

## What Is This Financial Aid Thing Anyway?

The following presentation guide can be used for a financial aid information night introducing the basic concepts of financial aid to middle school parents and students. It may be used in conjunction with National Association of Student Financial Aid Association's (NASFAA) *What You Need to Know about Financial Aid* presentation slide show, available in Microsoft PowerPoint format.

If you already have PowerPoint, you can download the slide show from the NASFAA Web site, [www.NASFAA.org](http://www.NASFAA.org), and run it as a PowerPoint presentation. You may also wish to print the slide show and provide it as a handout to your audience so that they may follow along. Printing in the format that puts three slides per page allows for often-needed note-taking space.

The bulleted presentation guide provides a framework in which to discuss the basic concepts of financial aid. The format assumes that you have an understanding of financial aid concepts and the federal aid programs. Feel free to add additional information based on the needs of your audience. Provide your audience with copies of *What Is This Financial Aid Thing Anyway?* The presentation guide does not provide detailed information about the federal financial aid programs, so be prepared to answer specific questions from the audience.

# Presentation Slide Show Guide

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## [1] Title slide—What Is This Financial Aid Thing Anyway?

- Where do you see your child in six or seven years?
- Do your aspirations for your child include college?
- Many parents want their children to go to college, but don't know what they need to do to make this dream a reality.
- We are going to talk about financially planning for college.
- Why talk about financing college education now?
  - The more you know about the college financing process, the easier it will be
  - College financing is easier if you begin planning early
  - Help your student make more informed decisions

**Note:** *Take a moment to poll your audience on whether or not they have started preparing financially for their child's college education. If they have, ask what steps they have taken, such as setting up a 529 plan or researching scholarships based on their child's extracurricular activities.*

## [2] Topics We Will Discuss

- What is financial aid
- Understanding college costs
- The expected family contribution (EFC)
- What is financial need
- Types of financial aid
- Sources of financial aid

## [3] 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

#### **[4] What Is Financial Aid?**

- Any money from outside the family that pays college expenses

#### **[5] Understanding College Costs**

- College is expensive, but worth the cost
  - A sound investment in your child's future
- More than just tuition
  - Also includes room and board, books, transportation, personal expenses, etc.

#### **[6] 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 child's entire postsecondary education
  - Four to six years total

#### **[7] Expected Family Contribution (EFC)**

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

#### **[8] Expected Family Contribution (EFC)**

- Calculated using a federal form and formula
- Two components:
  - Parent contribution
  - Student contribution

### **[9] What Is Financial Need**

- The difference between college costs and the EFC
  - Example: College costs of \$15,000 less EFC of \$5,000 equals a financial need of \$10,000
- Will vary by college
- Your financial need determines how much aid you may receive

### **[10] Types of Financial Aid**

- There are four types of financial aid
  - Scholarships
  - Grants
  - Loans
  - Employment

### **[11] Scholarships**

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

### **[12] Grants**

- Awarded on the basis of financial need
- Don't have to be paid back

### **[13] Loans**

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

#### **[14] Employment**

- Self-help aid
- Earnings used to cover college expenses
- Ideally, related to student's field of study

#### **[15] Employment**

- Allows student to earn money to pay educational costs
  - Receive a paycheck or
  - Non-monetary compensation, such as room and board

#### **[16] Sources of Financial Aid**

- Federal government
- States
- Colleges
- Private sources

#### **[17] Federal Government**

- Largest source of financial aid
- Aid awarded primarily on the basis of need
- Must apply each year using a standard form

#### **[18] States**

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

#### **[19] College**

- Varies widely from college to college
- Offer both merit-based and need-based aid
- May be offered as part of the admissions process

## **[20] Private Sources**

- Churches, civic organizations, and employers
- Deadlines and application procedures vary widely
- Begin researching private sources early

## **[21] How to Apply for Financial Aid**

- Complete a standard federal form every year
- Form is the Free Application for Federal Student Aid, or FAFSA
  - Collects demographic and financial information about the student and his or her family
  - Data used to calculate the EFC
  - Application is available for completion after January 1 each year
- Information from the FAFSA may also be used by states, colleges, and private sources to award aid
- Ask college if any other forms are required
- Be prepared to submit documents such as signed tax returns to the college by the deadline requested

## **[22] Federal Grant Programs**

- Federal Pell Grant
- Academic Competitiveness Grant, or ACG
- National Science and Mathematics to Retain Talent, or SMART Grant
- Teacher Education Assistance for College and Higher Education, or TEACH Grant
- Federal Supplemental Educational Opportunity Grant, or FSEOG

## **[23] Federal Loan Programs**

- Federal Perkins Loan
- Stafford Loans
  - Borrowed by students
- PLUS Loans
  - Borrowed by parents and graduate students

## **[24] Federal Employment Programs**

- Federal Work-Study, or FWS

## **[25] Estimating Eligibility Using FAFSA4caster**

- On-line tool developed by the U.S. Department of Education to help families financially prepare for college
  - Asks for data you will need to provide on the FAFSA
  - Estimates the EFC
  - Estimates eligibility for federal financial aid

## **[26] Estimating Eligibility Using FAFSA4caster**

- Estimates possible financial aid at various types of colleges
- Allows you to get an idea of realistic costs, financial need, and financial aid

**NOTE:** *If time permits, ask audience members if they believe that the FAFSA4caster will be helpful as they financially prepare for college. If they think it will be helpful, ask what features of FAFSA4caster will be of the most value.*

## **[27] 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

## **[28] What You Should Be Doing Now**

- Begin researching financial aid options
- Start saving for your student's education
- Encourage your child to take college prep classes
- Share information with your student
- Encourage your student to participate in extracurricular activities
  - Develop leadership skills
- Help your child develop strong study skills

## **[29] 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