

Teachable Moment- Financial Aid Discussion with Your Child

How can I help my child determine how to finance his or her college education?

You should:

- Sit down with your child to discuss all the financial aid opportunities and resources available.
- Talk with your child's school guidance counselor to get more information about merit-based scholarships, grants and private scholarships.
- Check with the colleges that your child is applying to for more information about the financial assistance they offer, and the required applications and forms that your child must turn in to be considered for financial aid.
- Contact your state's higher education office.
- Go to the reference section of your public library to find information about financial assistance.

After researching, help your child make a list of all financial aid resources that he or she wishes to consider and apply for. This list should include:

- Your Family's Contribution;
- Federal and State Loans; and
- Federal/State Grants and Scholarships



What Additional Resources should my Child Consider for Financial Aid?

For more information:

Federal Financial Aid Programs go to: The Student Guide: Financial Aid from the U.S. Department of Education at: http://www.studentaid.ed.gov/students/publications/student_guide/2003_2004/ or call 1-800-4-Fed-Aid (1-800-433-3243).

State Financial Aid Programs contact your state's higher education agency at: http://bcol102.ed.gov/Programs/EROD/org_listcfm?category_ID=SHE.

Volunteer/Service Programs Americorps at: <http://www.americorps.org/> or call 1-800-942-2677

Peace Corps go to: <http://www.peacecorps.gov/index.cfm> or call 1-800-424-8580

Merchant Marine Academy go to: <http://www.usmma.edu/> or call 1-866-546-4778

ROTC at: http://www.military.com/Education/Content?ESRC=msn_rotc.kw&file=ROTC.htm

Free scholarship and grant resources include:

- **College is Possible**
<http://www.collegeispossible.org>
- **College Board's Pay for College**
<http://www.collegeboard.com/pay/>
- **FastAid** <http://www.fastaid.com/>
- **FastWeb** <http://www.fastweb.com/>
- **Peterson's Financial Aid**
<http://www.petersons.com/finaid/>

There are also additional scholarship and grant search services on the Internet that require payment that you and your child may want to consider.



America's Career Resource Network

Financial Aid Resources for Post- High School Education

How parents can *help* their child *locate* financial aid for education training and college after high school. . .



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What is Financial Aid?

Financial Aid refers to the wide variety of programs that help students and families pay for college or graduate school.

More than 15 million students are enrolled in postsecondary study in the United States. Over half of these students receive some form of financial aid.

It is important for you to help your child understand all the financial aid options available during his or her college decision-making process. In addition to college application deadlines, individual colleges and Federal and state programs have application deadlines for financial assistance that must be met in order to be considered for all available financial aid.

Financial Aid is available in four forms:

- Grants
- Scholarships
- Loans
- Work-study

Three major sources provide the bulk of student financial aid:

- Federal government
- State governments
- Colleges and universities

Private sources of aid, in the form of scholarships, grants and loans, are also available from companies, community groups, non-governmental organizations, schools, banks and other lending institutions.

How is student aid determined? Student aid is based on either financial need or merit-based need. Most student aid, federal or not, is awarded to students based on their families' financial need.

Merit-based aid is awarded to students who meet requirements not related to financial needs — such as academic excellence in high school or displaying artistic or athletic talent.



What Federal and State Financial Aid Programs are Available to my Child?

Grants provide financial assistance that do not have to be repaid. Examples of federal and state grants include:

- **Pell Grant Program** provides grants to low-income undergraduates.
- **Supplemental Educational Opportunity Grant (SEOG) Program** provides grants to low-income students, and generally helps supplement the aid they receive from Pell Grants and other sources.
- **Leveraging Educational Assistance Partnership (LEAP) Program** provides states with grant money to provide to college students. For more information about the LEAP Program go to: <http://www.ed.gov/programs/leap/index.html>.

Loans financed by the federal government are guaranteed and designed to give your child flexible repayment options. *Examples of federal loans include:*

- **Federal Family Education Loan (FFEL) Program** makes loans available to students and their families through about 7,100 participating private lenders.
- **William D. Ford Direct Student Loan Program** uses federal treasury funds to provide loan capital directly to schools, which then disburse loan funds to students.
- **Perkins Loan Program** provides low-interest loans to undergraduate and graduate/professional students who demonstrate financial needs.

Work-Study provides part-time jobs to undergraduates and graduate/professional students, either on or off their college campus. Your child can use the earnings to finance his or her educational programs. Options for work-study can be found on federal and college financial aid applications and websites.

Scholarships provide financial assistance to students that do not have to be repaid, similar to grants. While scholarships are usually awarded according to merit-based achievements such as academic excellence or special talents, financial need is sometimes a large part of the award decision-making process.



Additional Government Programs

TRIO Programs provide services to low-income students, including assistance in choosing a college; tutoring; personal and financial counseling; career counseling and workplace visits. For more information about TRIO Programs go to: <http://www.ed.gov/about/offices/list/ope/trio/index.html> or call (202) 502-760.

The Hope Scholarship Tax Credit allows students, or their parents or guardians, to claim up to \$1,500 for each student for out-of-pocket tuition and fees. The credit is available for each of the first two years of classes toward a degree or certificate from a college or vocational school.

The Lifetime Learning Tax Credit allows college students or their families to claim up to 20 percent of qualified out-of-pocket expenses associated with earning a degree per year.

Coverdell Education Savings Account is a savings account to finance the education expenses of a child or other designated beneficiary. Contributions are limited to \$2,000 per year and are not tax deductible, however funds grow tax free until withdrawn to pay college tuition.

College Based Financial Aid

Nearly 19 percent of available aid comes from colleges. Contact the financial aid office of the college that your child wishes to attend for more information.

Private Scholarships and Grants

Organizations, foundations, businesses and other groups offer scholarships to academically promising students based on different factors. Help your child investigate possibilities by talking to your child's school guidance counselor and visiting the local library.