What Is This Financial Aid Thing Anyway?

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Topics We Will Discuss

• What is financial aid
• Understanding college costs
• The expected family contribution, or EFC
• What is financial need
• Types of financial aid
• Sources of financial aid
Topics We Will Discuss

- How to apply for financial aid
- The federal financial aid programs
- Estimating eligibility for federal financial aid using FAFSA4caster
- Researching financial aid options
- What you should be doing now
What is Financial Aid?

Any money from outside of the family that pays postsecondary (college) expenses
Understanding College Costs

• College is expensive, but worth the cost
  – A sound investment in your or your child’s future

• More than just tuition
  – Also includes room and board, books, transportation, personal expenses, etc.
Understanding College Costs

• Vary by type of college
  – Community colleges are less expensive than four-year schools
  – Private colleges are more expensive than public colleges

• Look at costs over a your or your child’s entire postsecondary education
  – Four to six years total
Expected Family Contribution (EFC)

- Amount family can reasonably be expected to contribute, but not what family will pay to the college
- EFC the same regardless of college the student attends
Expected Family Contribution (EFC)

• Calculated using a federal form and formula
• Two components
  – Parent contribution (for dependent students)
  – Student contribution
What is Financial Need

• Difference between college costs and EFC

• Will vary by college

• Amount of financial need determines the aid a student will receive
Types of Financial Aid

• Scholarships
• Grants
• Loans
• Employment
Scholarships

- Awarded on the basis of merit or unique characteristics
- Don’t have to be paid back
Scholarships

• $SCHOLARSHIP$

• Be aware of scams!

• Scholarship applications are always free, no application fees to apply!

• Resources:
  • CDU Website
  • www.fastweb.com
  • www.finaid.org
  • www.scholarships.com
Grants

• Awarded on the basis of financial need
• Don’t have to be paid back
Loans

- Considered self-help aid
- Must be paid back, usually after the student finishes school
- Many different types
- Student loans are a reasonable form of aid
  - A good investment in the student’s future
Employment

• Self-help aid

• Earnings used to cover college expenses

• Ideally, related to student’s field of study
Employment

Allows student to earn money to pay educational costs

• Receive a paycheck, or

• Non-monetary compensation, such as room and board
Sources of Financial Aid

- Federal government
- States
- Colleges
- Private sources
Federal Government

• Largest source of financial aid

• Awarded mainly on the basis of financial need

• Apply every year using standard form
States

- Offer both merit-based and need-based aid
- Usually have residency requirements
- May have service requirements
Colleges

- Varies widely from college to college
- Offer both merit-based and need-based aid
- May be offered as part of the admissions process
Charles R. Drew University of Medicine and Science

• Opportunity Scholarship (up to $5,000)
• Academic Achievement Scholarship (up to $5,000)
• Academic Merit Scholarship (up to $5,000)
• Healthy Communities Scholarship (up to $5,000)

Eligibility requirements for this scholarships include:

• Must be high school graduate or have GED equivalent by July 1, 2012
• Must be accepted to an undergraduate degree program at Charles R. Drew University (CDU)
• Must intend to enroll at CDU for the upcoming fall semester

To be considered for any of these scholarships, you must complete and return the CDU Scholarship Application to the Office of Financial Aid & Scholarships by no later that August 15th,
Private Sources

• Churches, civic organizations, employers

• Varying award amounts and application procedures

• Small awards add up
How to Apply for Financial Aid

• Complete a standard federal form every year

• Free Application for Federal Student Aid, or FAFSA www.FAFSA.gov
  – Collects demographic and financial information
  – Data used to calculate the EFC
How to Apply for Financial Aid

• Apply for a PIN
• [WWW.pin.ed.gov](http://WWW.pin.ed.gov)
• Your PIN serves as your electronic signature and provides access to your personal records, so you should never give your PIN to anyone, including commercial services that offer to help you complete your FAFSA. Be sure to keep your PIN in a safe place.
Federal Grant Programs

• Federal Pell Grant

• Teacher Education Assistance for College and Higher Education (TEACH) Grant

• Federal Supplemental Educational Opportunity Grant (FSEOG)
State Aid - Cal-Grants
California Student Aid Commission (CSAC)

- Cal-Grant A
- Cal-Grant B
- Cal-Grant C
  - up to $12,192 depending on which Grant you get

Must complete FAFSA and GPA verification form.
Deadline March 2\textsuperscript{nd}, 2012

For more information [www.Calgrants.org](http://www.Calgrants.org) or [www.csac.ca.gov](http://www.csac.ca.gov)
Federal Loan Programs

• Federal Perkins Loan

• Stafford Loans
  – Borrowed by students

• PLUS Loans
  – Borrowed by parents and graduate students
Federal Employment Programs

Federal Work-Study (FWS)

To see the current list of CDU FWS jobs go to

http://www.cdrewu.edu/assets/pdfs/WorkStudy.pdf
Estimating Eligibility Using FAFSA4caster

On-line tool developed by U.S. Department of Education to help families prepare financially for college

• Asks for data you will need to provide on the FAFSA
• Estimates eligibility for the Federal Pell Grant
• Available at www.FAFSA4caster.ed.gov
Researching Financial Aid

• Begin early

• Find scholarships that match your student’s academic interests, hobbies, and unique characteristics

• Don’t pay for scholarship searches

• Be wary of promised results

• Report fraud
What You Should Be Doing Now

• Begin researching financial aid options
• Start or continue saving
• Encourage your child to take college prep classes
• Encourage your child to participate in extracurricular activities
• Help your child develop strong study skills
Conclusion

• It is never too early to start the college planning process

• The more information you have, the easier the process will be for you and your student