



# FUNDING

# COLLEGE 101:

## How can my scholar get college financial assistance?

**INTRO.** This guide will help you and your scholars through the financial aid process. It provides an introduction to sources of funding and what scholars need to do to apply for and receive funding. A timeline for accomplishing these various tasks is outlined, as well as, several resources to help you, your scholars, and your scholars' families along the way.

**CONSIDER.** How did you pay for higher education? What did you know about college financing before you went off to college? What didn't you know that you figured out later?

**If you had access to financial resources, now imagine that you did not.** You are working hard in high school but you have no idea how you are going to fund college or where to begin.

**What would you hope someone would do for you to relieve that anxiety?**

---

---

**“ PSP creates financial support for those who aspire to continue academically but don't have the funds. ” - Scholar**

---

---

**FINANCIAL PLANNING TIMELINE.** Figure 1 on the following page provides an overview of tasks that can be accomplished each year, from 7<sup>th</sup> through 12<sup>th</sup> grade, to financially prepare for college. More details follow! You can also access a financial aid checklist here at [CSAC<sup>1</sup>](#).

# FINANCIAL PLANNING TIMELINE

## The Basics

Talk to parents about college finances.  
Come up with a savings plan to help with college.

**7, 8th**



## The Research

Research college costs  
Start or keep saving  
Get involved in opportunities that will help enhance your chances of getting scholarships

**9th**

## Preparing

Save for college  
Get or stay involved in opportunities that will help enhance your chances of getting scholarships

**10th**



## Seek Out

See counselor for help finding aid and scholarships.  
Investigate potential scholarships.  
Apply to scholarships if applicable

## Decision Time

Investigate scholarships at schools you applied  
Complete FAFSA (~ Jan 1st)  
Compare financial aid packages from schools.  
Apply to scholarships.  
Keep looking for outside scholarships.  
Consider Work Study options if available.

**11th**

**12th** 

## I. What types of funding are available?

**TYPES OF FUNDING.** There are typically two forms of financial aid: need-based and merit-based. Within those, there are a variety of sources of aid that include scholarships, grants, student loans and work-study. Many schools have on-campus jobs scholars can apply and interview for that are flexible around their studies too!

**TIP:** Attend a financial aid [workshop](#) with your scholar at a nearby campus. You can also help find local ones by contacting local nonprofits like College Summit or Googling “financial aid events in [city name]” or “free financial aid workshops in [city name]”. Share with your scholar and their family so they can consider attending as well.

### A. LOOK AT VARIOUS SOURCES

#### First, need-based.

#### 1. **GOVERNMENT GRANTS.** Scholars do not have to pay these back.

- **Federal Pell Grant and Federal Supplemental Education Opportunity Grant.** These awards are for educational costs provided through some institutions to low-income students and do not need to be repaid. If you are eligible you will receive a Student Aid Report (SAR) after filing your FAFSA. Currently, the maximum award is \$5,815 per year for the Pell Grant. [READ](#)<sup>2</sup> more about eligibility requirements and [how](#)<sup>3</sup> they determine how much is awarded.
- **Cal Grant** is a financial aid program administered by the state of California. If awarded, these grants can be used at any University of California, California State University or California Community College, as well as some independent schools. There are three kinds of Cal Grants – eligibility is determined through filing the FAFSA and GPA. [Learn](#)<sup>4</sup> more about how scholars qualify and receive Cal Grants.

#### 2. **LOANS.** Loans must be repaid, so it is important for your scholars and their family to understand their options and responsibilities. There are two main types of loans, federal and private.

(1) **FEDERAL LOANS** include loans for Students (Ford and Perkins) and Parents (Parent Plus).

**The US Department of Education has two federal student loan programs;** The William Ford Direct Loan Program and the Federal Perkins Loan Program. The Direct Loan Program is the most common, in which the DOE is your lender. The Perkins is a school-based loan program for students with exceptional financial need, in which the college is the lender.<sup>5</sup> All depend on financial need and fund availability. For more details about the below info look at this [Fact Sheet](#)<sup>6</sup>.

**A. Direct Loan** can be subsidized or unsubsidized loans.

**Subsidized**

- Can receive \$3,500 - \$5,500
- Interest rate is 4.29%; interest isn't charged during certain periods of time
- Payments owed to Education Department

**Unsubsidized**

- Can receive \$5,500 - \$20,500 (less subsidized received during same period)
- Interest rate is 4.29% for undergraduates; interest charged during all periods of time
- Payments owed to the Education Department

**B. Perkins Loan**

- Undergraduates can receive up to \$5,500 per year, total not exceeding \$27,500,
- Interest rate is 5%
- Payments owed to the college that made the loan

**C. PLUS Loans** are for parents of dependent undergraduate students and not based on need.

- No minimum amount. Maximum amount is the cost of attendance minus other financial aid the student receives.
- Interest rate is 6.84%; charged during all periods of time
- Payment owed to Education Department

**(2) PRIVATE LOANS** are nonfederal loans, from traditional banks, credit unions, or other agencies with higher interest rates and less flexibility. It is good to know these exist for college, but this really is very personal to your scholar's family.

