and Churches

- Research what is available in your community
- What organizations and church do you belong to?
- Small scholarships add up!

Sources of Financial Aid

Employers

- Companies may have scholarships available to the children of employees
- Companies may have educational benefits for their employees
- Also check with professional organizations that you belong to

Outside Scholarships

- Start early and meet **all** deadlines
- Stay organized, keep copies
- Check e-mail regularly
  - Create a special e-mail account
- Be aggressive
- Be strategic
- Think of it as a job
- Don't get discouraged

Locating Financial Aid

- High school counselors
- College admissions and financial aid staff
- College websites
- Scholarship databases
- Local organizations, foundations, employers, libraries, etc.

Scholarship Search Engines

- fastweb.com
- wiredscholar.com
- supercollege.com
- brokescholar.com
- scholaraid.com
- schoolsoup.com
- collegenet.com
- scholarships.com

CAUTION!

- Beware of financial aid scams
- Do not pay for financial aid counseling, even if they "guarantee" results

Sources of Financial Aid

Institutional Aid

- Aid offered by individual colleges and universities for their students
- Includes merit scholarships and need-based grants
- Reflects their priorities
  - Look for schools whose priorities match your skills and talents
- **cedarville.edu/finaid**

Free Application for Federal Student Aid FAFSA

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FAFSA Resources

www.cedarville.edu/fafsa

- Detailed instructions for completing the FAFSA
- FAFSA on the Web Worksheet
- How To Complete the FAFSA Webinar
  - January 13 – 8:00 p.m.
  - www.cedarville.edu/webinars

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Completing the FAFSA

- Apply online at **fafsa.gov**
  - Faster than paper forms
  - Built in edit checks and skip logic
- HS seniors complete the 2014-15 form
  - Available January 1, 2014
- Choose colleges to receive your FAFSA results
- File annually
- Separate form for each student

Completing the FAFSA

www.fafsa.gov

Apply for PIN for both student and parent

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PIN (Personal Identification Number)

Every student needs their own unique PIN to electronically sign the FAFSA.

- ***Dependent Student*** –
  - student needs their own PIN; and
  - *one parent* whose information is provided on the FAFSA needs their own unique PIN.
    - ✓ Parents with more than one child attending college can use their PIN to sign each child's FAFSA.
- ***Independent Student*** – only the student needs a PIN

Completing the FAFSA

www.fafsa.gov

Deadlines

Information about your deadlines.

School Code Search

Find your college's school code. Also find detailed information about your college.

FAFSA Filing Options

Learn about the other options for filing your FAFSA.

FAFSA4caster

Announcements

- Use the IRS Data Retrieval Tool to update your FAFSA with IRS tax return information.

  If you have already submitted a FAFSA and would like to use the Tool, click **Login** to start a correction. Once in the FAFSA, navigate to the "Finances" section, where the

Thinking About College?

Use *FAFSA4caster* to see how federal student aid can help you pay for college!

Watch real students share why they are going to college.

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Questions?

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Create a Strategy to Pay for Your Education

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Who Is Responsible To Pay?

- Student
- Parents of dependent student
  - Colleges, universities, state and federal agencies all view the student and parents as the first source of funds for college
- Government sources
- Institutional aid

Who Is Responsible To Pay?

- Save for college
  - The earlier you start the better
  - It's never too late to begin
- Aggressively pursue all sources of financial aid

Creating a Financial Plan

Dealing with the Net Cost

Basic Charges	$32,770
– Grants & Scholarships	$17,526
= **Net Cost**	**$15,244**

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Creating a Financial Plan

Funding the Net Cost

- Outside scholarships
  - Search engines
  - Employers, professional associations
- College savings plans such as 529 plans
- Personal savings
- Student employment
  - Summer jobs
  - Campus employment during the school year

Creating a Financial Plan

Funding the Net Cost

- Military
  - Ohio National Guard
  - ROTC
  - VA
- Payment Plans
- Student Loans
  - Last option

Closing the Final Gap

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Closing the Final Gap

- Maxed out your own financial resources
- Exhausted all available grants and scholarships
  - Federal & State
  - Cedarville specific
  - Outside programs
- Work on campus
- It's time to …
  - Get creative
  - Consider loans

Get Creative

Reduce College Expenses

- Leave the car at home
  - Car pool
  - Work on campus
- Rent text books or buy used
  - CU Classifieds
- Get ahead and graduate early
  - Take heavier course loads when able (use caution)
  - AP & CLEP testing
  - May Term and summer online courses

Lowering your expenses is equivalent to getting more financial aid!

