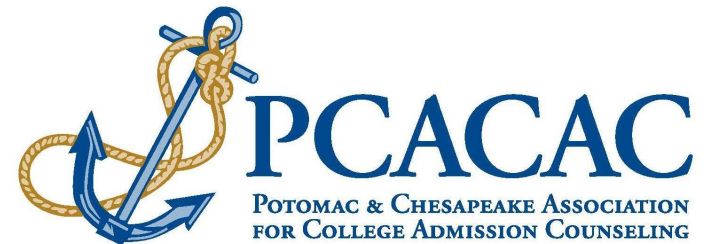


# Welcome to the 20<sup>th</sup> Annual Summer Institute

## Financial Aid Essentials

**B3**

Monday, July 22, 2024

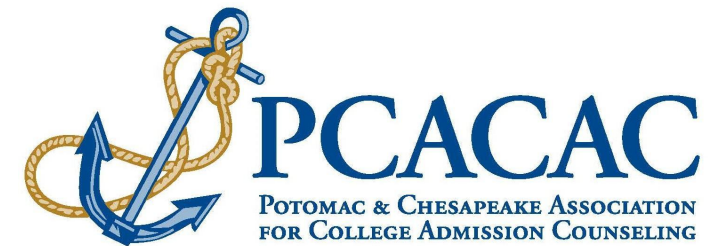


**Johnnie Johnson, Vice-President for Enrollment Management**  
**Washington College (MD)**

[jjohnson33@washcoll.edu](mailto:jjohnson33@washcoll.edu)

**Andy Woodall, Assistant Vice President of Recruitment and Admissions**  
**Shenandoah University (VA)**

[awoodall@su.edu](mailto:awoodall@su.edu)

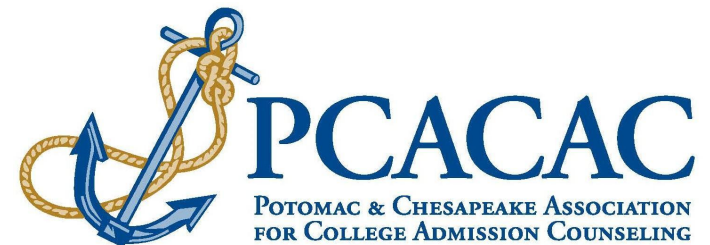


# Learning Objectives

Objective 1: Understanding key terms and vocabulary to financing a college education

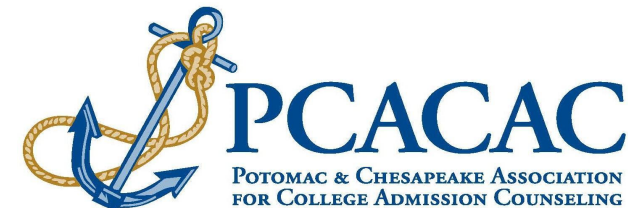
Objective 2: Understanding the basic process for applying for financial aid

Objective 3: Understanding the cost/value deliberation when considering financial aid



# Terminology

- Merit scholarship - Gift money that does not need to be paid back to the institution awarded based on a student's application for admission.
- Need-based Aid - Financial assistance that can include institutional or state gift/grant monies, federal loans, and work study.



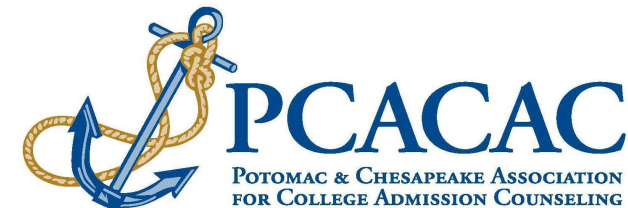
# Terminology - Acronyms

**FAFSA** - Free Application for Federal Student Aid [www.fafsa.gov](http://www.fafsa.gov)

Most widely used form to be considered for financial aid. Evaluates a student's Student Aid Index (SAI) by looking at income, number of dependents, and other factors to determine what they should be able to pay. This is typically far higher than what is realistic for a family.

**CSS Profile** - College Scholarship Service Profile

<https://cssprofile.collegeboard.org/> Fee-based form through the College Board allowing students to apply for non-federal financial aid. Takes into consideration assets of a family. Can be used in conjunction with the FAFSA or in lieu of depending on the institution.



# Types of Financial Aid

**Institutional Grants** - Gift dollars awarded based on FAFSA/CSS Profile.

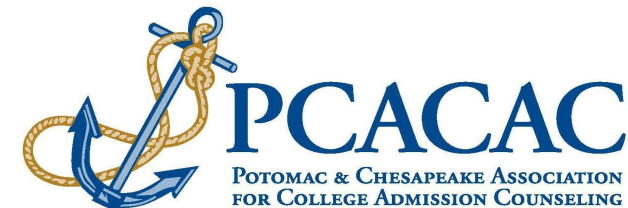
**Work Study** - Federally funded program allowing students to have a campus job to help pay for college.

