

# FINANCIAL AID 101

## *The Basics*

Vance Pascua

Serving Higher Education Since 1987

- *Admissions & Financial Aid*
- *Athletic Recruitment & Retention*
- *Academic & Career Planning*
- *Marketing*

# FINANCIAL AID

## Topics:

- ❖ **LEVERAGE – FA/Admission timeline**
- ❖ **BENEFIT – Value vs. Cost**
- ❖ **PROCESS – How To Get It**
- ❖ **SOURCES – Where It Is**

# Leverage Timeline

- September 1 – December 31
  - Typical admission application filing period

- January 1 – March 2

- Window of opportunity to file FAFSA

*(Beginning with the Fall 2017 entering class, Prior-Prior Year will be in effect and the new window will open October 1, 2016 )*

- November 15 – March 1

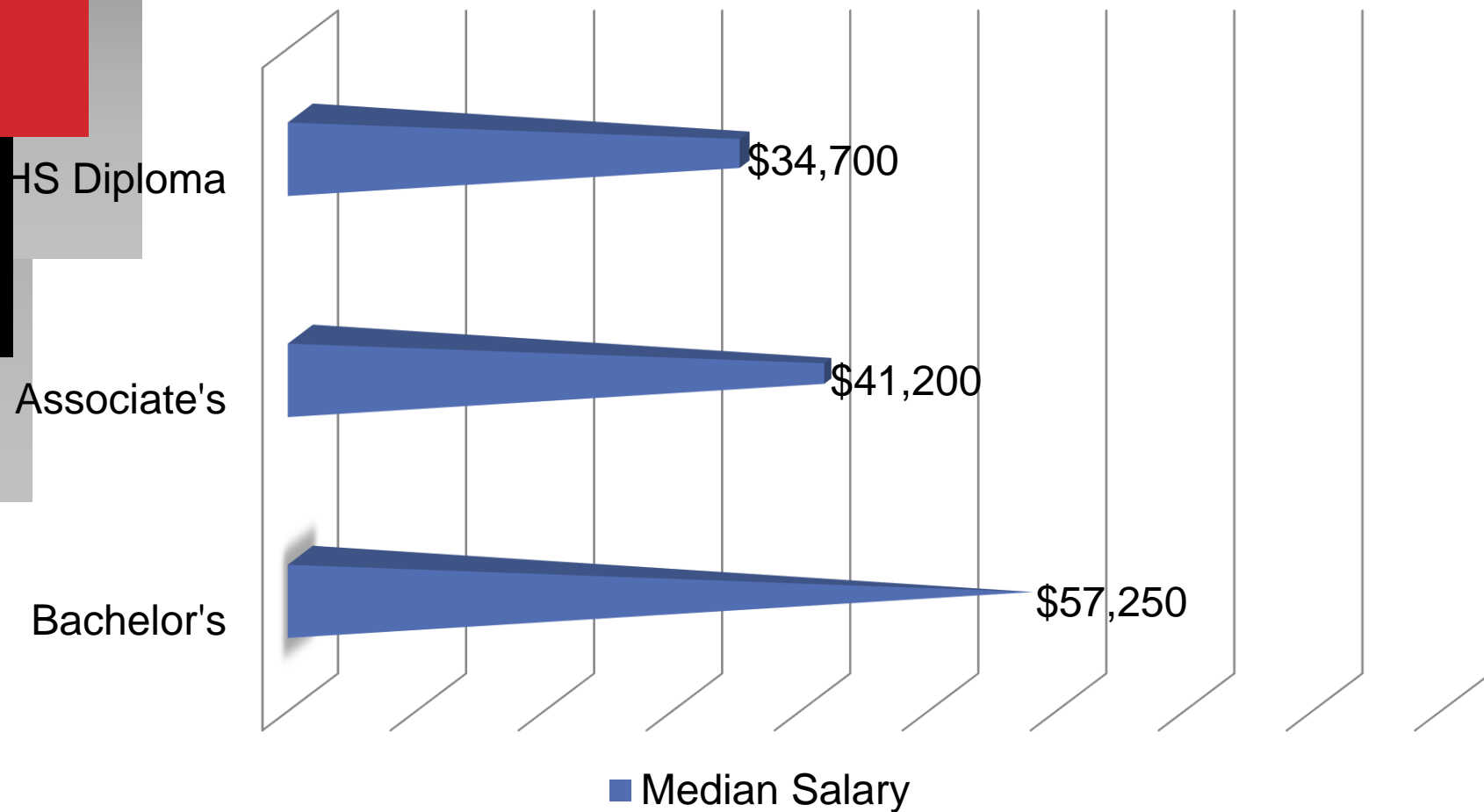
- Typical period for admission notifications