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Get Creative

Reduce Expenses at Home

- What will I save with my daughter away from home?
- What expenses can I reduce or eliminate?
  - Phone line
  - Renegotiate insurance rates
  - Recurring monthly payments
    - Cable bill
    - OnStar subscription

Get Creative

Real Examples

- Start a family business
- Sibling support
- Start a Scrip program at your church
  - Reselling merchant cards
  - Google Scrip
    - Scrip.com
    - Glscrip.com

Scrip Fundraising

"Gift Cards Help Local Families Pay Tuition"

Over the past year, the families of the St. Joseph School have collectively earned over $95,000 for tuition, while Mansfield Christian School families have earned $73,720 collectively.

http://www.kroger.com/company_information/Pages/everyone_wins.aspx

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Loan Options: A Final Resort

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The Final Resort

Loans

- Student Loans
  - Subsidized
  - Unsubsidized
- Parent Loans
- Alternative Loans

The Final Resort

Borrow Smart – Look for best terms

1. Subsidized Stafford Loan
   - 2013-14 rate 3.86%
2. Perkins Loan (subsidized) 5.0%
3. Unsubsidized Stafford Loan 3.86%
4. Parent PLUS Loan 6.41%
5. Alternative/Private Loans Variable Rate

The Final Resort

Borrow Smart

- Subsidized loans
  - Look ahead to junior and senior year
  - Perhaps borrow a little in freshman and sophomore year, rather than deferring all borrowing to last year
  - Pay them off early and avoid interest all together

The Final Resort

Borrow Smart

- Alternative or Private Loans
  - Likely to be more expensive
    - Variable rate loans
  - To be considered when all other loan options have been exhausted
  - Contact financial aid office for best options

Tax Credits

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Factor in Tax Credits

- Account for tax credits when estimating your ability to contribute to college
- Tax credits are subtracted from your income tax bill
  - Greater savings than deductions
- Educational Tax Credits
  - Hope Tax Credit
  - Lifetime Learning Tax Credit

Factor in Tax Credits

American Opportunity Credit

- Formerly the Hope Tax Credit
- Four-year limit
- Maximum credit of $2,500/yr.
- Up to $1,000 is refundable to lower-income taxpayers
- Credit reduced for higher AGI
  - $80,000-90,000 single return
  - $160,000-180,000 joint return

Factor in Tax Credits

Lifetime Learning Tax Credit

- No limit on the numbers of years
- Can claim 20% of amount paid for tuition and fees, up to $2,000
- Income Limits
  - $53,000 and $63,000 for single filers
  - $107,000 and $127,000 for joint filers

Factor in Tax Credits

Tax Credits

- Cannot claim both credits for same student in one year
- View IRS Publication 970, Tax Benefits for Education for complete details **www.irs.gov**
- Consult your tax preparer or financial advisor

Upcoming Webinar

Making College More Affordable With Tax Credits and Savings Plans

- **December 2 – 8:00 p.m.**
- **cedarville.edu/webinars**

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The Faith Factor

Pray about your financial needs

- God is faithful
- God promises to provide
  - Not necessarily on our time line
- Allow God to grow your faith and bless you for acting in faith
- Involve others in praying for your financial needs and allow them to be blessed as well
- **We will be praying for you!**

Helpful Resources

finaid.org

- Great overview of all things related to financial aid

collegeboard.com

- Scholarship search feature

studentaid.ed.gov

- Official federal aid website

529s.com

- Saving with 529 plans

cedarville.edu/finaid

- Cedarville University financial aid

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Remember …

- Don't initially eliminate a school because of costs
- Any amount saved may result in additional options for paying for college
- Think of college more in terms of long-term investment rather than short-term cost

Final Thoughts

- Keep the end in mind
- Begin early
- Be aggressive
- Be creative
- Prayerfully consider where God wants you to attend
- Consult trusted advisors

Questions?

