

# Go To College Without Going Broke



**BOB JONES UNIVERSITY**  
BUILD FAITH. CHALLENGE POTENTIAL. FOLLOW CHRIST.

# How Do I Pay For College?

- Only 20% of students who begin their higher education at two-year institutions graduate within three years. Only 40% of students who start at four-year institutions will finish in 6 years.
  - *U.S. Dept of Education, National Center for Education Statistics- Graduation Rate File*
- The number one reason students give for leaving college is finances. More than 50% say the stress of trying to work and go to school took its toll. Of those who failed to graduate, 60% of students said this started their freshman year.
- 70% of those who fail to graduate say they did not have scholarships or financial aid.
  - *Taken from the report "With Their Whole Lives Ahead of Them": Myths and realities about why so many students fail to finish college*



# Typical College Costs

- Room and Board (food and housing)
- Tuition and Fees
- Books and supplies (computer, printer, paper, etc)
- Transportation
- Personal expenses (miscellaneous items like laundry, toiletries, clothes, etc.)
- These expense are called Cost of Attendance (COA)

*The College Board estimates that a moderate budget, including housing and transportation, but not tuition, will be \$17,230 for a nine-month school year in 2009-2010, or \$11,540 for a low budget. Housing accounts for 49% of those figures.*



**BOB JONES UNIVERSITY**  
BUILD FAITH. CHALLENGE POTENTIAL. FOLLOW CHRIST.



# The Starting Point for Financial Aid

- The FAFSA ([www.fafsa.gov](http://www.fafsa.gov))
  - What you will need to complete the FAFSA (Oct. 1)
    - Social Security Numbers (parents and student)
    - Tax forms (You can now download all tax information for your FAFSA from [irs.gov](http://irs.gov))
    - Current bank statements (parents and student)
    - Savings and investment information

After submitting the FAFSA you will receive (usually within 24 hours) your Student Aid Report (SAR). Your SAR will include your Expected Family Contribution (EFC).  $COA - EFC = \text{Need}$   
The SAR is sent to the schools on your list. You may be selected for verification. If not, you will receive an award letter from the college after you have been accepted as a student by the college.



# Special Circumstances

- FAFSA Reevaluation

The EFC is not always “set in stone.” A Financial Aid Administrator may reevaluate the FAFSA and decrease the EFC if special circumstances are met.

- ❖ Job loss/salary cut
- ❖ High medical costs not covered by insurance
- ❖ Death of a parent
- ❖ Loss of at least \$5,000 in untaxed income
- ❖ Private school tuition for siblings

A form must be submitted to the Financial Aid Office for review



**BOB JONES UNIVERSITY**  
BUILD FAITH. CHALLENGE POTENTIAL. FOLLOW CHRIST.

# Types of Financial Aid

- Loans (Stafford, Parent PLUS, Perkins, etc)
- Scholarships (may come with requirements)
- Grants (requirements-need based)
  - Federal (Pell Grant, SEOG, etc)
- Savings (personal or 529 savings account)
- Work (before and during college)





# Recent Trends in College Aid

- Several states have reduced scholarships or toughened eligibility criteria for financial aid.
- Eligibility for the maximum Pell Grant has also been tightened.
- The number of families applying for financial aid has soared. More than 21 million families filed the FAFSA last year, up 49% from two years ago.
- More states each year are making aid available on a first-come, first-served basis. This makes it even more important to file your FAFSA as early as possible.
- Because of tightened state budgets it is increasingly important to apply for as many private scholarships as possible. The number of private scholarships is increasing after several years of stagnant growth.

*College Students Face Stiff Competition for Financial Aid by Sandra Block, USA Today*



**BOB JONES UNIVERSITY**  
BUILD FAITH. CHALLENGE POTENTIAL. FOLLOW CHRIST.

# Federal Grants

- Federal Pell Grant
  - Maximum amount - \$609-\$5,920 for 2017-2018 school year
  - Does not have to be repaid
- Federal Supplemental Educational Opportunity Grant (SEOG)
  - For undergrads with exceptional financial need
  - Pell Grant recipients take priority
  - Funds depend on availability at school
  - \$100-\$4,000
  - Does not have to be repaid
- Teacher Education Assistance for College and Higher Education (TEACH Grant)
  - Grant does not have to be repaid unless you fail to meet obligation
  - For those students studying to be elementary or secondary teachers
  - Must sign agreement to teach full-time for 4 years in a high-need field at a low-income elementary or secondary school
  - Up to \$4,000/year (\$16,000 max) for undergrads





# Federal Grants

- Iraq and Afghanistan Service Grant
  - \$ Same as Pell Grant
  - Does not have to be repaid
  - For students who are not Pell eligible and whose parent/guardian died as a result of military service in Iraq/Afghanistan after Sept. 11, 2001
  - Student must be less than 24 years old at time of parent/guardian's death and enrolled at least part-time in school
- Federal Work-Study
  - Money earned while attending school
  - Does not have to be repaid
  - For undergrad and grad students
  - No annual minimum or maximum amounts
  - Jobs can be on-campus or off-campus



# Stafford Loans

- Federal government loans
  - Low interest rate
    - Subsidized (no interest or payment until graduation or out of school 6 months)
      - 4.45% (2017-2018)
    - Unsubsidized (interest accrues upon disbursement; payments start 6 months after graduation)
      - 4.45% (2017-2018)
  - No payments while in school at least half-time
    - 12 hours or more per semester/full time
    - 6-8 hours per semester/half-time
    - \$5,500 first year (no more than \$3,500 subsidized)
    - \$6,500 second year (no more than \$4,500 subsidized)
    - \$7,500 third year and beyond (no more than \$5,500 subsidized)
  - Acceptance not based on credit. Repayment – 10-25 year plans