**Pell Grant** - Subsidy of federal government issuing gift dollars to the highest need students.

**State Grants** - Can include Guaranteed Access (GA) or Educational Assistance (EA) grants, Virginia Tuition Assistance Grant (VTAG), etc. Additional forms/materials required to be submitted by the student.

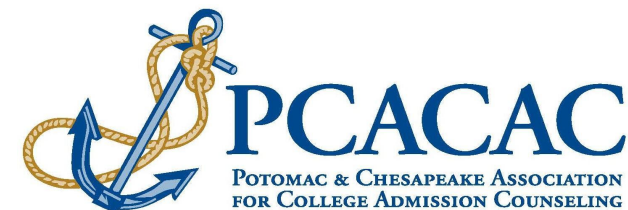
**Subsidized Federal Student Loans** - Government student loans that do not incur interest until after graduation.

**Unsubsidized Federal Student Loans** - Government student loans that begin incurring interest upon initial disbursement.



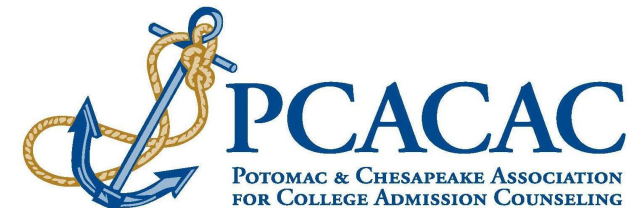
# Additional financial aid terminology

- **Net Price Calculator** - Tool provided by institutions to estimate scholarships/financial aid prior to admission/filing FAFSA or CSS Profile.
- **Meeting Financial Need** - How close does a financial aid package get to the EFC.
- **Verification** - Students selected - based on FAFSA information - to confirm the data submitted is accurate.
- **College Scorecard** - Created by the federal government for families to compare average costs and value across institutions  
<https://collegescorecard.ed.gov/>.
- **Private Loans** - Families can apply for outside loans through a company like Sallie Mae or their private bank to contribute to out of pocket cost they have not saved for/have the income to pay.



# Financial Aid - The Process

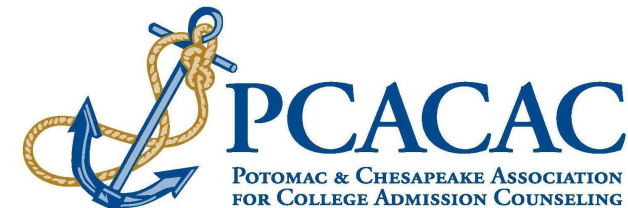
- October 1, 2024 is when the FAFSA is *supposed* to open. Department of Education has not confirmed this as of yet.
  - From FSA June 14th report: *'We have heard from students, families, institutions, states, and those that support them that it is important for the 2025-26 FAFSA form to launch on October 1. The Department is working toward this goal and will share updates about additional functionalities as we learn more.'*
- School deadlines to receive materials will vary.
- Schools will award financial aid packages at different times (some at time of admission, others after the offer of admission).





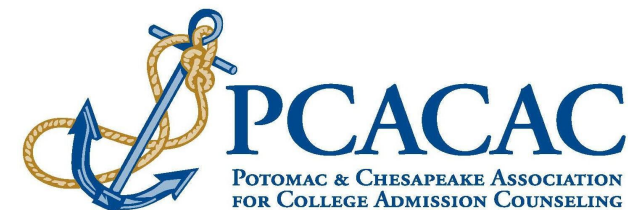
# The FAFSA

- Student is applying, not the family. Student should start application first and receive FSA ID.
- Student uses FSA ID to complete application. Must invite parent/legal guardian for household. Need to have both parents on there.
- Parent/guardian then completes their portion of the FAFSA.
- FAFSA will connect directly with IRS to import earnings and other necessary information
- FAFSA Federal Methodology calculates Student Aid Index (SAI) and sends to colleges at request of student.



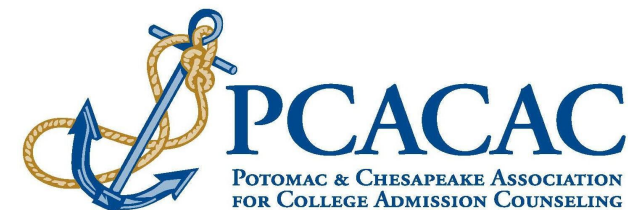
# FAFSA: Next steps

- School receives SAI and determines financial aid package
- Financial aid package might include:
  - Federal Student Loans (\$5,500 max first year) which could be a mix of subsidized and unsubsidized loans.
  - Federal Pell Grants (for students with high need with an SAI under \$7,395).
  - School-based grants and scholarships.
  - Work-Study.
  - Suggested loan opportunities (Parent Plus Loan, private loans).