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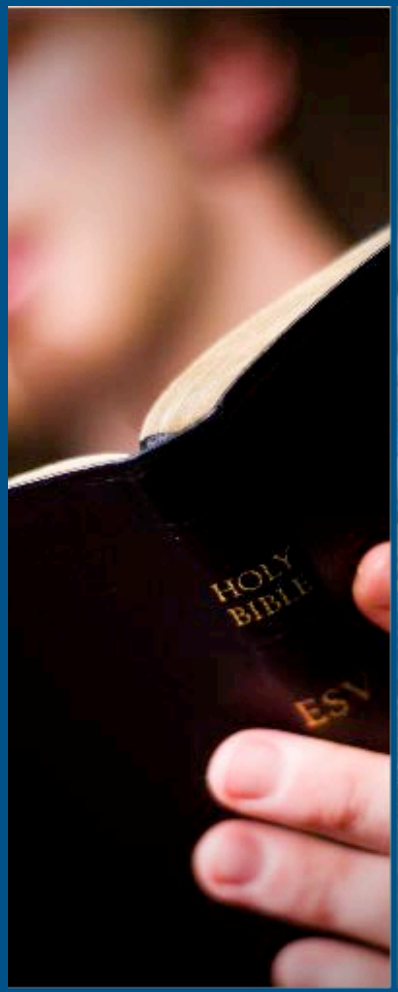
Scholarship Search Engines

- fastweb.com
- wiredscholar.com
- supercollege.com
- brokescholar.com
- scholaraid.com
- schoolsoup.com
- collegenet.com
- scholarships.com

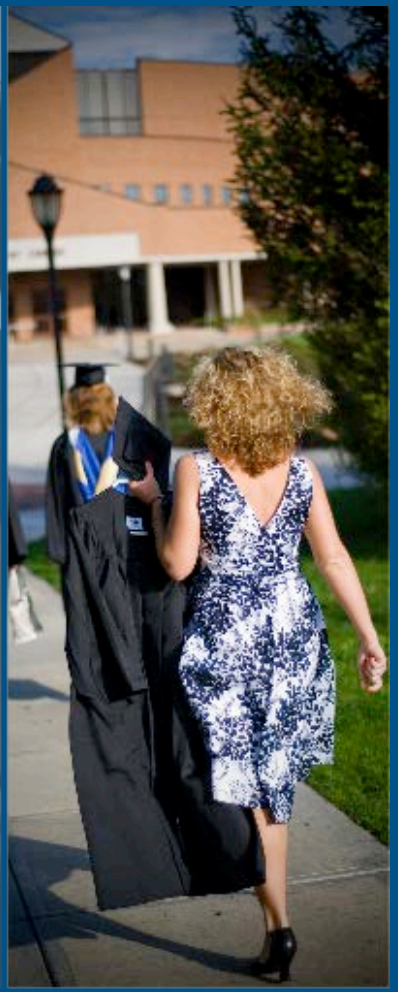
Why Cedarville?



Christ-centered

Balanced

Rigorous



Intentional

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Upcoming Webinars

Making College More Affordable

- December 2 – 8:00 pm EST

Completing the FAFSA

- January 13 – 8:00 p.m. EST

cedarville.edu/webinars

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Contact Information

Web: cedarville.edu/finaid

Phone: 1-800-444-2433

E-mail: finaid@cedarville.edu

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College Cost-Cutters

- Advanced Placement college courses at high school
- Credit by exam: College Level Examination Program (CLEP)
- Accelerated degree programs
- Dual enrollment programs
- Summer sessions