**TIP:** Check out [StudentAid.gov](https://studentaid.gov)<sup>7</sup> to learn more about federal vs private loans, subsidized vs unsubsidized, and interest rates and fees. [Learn](#)<sup>8</sup> more about how private loans are different to share with your scholar and their family.

**3. WORK STUDY.** Work Study is not guaranteed even if a scholar is eligible. If, via the FAFSA, it is determined the scholar is eligible it is still up to them to find a 'Work-Study' job, collect paychecks, and choose to put the money earned towards school finances. You can learn [MORE](#)<sup>9</sup> about what types of jobs, how they are paid, etc. There are two types of work-study, federal and non-federal:

- **Federal.** Granted to some students with financial need through the FAFSA. Students need to mark 'YES' for interest in 'student employment' on the FAFSA. Students find part-time work on or off campus, usually related to their major of study or civic engagement, and by utilizing the financial aid office on campus. Money earned is meant to be used for school expenses.

- **Non-federal.** This type of 'Work-Study' is not based on financial need and should be inquired about once on campus.
- **Not guaranteed.** Remember, scholars must take initiative to find a job on campus to earn money through the Work Study program. They are not directly given a financial award.

**Next, merit-based.**

1. **SCHOLARSHIPS.** These can be based solely on merit, or a combination of merit and need. Scholarships can be earned for academic performance, volunteer work, the arts, athletics and more. Some scholarships also target students of certain household income levels, race, ethnicity, and area of study. They can come from:

- Federal and state governments
- Colleges and universities
- Community organizations
- Businesses and corporations
- Private foundations and nonprofits organizations

**TIP.** Start Early. Apply for scholarships starting as early as 11<sup>th</sup> grade. It is likely your scholar will have to use a combination of these financial sources. Click on the icon below to watch this overview of Federal Student Aid.



