

Financial Aid Examples

Below are examples of how three students are paying for college. The students are from families with a similar income level of \$40,000 per year. When you go to college, you may be eligible for more or less financial assistance than what is shown here. The amount of financial aid you receive depends on the price of the school you attend and the amount that you and your family are expected to contribute, as determined by the information you submit on the Free Application for Federal Student Aid (FAFSA).

	Denise 4-year public university	Rodney 4-year private college	Emily 2-year community college
Cost of Attendance (1 year)			
Tuition & Fees	\$8,500	\$25,200	\$4,500
Room & Board	5,000	5,000	0*
Books & Supplies	1,000	1,000	1,000
Personal & Miscellaneous Expenses	800	1,000	1,600
Transportation Expenses	500	500	1,500
TOTAL COST:	\$15,800	\$32,700	\$8,600
Financial Aid Available			
Federal Grants & Scholarships	\$3,280	\$3,280	\$3,280
State Grants & Scholarships	3,589	3,865	1,030
Other Grants & Scholarships**	3,000	9,730	945
Work Study Earnings	3,000	3,000	2,000
TOTAL FINANCIAL AID:	\$12,420	\$19,875	\$7,255
Estimated Net Cost	\$3,380	\$12,835	\$1,345
Student Loans (must be paid back)	3,380	7,000	1,345
Remaining Amount to Be Paid	\$0	\$5,825***	\$0

Review the examples above. Then show what you know.

How much are the tuition and fees at a community college for one year? _____

Which of the three students receives the most financial aid? _____

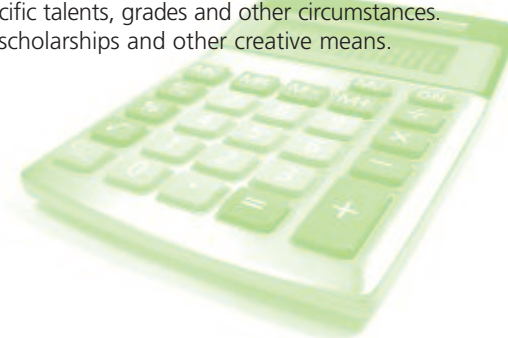
Why do you think Emily spends more on transportation while in college? _____

If Denise saved \$4,000 for college while in high school, how much will she need to borrow for the year? _____

*Emily lives at home with her parents while attending college. Some community and technical colleges provide on-campus housing.
 **Some students qualify for scholarships and other need- and merit-based aid based on specific talents, grades and other circumstances.
 ***Students pay the remaining costs through working, family support, additional loans or scholarships and other creative means.

Where can I find more information?

- U.S. Department of Education: www.studentaid.ed.gov
- Minnesota Office of Higher Education: www.getreadyforcollege.org
- Internet System for Education and Employment Knowledge: www.iseek.org
- The Financial Aid Information Page: www.finaid.org



GET READY!

The Get Ready program helps prepare students from low-income families and those from groups traditionally under-represented in college with college planning information, academic tutoring and information on career and higher education options. The program is administered by the Minnesota Office of Higher Education and is funded in part by the Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP).

About GEAR UP

GEAR UP is a federal grant program of the U.S. Department of Education created to increase the number of low-income students who are prepared to enter and succeed in postsecondary education.



About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education.

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GET READY!



A Parent's Guide to Paying for College

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Welcome parents!

Everyone tells you that your student should go to college, but we all know college isn't free. Don't let the price discourage you. It's never too early to begin thinking about how to pay for college. There are many ways to pay for college, and most students use more than one.

Financial Aid

The federal and state government as well as colleges help students pay for college by offering "financial aid". This is designed to help those students who otherwise could not afford to attend college.

Savings

Putting away a little money over time for your student's college education is great way to show your student that you value his or her education. However, sometimes that it not an option for families.

Why should my student go to college?

- A college degree offers your student a wider variety of jobs options.
- Of all the job openings between now and 2016 that pay more than \$15 per hour, about 70 percent will require some college.
- Over a lifetime, a college graduate will earn on average \$1 million more than a high school graduate.
- College graduates typically have better access to health care than those with only a high school diploma.
- A person who graduates from college is more likely to own a home than someone with a high school diploma.



What are the benefits of higher education?