# CSS Profile

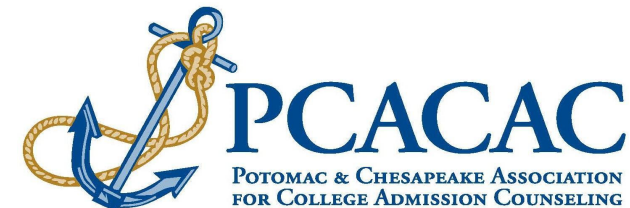
- Used primarily by some private colleges (~250 colleges).
- CSS Profile is free for families who make up to \$100,000 a year (SAT fee waiver qualifiers or orphans/wards of the court under the age of 24 are also eligible)
- Non-qualifiers may submit the CSS Profile to one college or scholarship program for \$25. Additional reports are \$16 each
- Different from the FAFSA in that it contextualizes family financial profiles
- Colleges can select variables to adjust the EFC based on their institutional choices



# Cost/Value Analysis

The best price does not translate to the best decision. Other factors must be considered:

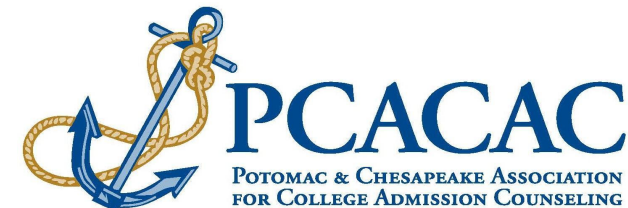
- Distance from home
- Quality of education
- Living environment on and off-campus
- Career services
- Campus safety
- Sticker price vs. Cost of Attendance



# Financial Aid in the Future: The Process

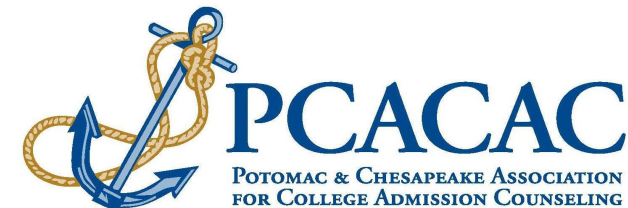
Just when you thought you knew the landscape of this process...think again! *When? 2024-2025 academic year!*

1. A shorter FAFSA - 108 questions to 36 or fewer.
2. EFC out, SAI (Student Aid Index) in.
3. The more kids in college the better for families? Nope...
4. Domicile v. financial support regarding divorced/separated parents.
5. Professional judgment to be used during appeals.
6. Expanded eligibility for Pell Grants.
7. FAFSA to link with IRS to hopefully reduce the need for verification.



# Financial Aid in the Future: The New Realities

- The cost of higher education will continue to rise. COVID-19, reduced state funding, changing economies, and other factors have contributed to this landscape.
- Colleges will be offering less financial aid due to reduced endowments, increased operating costs, greater demands for financial aid, and significant financial commitments that the federal government has made in response to the pandemic.
- Larger pool of students and families who have need as well as a greater amount of financial aid requested.
- But that could all be totally false



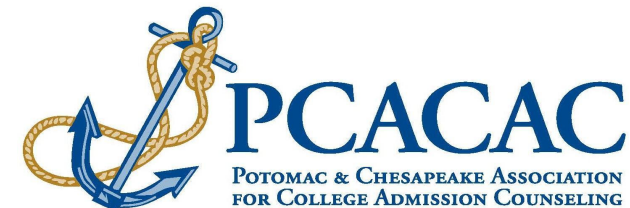
# Illustration of working smarter, not harder

Six credits (Sociology and US History) during the summer will cost a student:

\$840 @ CSM

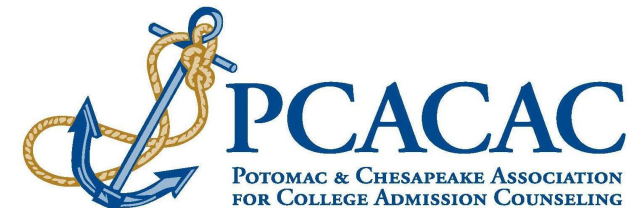
\$1,860 @ Towson

\$12,462 @ Johns Hopkins University



# Funding higher education beyond financial aid

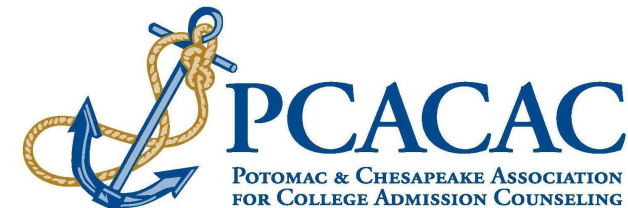
- Use work study to your advantage. 6% of college students have work study positions. Average earnings = \$2,850 per year. Colleges tend to have more jobs than students. About 1/3 of jobs are related to their courses. Be picky. Go for something in admissions, tutoring, development, or institutional research.
- Even though private institutions cost more than publics, the debt differential is negligible AND the former schools see students graduate as a high percentage and earlier.
- Follow through on recommended colleges. \$20,672,002 reasons to do so PLUS another \$12 million per year left on the table...
- Academic Common Market.
- Before college (Advanced Placement) and during college (Resident Assistant).





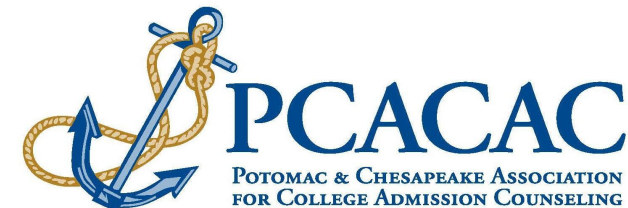
# How to make the best investment possible

- Borrow the least amount possible and do so wisely.
- Whenever possible, pay now and do so quickly.
- Consider area of study/degree program and even where to obtain it.
- Opportunities for networking, making connections, and overall professional development.
- Services provided by the career center at the institution.
- Finish on time! A four-year degree is a four-year degree.



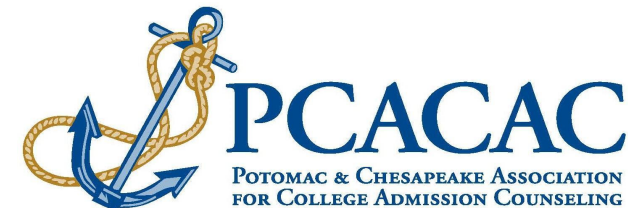
# Idea Share

- Track your high school's FAFSA completion  
<https://studentaid.gov/data-center/student/application-volume/fafsa-completion-high-school>
- Scholarship Bulletin/Senior Newsletter (see document in app)
- Nomination-based Scholarships
- Utilize colleges for help with Financial Aid Nights
- Ask admission counselors to talk about outcomes when they visit your school.



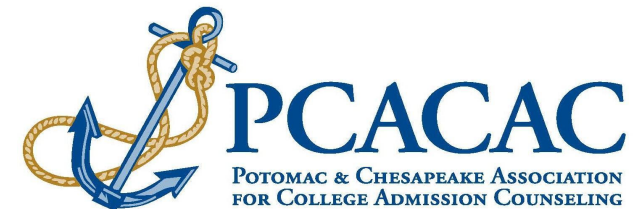
# Additional Best Practices and Resources

- Have financial aid discussions early. Making sure that students and families understand the value of maintaining high grades and extracurricular involvement can play a major part in ensuring eligibility for merit based aid.
- Apply to colleges before priority deadlines to maximize eligibility for institutional aid
- Utilize regional and local resources such as DC TAG, Academic Common Market, CBO Partnership scholarships, state financial aid, etc
- Apply for special population scholarships. Narrowing the application population increases chances of receiving outside scholarships
- Try to avoid depending on funding from just one source in order to maximize the aid you can receive



# Presentation

- Interject your presentation here.



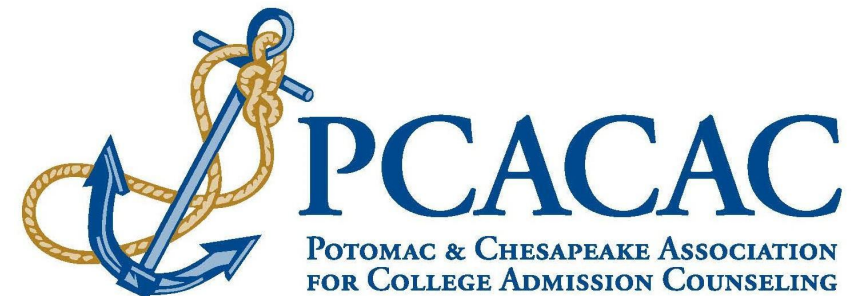
# Audience feedback time (aka QUESTIONS)

Comments?

Insights?

Input?

Information gaps?



# Please. . .

Take a minute or two to complete the session evaluation!

Thank you!