# PLUS Loans

- Parents of dependent students can take out loans to supplement their children's financial aid packages. The *Federal PLUS Loan* is a Federal student loan that allows parents to borrow money to cover any costs not already covered by the student's financial aid package, up to the full cost of attendance. Graduate students are also eligible to borrow through the PLUS loan program.
  - Parents must apply and pass a credit check
  - Graduate students can apply on their own and must pass a credit check
  - The yearly limit for the PLUS loan is equal to the cost of attendance minus any other financial aid your child receives. For example, if your cost of attendance is \$8,000 and you receive \$3,000 in financial aid, you can borrow up to \$5,000 with a PLUS loan.
- Fixed rate - 7.0% for 2017-18 (Loan fee – 4.264%)
- 10-25 years to repay (min. paymt. \$50/month; payments start 60 days after disbursement or you may receive a deferment)





# Perkins Loans

- Federal student loan for undergrad and grad students.
  - Exceptional financial need
  - Low interest (5%)
  - College is the lender (through the financial aid office) and loan is made with government funds
  - You must repay the loan to your school. Repayment starts 9 months after you graduate or leave school.
  - Up to \$5,500/year undergrad (max. \$27,500)
  - \$8,000/year grad or professional (max. \$60,000 cumulative)



# Scholarships

- Athletic
  - Based on talent and GPA
- Merit
  - Based on College Entrance Exams, GPA
- College specific
  - Child of alumnus, Christian worker, etc.
- Major specific
  - Engineering, nursing, etc
- State specific
  - Hope, Life, Bright Futures, etc
- Miscellaneous
  - Civic organizations, student/parents' employer, DAR, etc.)



# Ways To Reduce College Costs

- Control your costs (4 year plan for college)
  - According to UCLA's Higher Education Research Institute, only 28% of students at public universities graduate in four years. When college classes drag past the traditional eight semesters, debt piles up.
- Get a job (on or off campus)
- Take college courses while in high school
  - Many colleges give discounts to high school students
- Use credit wisely
  - More protections in place for students with credit cards
- Be responsible...NOW!
  - Start showing some restraint on what you buy. Now is the time to start managing your own money





# Ways To Reduce College Costs

- Be realistic about borrowing
  - Good rule of thumb: Borrow no more than you will typically earn during your initial year in the work force.
- Research loans
  - Don't sign anything until you understand it.
- Max out federal loans first
- **APPLY FOR ALL THE SCHOLARSHIPS YOU CAN!**



# What You Do Inside and Outside the Classroom Influences Scholarship Money

- Scholarship judges want to know that the money they are giving away is going to the kinds of people for whom the money is intended.
- The activities you participate in during summer break can indicate to colleges what you're passionate about.
- What you did before entering high school is maybe not as important as your junior or senior year, but your activities can lay a good foundation which scholarship judges notice.
- Extracurricular activities-Probably the most important thing next to academic achievement for scholarships



# Strategies and Tips on College Financing

1. File your FAFSA as quickly as possible.
2. Choose your major carefully.
3. Meet the deadlines.
4. Max out federal loans first.
5. If you have student loan debt after graduation, think seriously about income-based repayment.
6. Know the loopholes in financial aid and how it affects your EFC (Parent's age, Parent's marital status, # family members in school, includable assets, Parent's AGI)
7. 529 savings plans
8. Think about taking accelerated classes.





# Searching for Scholarships

- Start the search in your own backyard
- High school counselor or college financial aid officer
- High school websites
- Go to local colleges and ask for help finding scholarships
- Local businesses
- Parents' employers
- Parents' or grandparents military service
- Your employer
- Parents' union
- Local interest clubs
- Church or religious organizations
- Local government
- Local newspaper
- Local civic organizations



# Tips For Scholarship Applications

- No scholarship is too small (\$250 x 10 adds up!)
- Judges who evaluate scholarships know who has put in the time and effort so double-check all your submissions.
- Take good notes when filling out applications. If you hit a roadblock, make a note of what you need and move on. When you have what you need you can come back to it.
- **DON'T MISS DEADLINES!**



# Tips for Scholarship Applications

- Schedule a time each week to work on scholarship applications. The work will “pay off” if you are determined. If you want financial aid for college in the form of scholarships/grants, it depends on your determination.

*The difference between the impossible and the possible lies in a person's determination*

- Set some measurable and attainable goals in your scholarship search.
- Students...do not be afraid to ask for help from your parents, but don't expect them to do the job for you. It is your education. You will appreciate your college education more when you do your best to help pay for it.
- Keep folders (on computer and in file cabinet) for each scholarship application.
- Apply for as many scholarships as possible. Some scholarships should never be passed up.



**BOB JONES UNIVERSITY**  
BUILD FAITH. CHALLENGE POTENTIAL. FOLLOW CHRIST.



# More Tips for Scholarships

- How many scholarships should I apply for? No set number
- Don't select only a couple and spend all your time on those and don't apply for 75-100, putting same info on every application. Strike a balance.
- Don't apply for every scholarship. You're wasting your time. Focus on the ones you have the best chance of winning.
- Don't put all your accomplishments on every app. Be selective.
- Look for scholarships with a group of friends (motivation).
- Beware of scholarship scams (over 200,000 reported last year/\$30 million)



# Scholarship File

- 200+ pages of scholarships, websites, recommended books, articles, and tips to help high school students in their search for financial aid.
- Scholarship information specific to states
- Instructions on how to apply for Federal aid, scholarships, and grants.

FREE!

- Send email to [ckittrel@bjv.edu](mailto:ckittrel@bjv.edu) and ask for The Scholarship File



BOB JONES UNIVERSITY  
BUILD FAITH. CHALLENGE POTENTIAL. FOLLOW CHRIST.