Knowledge. A college education teaches your student to think critically and abstractly, to express thoughts and opinions, and to weigh options and make informed decisions.

Potential. College brings your student a world of information as he or she explores interests, and helps your student understand the issues that connect communities, the nation and the world.

Opportunity. Critical thinking and new technology skills are vital for success and advancement in today's workforce and provide your student with more career and job options.

Income. A college graduate typically has a higher income and is less likely to be unemployed than someone with less education.



Paying for College

What does college cost?

- Average annual full-time tuition and fees (2008 – 2009):
 - o Two-year community & technical colleges: \$4,548
 - o Four-year state universities: \$6,373
 - o University of Minnesota: \$10,756
 - o Private career schools: \$12,233
 - o Private four-year colleges: \$27,829
- In general, more scholarships and tuition discounts may be offered by colleges with higher tuition and fees.
- Don't forget to consider other costs. These may include books, equipment, on-campus room and board, transportation and other living miscellaneous expenses. These can add up to thousands of dollars each year.
- A couple ways your student can reduce colleges costs include:
 - o Earning college credit in high school through Advanced Placement, International Baccalaureate or Postsecondary Enrollment Options courses.
 - o Attending a local college.
 - o Living at home while attending college.
 - o Renting an apartment with roommates.

How will we pay for college?

There are seven ways to help you pay for college:

1. Grants
2. Scholarships
3. Loans
4. Work Study
5. Savings
6. Family Support (Income)
7. Military or Community Service

Financial Aid

How do we apply for financial aid?

By completing one federal application (called the Free Application for Federal Student Aid, or FAFSA), you can determine your student's eligibility for a wide range of financial aid. Apply after January 1 of your student's senior year of high school. Some colleges may have additional financial aid applications.

Undocumented Students

Students who are not U.S. citizens or eligible non-citizens may still qualify for private scholarships or scholarships offered by the college.

- Check with the college financial aid office. They will want to help you!
- Go to www.getreadyforcollege.org/undocumented to learn more.
- Many public colleges and universities charge all students resident tuition which is usually much lower than the non-resident tuition. Check with the colleges your student is interested in attending.



What are grants?

- Money provided by the government to students with financial need.
- Students must complete the FAFSA each year to determine if they are eligible.
- Grants DO NOT have to be paid back.
- Here are some examples of need-based grants that are available:
 - o Federal Pell Grant \$400 – \$4,731 per year
 - o Federal SEOG Grant \$100 – \$4,000 per year
 - o Minnesota State Grant \$100 – \$8,661 per year

What are scholarships?

- Money given to students for a variety of reasons including good grades, a special talent or cultural background.
- Scholarships do not have to be paid back.
- Your student can improve his or her chances of receiving a scholarship by:
 - o Getting good grades
 - o Participating in sports
 - o Participating in community service
 - o Developing special talents
 - o Beginning the scholarship search in junior year of high school
 - o Being active in clubs and organizations

What are loans?

- Money borrowed from banks, credit unions and various agencies.
- Loans have to be paid back with interest, usually after graduation.
- Student loans usually have lower interest rates than other loans.
- Some examples of students loans are:
 - o Federal Perkins Loan
 - o Federal PLUS Loan
 - o Minnesota SELF Loan
- Before using loans to pay for your college education, be sure that you can repay the loans after graduation. The smaller your loan debt, the lower your payments will be.

What is work study?

- Jobs offered through the college financial aid office to help students earn money to pay for their education.
- The financial aid office determines how many hours the student may work based on financial need and class load.
- Work-study jobs may include tutoring other students or working in the college cafeteria, technology center, fitness center, bookstore or library.

Free Ways to Find Scholarships

- Search on the Web at:
 - o www.getreadyforcollege.org/mnscholarships
 - o www.scholarshiphelp.org
 - o www.fastweb.com
 - o www.collegeboard.com
- Review scholarship books at the library.
- Visit your high school counselor's office or career center.
- Visit places in the community like churches, civic and business organizations.
- Check with the college(s) your student is interested in.

In the following activity, look at each area and think about whether your student could receive a scholarship for that area. Check the appropriate column.

Area	Yes	No	Maybe
Art	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Athletics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Computers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cultural background	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drama	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good grades	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Music	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Racial/ethnic background	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religious background	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