- February 15 – April 1

- Typical period for financial aid offer letters

➤ ***May 1 - National Candidates Reply Date***

# Median Salary by Educational Attainment - at age 25 and older



Source: Bureau of Labor Statistics, 2014

# The “Value” of a College Education

Based on 40 years of work (age 25-64):

| Degree     | Annual Income | After 40 Years     |
|------------|---------------|--------------------|
| Bachelors  | \$57,250      | \$2,290,000        |
| HS Diploma | \$34,700      | <u>\$1,388,000</u> |
| Difference | \$22,550      | <b>\$902,000</b>   |

**Getting a College Degree is an investment worth almost a MILLION DOLLARS!!!**

*Source: Bureau of Labor Statistics, 2014*

# Tuition & Fees, Room & Board comparison

- Community College
  - \$14,707 (e.g. Sierra College)
- California State University
  - \$20,242 (e.g. CSU Sacramento)
- University of California
  - \$28,468 (e.g. UC Davis)
- AICCU (*Association of Independent California Colleges & Universities*)
  - \$36,758 (e.g. William Jessup University)

*\*All comparisons are for On-Campus living.*

**But Vance, I can't write  
a check for that, so...**

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**HOW DO I GET  
FINANCIAL AID?**

# Financial Aid Is...

## A PARTNERSHIP BETWEEN

- ❖ Government
- ❖ College
- ❖ Family (both students AND parents)

## Financial Aid Exists To...

- Provide Access -- regardless of income
- Provide Choice -- regardless of cost
- Recruit -- desirable students



# It all starts with...

## The FAFSA



START HERE  
GO FURTHER  
FEDERAL STUDENT AID™

FAFSA  
Free Application for Federal Student Aid

FAFSA Home Student Aid on the Web Application Deadlines PIN Site Help Contact Us FAQs Site Map About Us

- Free Application For Federal Student Aid
  - [www.fafsa.gov](http://www.fafsa.gov) (paper application available if preferred)
  - Sign electronically – get an FSA ID at [www.fsaaid.ed.gov](http://www.fsaaid.ed.gov)
    - Student and one parent need an FSA ID
    - REMEMBER FSA ID for future uses...
  
- 2016-17 FAFSA is available January 1, 2016
  - *Beginning with Fall 2017 entering class, Prior-Prior Year will be October 1, 2016.*
  
- FAFSA On The Web (FOTW) Worksheet
  - Used as a 'pre-application'
  - Questions follow the order of the real FAFSA

# FAFSA Tips

- Read and follow instructions.
- Assemble parent and student income and asset information ahead of time (can use '*estimated*' tax info).
- You **do not** need to be *accepted* to a college.
- All info is “as of the day you complete” the FAFSA.
- Knowing SSN is *very* helpful☺
- GUYS – Register with Selective Service
- **Will need to be completed each year**

# FAFSA Tips (*cont.*)

## What if my situation doesn't fit with what the FAFSA is asking?

- In the case of special circumstances...
  - Involuntary change in employment status
  - Change in parents marital status
  - Unusually high medical expenses
  - Unusually high dependent care expenses

...a Financial Aid Administrator can exercise “Professional Judgment”.