Figure 2: Video: Federal Student Aid Overview<sup>10</sup>

## II. How do they secure funding? What are the deadlines?

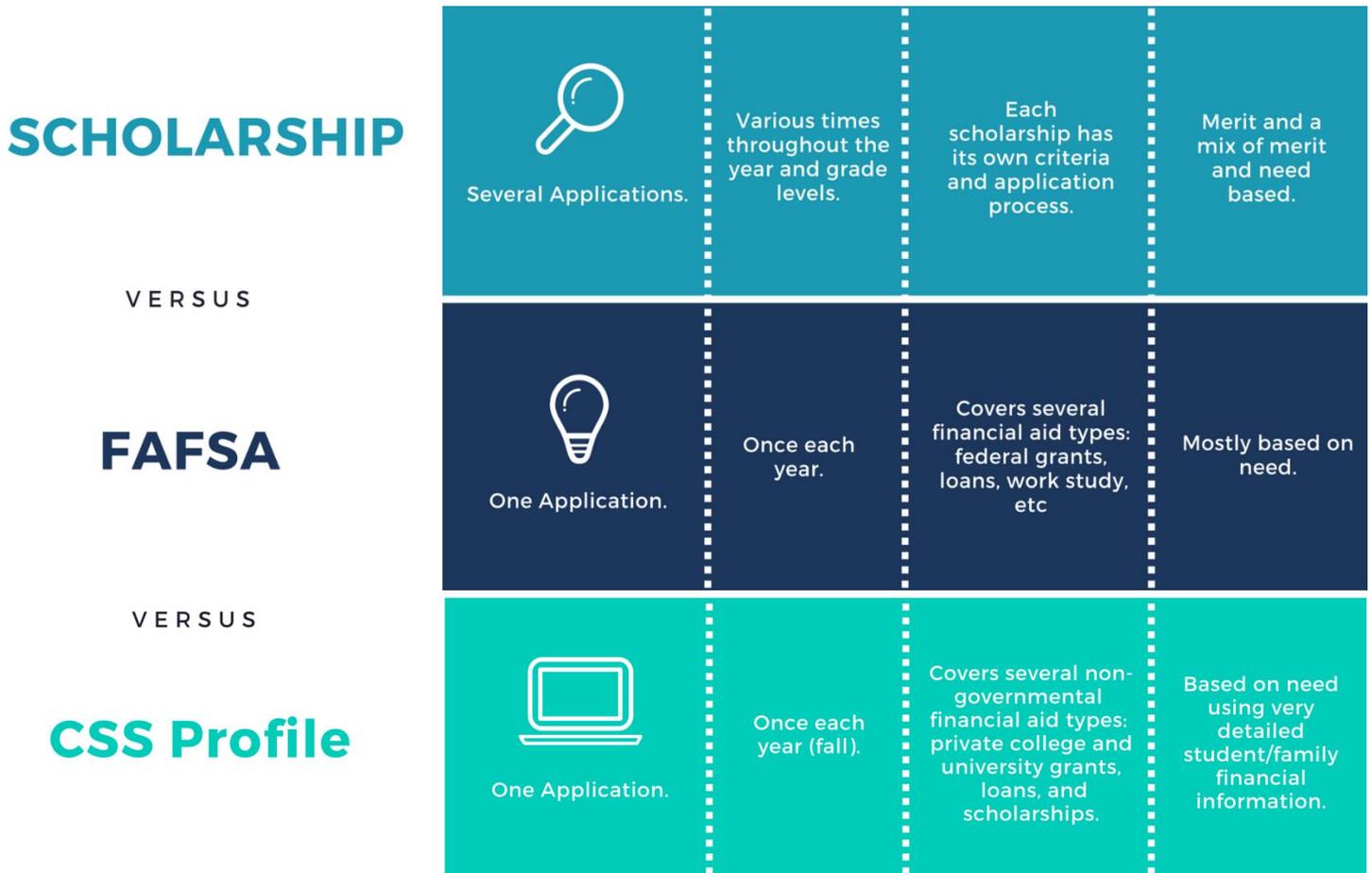


Figure 3: Securing Funding: Scholarship vs. FAFSA

1. **FAFSA.** The FAFSA<sup>11</sup> is accessible online and filed once per year, starting their senior year of high school. As of 2016, your scholar can start filing after October 1<sup>st</sup>. FAFSA is the entry way into all federal and state aid! It is essential to complete each year. Important factors to keep in mind include:

- Filing the FAFSA takes time and preparation. Use a checklist<sup>12</sup> with monthly to dos;
- The scholar needs personal information, and parents' tax and income information. See needed documents here<sup>13</sup>;
- Scholars need to create a FSA ID<sup>14</sup> to access federal aid online;
- And information about colleges prepared to input in FAFSA.

Here<sup>15</sup> is all you need to know for helping your scholar complete their FAFSA. StudentAid.gov<sup>16</sup> goes through everything required to fill out the FAFSA. Help them get organized early!

2. **CSS Profile.**<sup>17</sup> The CSS/Financial Aid Profile is an online application for private, non-governmental aid. It is required by approximately 300 organizations, including those on this [list](#).<sup>18</sup> Potential aid includes the institution's own loans, grants, and scholarships. Some aid awards are first-come, first-serve, so it is good to submit early! [Look](#)<sup>19</sup> at 'Useful Resources' to learn more about application expectations or read about how CSS differs from the [FAFSA](#).<sup>20</sup>

- Requires much more financial information like home equity and retirement accounts;
- Applications become available Oct 1<sup>st</sup> the year prior to attending school;

**TIP:** The California Dream Act allows undocumented and nonresident documented students who meet certain provisions, to apply and receive private scholarships funded through universities, the state, and Cal Grant. The California Dream Act [application](#)<sup>21</sup> can be filed rather than the FAFSA at CSAC, where they also provide information about financial aid, requirements, and action steps. To learn more about what this means, or to share information with your scholar's family, look at Dream Act [FAQs](#).<sup>22</sup> [StudentAid.ed.gov](#)<sup>23</sup> has guided questions to help too and you can also find great resources at [E4FC](#), including education materials, scholarships and grants, and leadership development.<sup>24</sup>

3. **BE RESOURCEFUL.** There are many, many scholarships out there, but many are very competitive. Here are some tips for helping your scholar engage with those opportunities:

**A. Ask your scholars to reflect** on their unique strengths, character and background. They should consider these as they research and ask questions. For example: [Hispanic Scholarship Fund](#) features merit scholarships for Hispanic students.

**B. Do online research** with your scholar via database sites like those below, or using key terms. Also, PSP enrolls all scholars in College Greenlight, a resource that sends potential scholarships to scholars. Check out that account on a regular basis starting in 11<sup>th</sup> grade!

