

How to Pay for College

The key is to start planning early and keep your options open.

Figuring out how to pay for college takes a great deal of time and effort. Costs are high and financial aid is limited so it's important to start early and investigate all your options--remembering that the more time you spend searching for financial aid, the more aid you are likely to find. Here's how:

- Involve the whole family. One of your first steps should be to sit down with all your family members and have a frank discussion about paying for your college education. In today's economy, and with so many different family situations, the more everyone knows about the paying-for-college effort the better.
- Do your financial aid research. The more you know about how financial aid works, the better prepared you will be to pay for college. If you are not eligible for financial aid, you should investigate any other options that are available to you.
- Consider your educational goals. Because of the way the financial aid system works, don't automatically rule out high-cost colleges. Keep all your options open.
- Get those applications going. If you're eligible for financial aid, complete the application process accurately and on time.

HOW FINANCIAL AID WORKS

The financial aid system works on one basic principle: Parents and students contribute to the cost of college to the extent they are able. If they are unable to contribute the entire cost, financial aid is available. The formula to determine financial aid eligibility is pretty simple:

What it costs to attend each college - What your family is expected to contribute = Financial Aid eligibility

HOW MUCH DOES COLLEGE COST?

As a consumer of a college education, you should know what a college education costs. Resources exist that can provide this information. You will find that the cost of attendance includes:

- Tuition and fees
- Books and supplies
- Room and board
- Transportation
- Personal expenses.

HOW FINANCIAL AID IS AWARDED

If you do qualify for financial aid, you will receive what's called a financial aid "package." It may contain a combination of three kinds of financial aid:

- *Grants or scholarships:* These awards do not have to be paid back.
- *Loans:* These awards do have to be paid back, but usually not until you've graduated or left college.
- *Work:* This award involves earning money through a job, usually arranged for you by the college.

WHERE DOES IT COME FROM?

There are *four* primary sources of financial aid:

1. Federal government
2. State government
3. College or university itself
4. Private agencies and civic groups.

Be sure to investigate all the requirements and application deadlines for each college's financial aid program. Your best source of information:

- College financial aid office

HOW MUCH DOES YOUR FAMILY HAVE TO CONTRIBUTE?

You can figure out approximately how much you and your parents will be expected to pay, according to federal rules, by completing the Family Contribution Worksheet and the Student's Expected Contribution Worksheet. Refer to the financial aid services and scholarships search pages at <http://www.collegeboard.com>. The worksheets ask for the same kind of information about your family and financial situation as you will be asked for on your financial aid applications.

Remember that these are just model forms. Later, you'll complete your college's form, a federal financial aid form, and very possibly a *PROFILE* form. More about this will be discussed at Simsbury High School's Financial Aid Night in November.

HOW TO APPLY FOR FINANCIAL AID

The financial aid application process may differ from college to college. Different colleges require different forms and have different deadlines. You must find out what the specific requirements and deadlines are for each college to which you will be applying. The time to learn about the financial aid process is the same time you are investigating the admission process.

In order to apply for federal financial aid, your family must complete the Free Application for Federal Student Aid (*FAFSA*). The preferred method of applying is online at www.fafsa.ed.gov. or by calling 1-800-4FED-AID (1-800-433-3243)

Some colleges and private scholarship programs also require applicants to complete the *CSS PROFILE* from the College Scholarship Service. *PROFILE* information is available in guidance. Both the *FAFSA* and *CSS PROFILE* must be completed and forwarded using the Internet.

HOW FINANCIAL AID CAN HELP YOU ATTEND THE COLLEGE OF YOUR CHOICE

In your initial investigation of colleges, it is important that you don't rule out a college because of cost. According to the financial aid formula given under How Financial Aid Works on page 30, the college costs can vary, but your Family Contribution remains the same.

Example: Say your Family Contribution is \$5,000 a year. According to the formula, your financial aid eligibility would look like this:

College X Total Costs \$10,000
- Your Family Contribution \$ 5,000
Your Financial Aid Eligibility \$ 5,000

College Y Total Costs \$34,000
- Your Family Contribution \$ 5,000
Your Financial Aid Eligibility \$29,000