# Other Forms/Applications

- GPA Verification Form *(to be considered for a Cal Grant)*
  - Usually submitted by High School or you can download form at [www.csac.ca.gov](http://www.csac.ca.gov).
  
- Independent Universities may use additional forms.
  
- Remember:
  - Use Accurate Data
    - Mistakes cause processing delays.
  - Respond Promptly to all correspondence.

# Deadlines!

- Submit FAFSA electronically or paper form by **March 2<sup>nd</sup>** (*no earlier than January 1<sup>st</sup>*).
- *Beginning with Fall 2017 entering class, Prior-Prior Year will be October 1, 2016.*
- **March 2<sup>nd</sup>** – Postmark deadline GPA Verification Form (Cal Grant) and the priority deadline for many programs and colleges.
- ***Individual scholarship deadlines will be all over the calendar!***

# The EFC – Estimated Family Contribution

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- Established by a Federal Formula from Income/Asset Data reported on FAFSA
- Gov't estimate of your ability to contribute
- The same amount – regardless of college
- Two components
  - Parent contribution
  - Student contribution

# FAFSA Assets – What Counts?

## ■ CASH, SAVINGS, AND CHECKING

- Total balance of all cash, savings and checking accounts – as of date of FAFSA submission.

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## ■ REAL ESTATE – Net Worth

- **Do not include** the home they live in (primary residence).
- **Include** rental properties, land, second homes and/or summer homes.

## ■ BUSINESS VALUE – Net Worth

- **Do not include** the value of a small business if your family owns and controls more than 50 percent of the business and the business has 100 or fewer full-time or full-time equivalent employees. For small business value, your family includes persons directly related to you, such as a parent, sister or cousin, or persons who are or were related to you by marriage, such as a spouse, stepparent or sister-in-law.
- **Include** the market value of land, buildings, machinery, equipment, inventory, etc.

# FAFSA Assets – What Counts?

## Cont'd

### ■ INVESTMENT FARM VALUE – Net Worth

- **Do not include** the value of a family farm that you (your spouse and/or parents) live on and operate.
- **Include** the market value of land, buildings, machinery, equipment, inventory, etc.

### ■ OTHER INVESTMENTS – Net Worth

- **Do not include** the value of life insurance, retirement plans, 401(k) plans, pension funds, annuities, non-education IRAs, SEP, Keogh plans or other official retirement accounts.
- **Include** the net worth of trust funds, UGMA and UTMA accounts, money market funds, mutual funds, certificates of deposit, stocks, stock options, bonds, other securities, installment and land sale contracts (including mortgages held), commodities, qualified educational benefits or education savings accounts (e.g. Coverdell savings accounts, 529 college savings plans and the refund value of 529 prepaid tuition plans).

**NOTE:** *Net Worth* is Current Value minus balance owed.



# Financial Aid Eligibility

**Cost of Attendance (COA)**

- **EFC**

**= Financial Need**

**The goal of a FA Office should be to meet as much Financial Need as possible**

***Funds can be limited, so start early!***

*So...*

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**WHAT  
FINANCIAL AID  
IS AVAILABLE?**

# Sources of Financial Aid

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- Federal
- State
- Institutional
- Outside

# Federal Aid

- Grants – depend on EFC (5198-0)
  - 2015-'16 **Pell** (\$626 - \$5,775) & **FSEOG** (amount varies by school)
- Loans ([www.studentloans.gov](http://www.studentloans.gov))
  - **Stafford** – guaranteed by Federal Gov't at 4.29%
    - Subsidized
    - Unsubsidized
  - **Perkins** – For exceptional financial need at 5%
  - **PLUS** – Parent Loan at 6.84%
  - Private/Alternative
- Federal Work Study
  - Work on or off campus, up to 20 hrs./week, around your class schedule
- Veterans Benefits

