

Guide to Financial Aid

for two-year and 4-year colleges

For most students planning to attend college or a career school, financial aid is essential. This guide will break down the types of financial aid, how they help pay for school, and how you can apply.

KEY TERMS

FAFSA

FAFSA stands for Free Application for Federal Student Aid. This is the application that is required by nearly all institutions in order to be considered for federal financial aid.

Cost of attendance (COA)

The cost of attendance includes tuition, fees, room, board, books, travel, and personal expenses.

Each individual college has an “expected cost of attendance” for going to that school, which can usually be found on their website by searching “[name of school] cost of attendance”. Most students don’t pay this full price because of financial aid. “Expensive” schools often have most money to give in scholarships!

Student Aid Index (SAI)

The Student Aid Index (SAI), is a formula-based number that helps schools determine how much financial aid a student may need. It's calculated after you fill out the FAFSA and ranges from -1500 to 999999. A lower SAI indicates a higher financial need.

Demonstrated Financial Need = COA - SAI

Demonstrated financial need = cost of attendance minus your SAI. If a college’s cost of attendance is \$40,000 and your SAI is \$10,000, your demonstrated need is \$30,000.

Some colleges guarantee they will meet 100% of demonstrated need (you’re still expected to pay your SAI – in this example, \$10,000). And the financial aid they offer may include loans, which must be repaid.

Some schools guarantee 100% of demonstrated need with NO LOANS. This is a very good deal, although the schools are among the most selective.

<https://blog.prepscholar.com/colleges-that-offer-complete-financial-aid>

CATEGORIES OF FINANCIAL AID

Need-based

This type of aid comes from the government or from the school directly.

You may still qualify even if income is fairly high.

Merit-based

Based on a student’s achievements. Can be academic, athletic, musical, etc.

These are usually given by the school, but can be external.

TYPES OF FINANCIAL AID



GIFT AID

Scholarships and grants.

This is free money! Check the terms of the particular scholarship or grant to make sure you maintain eligibility.



SELF-HELP AID

Work-study and loans.

You MUST repay loans.

SOURCES OF FINANCIAL AID

The main sources by far are the government (federal and state) and the individual college or university. This financial aid will be included in the financial aid award you receive from a college upon being admitted.

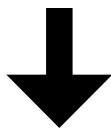
APS students also have the Achieve Atlanta Scholarship, which is need-based and offers \$5,000/year for a four-year school. Outside organizations provide scholarships, but those account for only a tiny fraction of financial aid.

HOW TO GET FINANCIAL AID

FILL OUT THE FAFSA!

The FAFSA changed last year and some of the changes are being still sorted out. As a result, we are unsure as of yet when the FAFSA will come out. However, it is essential that you keep up to date with its release because this is the gateway to almost all financial aid.

Some colleges also require you to fill out the CSS profile to distribute their institutional funds. CSS profiles ask for more in-depth financial information.



GET ESTIMATES NOW

Even though we do not have the FAFSA yet, we can take action to get a picture of what financing your degree might look like.

- To estimate how much aid you might qualify for, use the [Federal Student Aid Estimator](#)
- To estimate what you might pay at a given school, see the Net Price Calculator on the school's website.
- To determine if you might qualify for an academic merit scholarship at a given school, see if your grades and test scores fall in the school's top 25% of admitted students. Visit the College Board website, select that school, and click the "How Do I Stack Up" tab. See where your numbers fall.
- Check [College Navigator](#) to see a school's average financial aid award.

Financial Aid To-Do List

- Parents and students: discuss finances and what you can afford for college.
- Visit the Student Aid Estimator to estimate your SAI.
- Visit the Net Price Calculator on the website of each school on your list to estimate need-based aid.
- Evaluate the likelihood you'll receive merit aid at each school on your list (if you're in the top 25%).

Search for outside scholarships and apply for ones you're eligible for, but this is likely a small piece of the puzzle. Outside scholarships account for about 5% of financial aid in the US. and some colleges may deduct the amount of such scholarships from your financial aid award. If they deduct them from scholarships or grants, you haven't saved anything. It's better if they deduct such scholarships from loans, but best if they allow you to "stack" them, meaning they'll let you add any outside scholarships to the financial aid they are providing.

LOANS

Most students take on some debt, but be thoughtful. Federal loans are better than private loans. They have more flexible repayment options and are capped so you can't get too deeply in debt. Everyone who fills out the FAFSA can get a federal loan, but only those with financial need will qualify for a subsidized federal loan.

- **Subsidized Loan:** No interest will accrue until after the student graduates or leaves school.
- **Unsubsidized Loan:** Interest will begin accruing as soon as the loan is taken out.
- **Fixed Interest Rate: Best!** The interest rate will stay the same until the loan is repaid.
- **Variable Interest Rate: Avoid!** The interest rate can shoot up at any time, making it much harder to repay.

For federal direct loans, there are limits on how much of each loan type can be borrowed depending on various factors like your dependency status.

Make Sure a Financial Safety School is On Your List.

This means:

- An academic safety school (where your grades and test scores are in the top 25% of admitted students)
- A school you can afford even without aid (so a state school, and perhaps a technical college)
- A school you are willing to attend

Keep College Costs Down

- Keep your grades up. This is important for both getting into college and for getting aid, and it is essential for getting the HOPE or Zell Miller scholarship.
- If you have HOPE or Zell, commit to keeping up your college grades to maintain them!
- Prep for the SAT./ACT. A higher score will raise the likelihood of getting merit aid.
- Start at a technical college and transfer – you can satisfy certain basic credits for much less.
- Do well on AP tests – this can get you out of taking (and paying for) some college classes.
- Dual enrollment can allow you to get college credits for free.

RESOURCES

Books in the CCC

- *The Financial Aid Handbook: Getting the Education You Want for the Price You Can Afford.* Carol Stack and Ruth Vedvik. (Revised Edition, 2017). This is a wonderful book for parents and students!
- *The College Solution: A Guide for Everyone Looking for the Right School at the Right Price.* Lynn O'Shaughnessy, 2012.
- *Paying for College: Everything You Need to Maximize Financial Aid and Afford College.* Kalman A. Chany, 2019. This book has some complicated financial strategies that some may find helpful and some won't.

Websites

- All things federal student aid: studentaid.gov
- Student Aid Estimator: studentaid.gov/aid-estimator
- College Board: collegeboard.org
- College Navigator: nces.ed.gov/collegenavigator
- College Scorecard: collegescorecard.ed.gov
- College Solution: thecollegesolution.com
- Midtown CCC: midtownhighccc.com