- [Fastweb](#)
- [CollegeNet](#)
- [National Merit Scholarship](#)
- [College Greenlight](#)
- [Scholarships.com](#)
- Celebrity-sponsored scholarships

Below are a few organizations that provide scholarships that may be good fits for PSP scholars:

- [Questbridge](#)
- [META](#)
- [Jack Kent Cooke Foundation](#)
- [The Posse Foundation](#)
- [South Central Scholars](#)
- CA scholarships for [non-citizens](#)
- [Asian Pacific Fund](#)
- [Gates Millennium Scholarship Program](#)

- C. **Cheer them on to ask local groups or businesses.** Business and community organizations often offer scholarships as well!
- D. **Talk to the high school counselor** and find out if they know about grants or scholarships.
- E. **Ask the financial aid office** at the college your scholar plans to attend what options they have.
- F. **Reflect on what needs to be done** academically or otherwise to be eligible for many of the scholarships your scholars have found. For example: GPA, extra-curricular activities, leadership, volunteerism, and so forth.
- G. **TIPS for staying organized.**<sup>25</sup> Encourage or help them keep notes of accomplishments, track scholarships, etc.
- H. **Set them off to apply!** There is often writing involved in applying to scholarships. They can get help at writing workshops in their area with nonprofits like [826 National](#), or ask a teacher to help or for resources.

**TIP:** Here are [RESOURCES](#)<sup>26</sup> for finding scholarships and tips for [online](#)<sup>27</sup> searches. Applying can be a tedious and frustrating experience. [Here](#)<sup>28</sup> are some encouraging success stories to inspire your scholar.

### **HIGHLIGHTS and 'AHA' MOMENTS. How can you apply two of the things you learned?**

1. The main types of financial assistance are need-based and merit-based.
2. The FAFSA needs to be filed each year to determine if, and how much, financial assistance (i.e. loans and/or grants) the scholar is eligible to receive.
3. There are a variety of scholarships offered by universities, the state and federal government, local businesses, foundations, and more! Start early and check scholar's College Greenlight account!

# END NOTES.

- <sup>1</sup> California Student Aid Commission, “Senior Financial Aid Checklist”. 2016. <[http://www.csac.ca.gov/pubs/forms/grnt\\_frm/G500PreCollegechecklist012208.pdf](http://www.csac.ca.gov/pubs/forms/grnt_frm/G500PreCollegechecklist012208.pdf)>.
- <sup>2</sup> eCampus Tours.com, Paying for College. 2016. <<http://www.ecampustours.com/for-students/paying-for-college/scholarships-grants/federal-pell-grant.aspx#.VvXfthlrKu5>>.
- <sup>3</sup> Federal Student Aid, Types of Aid. 2016. <[studentaid.ed.gov](http://studentaid.ed.gov)>.
- <sup>4</sup> California Student Aid Commission, 2016. <<http://www.csac.ca.gov/doc.asp?id=904>>.
- <sup>5</sup> Federal Student Aid, 2016.
- <sup>6</sup> Federal Student Aid, “Federal Student Loan Program”. Fact Sheet. 2016. <<https://studentaid.ed.gov/sa/sites/default/files/federal-loan-programs.pdf>>.
- <sup>7</sup> Federal Student Aid, 2016.
- <sup>8</sup> Federal Student Aid, 2016.
- <sup>9</sup> Federal Student Aid, 2016.
- <sup>10</sup> <https://www.youtube.com/watch?v=Pn4OECMTh5w>
- <sup>11</sup> Federal Student Aid, 2016.
- <sup>12</sup> “Senior Financial Aid Checklist”. 2016.
- <sup>13, 14, 15, 16</sup> Federal Student Aid, 2016.
- <sup>17</sup> College Board, CSS/Financial Aid PROFILE, 2016. <<http://css.collegeboard.org/>>.
- <sup>18</sup> College Board: Profile Online 2016-2017, 2016. <<https://profileonline.collegeboard.org/prf/PXRemotePartInstitutionServlet/PXRemotePartInstitutionServlet.srv>>.
- <sup>19</sup> College Board, CSS/Financial Aid PROFILE, 2016. <<http://css.collegeboard.org/>>.
- <sup>20</sup> FinAid, ‘CSS Financial Aid PROFILE Codes’, 2016. <<http://www.finaid.org/fafsa/cssprofile.phtml>>.
- <sup>21</sup> California Student Aid Commission, FAQs. 2016.
- <sup>22</sup> California Student Aid Commission, Dream Act. 2016.
- <sup>23</sup> Federal Student Aid, 2016.
- <sup>24</sup> Educators For Fair Consideration (E4FC), 2016. <<http://www.e4fc.org/home.html>>.
- <sup>25, 26, 27</sup> eCampus Tours.com, Paying for College. 2016.
- <sup>28</sup> Student Aid Alliance, 2016. <<http://studentaidalliance.org/category/student-stories/>>.