# Cal Grant

*(unique to California)*

- Cal Grants *(2015-'16 academic year)*
  - Cal A: low-to-middle income *(3.00 HS GPA/2.40 Ca CC GPA)*
    - Private = \$9,084
    - UC = \$12,192
    - CSU = \$5,472
  - Cal B: disadvantaged/low income *(2.00-2.99 HS GPA/  
2.40 Ca CC GPA)*
    - The first-year stipend for expenses = \$1,656
    - Second year, receive both A & B

*Above are the Entitlement Awards; See CSAC website for Competitive award, CAL GRANT C and more details.*

# ***CALIFORNIA STUDENT AID COMMISSION FOR NEW CAL GRANT APPLICANTS***

## **2015-16 CAL GRANT PROGRAM INCOME CEILINGS**

|                              | <b>Cal Grant<br/>A and C</b> | <b>Cal Grant<br/>B</b> |
|------------------------------|------------------------------|------------------------|
| <b><u>Family size:</u></b>   |                              |                        |
| Six or more                  | \$100,800                    | \$55,400               |
| Five                         | \$93,400                     | \$51,300               |
| Four                         | \$87,200                     | \$45,800               |
| Three                        | \$80,200                     | \$41,200               |
| Two                          | \$78,300                     | \$36,600               |
| <b>Independent students</b>  |                              |                        |
| Single, no dependents        | \$32,000                     | \$32,000               |
| Married, no other dependents | \$36,600                     | \$36,600               |

## **2015-16 CAL GRANT PROGRAM ASSET CEILINGS**

|                      |                 |
|----------------------|-----------------|
| Dependent students   | <i>\$67,500</i> |
| Independent students | <i>\$32,100</i> |

# Institutional Aid

## ■ Merit

- GPA
- SAT/ACT scores
- Major Department

## ■ Performance

- Athletic
- Art
- Music
- Drama

## ■ Experience(s)

- Multicultural/ethnic
- Ministry/Church
- Homeschooled
- Community College
- International student

## ■ Need-based

- Grants
- Loans

# Outside Aid

## Sources:

- Private Donors
- Businesses
- Foundations
- Service Clubs
- Church/Religious organizations
- Veterans Benefits

## Resources:

- Counseling/Career Center at your high school
- Financial Aid Office at the college(s) of your choice
- Internet –
  - [www.fastweb.com](http://www.fastweb.com)
  - [www.bigfuture.collegeboard.org](http://www.bigfuture.collegeboard.org)
  - [www.scholarships.com](http://www.scholarships.com)
  - [www.collegescholarships.com](http://www.collegescholarships.com)



# Scholarship Search Companies

## Warning Signs:

- “Guaranteed/Money Back”
- “Exclusive Information”
- “We do all the work!”
- “Credit Card number required”
- “You have been selected as a finalist!”
- “We Promise...”

**AND the biggie -**

***Don't go to [www.fafsa.com](http://www.fafsa.com)!!!***



Information:

**[www.ftc.gov](http://www.ftc.gov)**

1-877-FTC-HELP

(382 - 4357)

# NET Price Comparison

## Tuition, Room & Board; “A” student

- College A

*T/R/B = \$ 34,990*

*Acad \$ = 10,000*

*Music \$ = 2,000*

*Dept. \$ = 3,500*

*Cal Grant = 9,084*

*Total Aid = 24,584*

*Net Cost = \$10,406*

- College B

*T/R/B = \$ 42,500*

*Acad \$ = 15,000*

*Athletic \$ = 5,000*

*Cal Grant = 9,084*

*Total Aid = 29,084*

*Net Cost = \$13,416*

- College C

*T/R/B = \$ 51,750*

*Acad \$ = 18,500*

*Drama \$ = 6,500*

*Cal Grant = 9,084*

*Total Aid = 34,084*

*Net Cost = \$17,666*

***Despite “higher” financial aid packages, the net cost is greater! So, don’t be fooled by, “I got more scholarship at school...”, because the bottom line may still be more out-of-pocket!***

# Questions?

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