Financial Aid: Grants, Scholarships, and Loans
Agenda

• Review costs associated with college
• Explain how financial aid is determined
• Discuss the various types of financial aid
• Outline the financial aid application steps
College Costs

**Direct costs**
Items charged by institution
- Tuition
- On-campus housing
- Meal plan

**Indirect costs**
Items not charged by institution, but allowed to be in the Cost of Attendance
- Transportation
- Educational supplies
- Personal/miscellaneous items

College costs and Cost of Attendance can vary widely by college.
UWW Sample *Estimated* Cost of Attendance

- Full-time Undergraduate Student (not living with a parent)

<table>
<thead>
<tr>
<th></th>
<th>WI Resident</th>
<th>MN Resident</th>
<th>Non Resident</th>
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<tr>
<td>Tuition</td>
<td>$7,758</td>
<td>$8,778</td>
<td>$16,630</td>
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<tr>
<td>Room &amp; Board</td>
<td>$7,750</td>
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<tr>
<td><strong>Total Direct Costs</strong></td>
<td><strong>$15,508</strong></td>
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<td><strong>$24,380</strong></td>
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</tr>
<tr>
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<td>$2,220</td>
<td>$2,220</td>
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<td><strong>Total</strong></td>
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<td><strong>$20,268</strong></td>
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UWW Sample *Estimated* Cost of Attendance

- **Full-time Undergraduate Student (living at home with parent)**

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Financial Aid Determination

• Most types of financial aid require you to demonstrate “financial need”

\[
\text{Estimated Cost of Attendance} - \text{Expected Family Contribution (EFC)} = \text{Need}
\]
Expected Family Contribution (EFC)

• Is the result of completing the Free Application for Federal Student Aid®

• Main components for a Dependent student include
  – Parent and student income and assets
  – Number in the household
  – Number of students attending college
  – Age of parent and legal state of residence
Dependency Status

• Dependent students are required to include parental information

• Dependency status for the U.S. Department of Education is different than for IRS or other federal agencies
Dependency Status

• Students are independent for 2021-2022 only if they can answer yes to one of these items
  – Were you born before 1/1/1998 (24 or older)?
  – Are you married?
  – Are you working on a Master’s degree?
  – Are you a Veteran?
  – Do you have children you financially support?
Dependency Status

• Students are independent only if they can answer yes to one of these items and can provide supporting documentation.
  – Are you an emancipated minor?
  – Are you in a legal guardianship?
  – Are you an unaccompanied youth who is homeless?
Types of Financial Aid

- Scholarships
- Grants
- Federal Student Loans
- Other Loans
- Employment
Scholarships

• Financial Aid that *does not* have to be repaid
• Awarded on the basis of merit, skill, or a unique characteristic
• Foundations, businesses, charitable organizations
• Deadlines and application procedures vary widely
• Begin researching early!
Scholarships

• First year scholarships are awarded by the UWW Admission Office, based on merit
• Scholarships for the rest of your time here are awarded through the UW-Whitewater Foundation
  – www.uww.edu/scholarships
Grants

• Financial Aid that *does not* have to be repaid
• Based on demonstrated financial need
• **Pell Grant (EFC must be less than 5,801)**
  – $331 – $6,495/ year
• **Supplemental Educational Opportunity Grant**
  – $700/ year for $0 EFC at UWW
Grants

- **WI Grant** (EFC must be less than 5,601)
  - $798 – $3,150/year
- **Non-Resident Grant** (EFC must be less than 10,000)
  - $1,000 - $1,500/year
Federal Student Loans

• Financial Aid that *does* need to be repaid

• **Direct Subsidized Loan**
  – Government pays interest as long as student is enrolled at least half-time (6+ credits)

• **Direct Unsubsidized Loan**
  – Student charged interest while in school
Federal Student Loans

- Annual maximum loan amounts (combined Subsidized and Unsubsidized)

<table>
<thead>
<tr>
<th></th>
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<th>Independent</th>
</tr>
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<tr>
<td>Freshman</td>
<td>$5,500</td>
<td>$9,500</td>
</tr>
<tr>
<td>Sophomore</td>
<td>$6,500</td>
<td>$10,500</td>
</tr>
<tr>
<td>Junior &amp; Senior</td>
<td>$7,500</td>
<td>$12,500</td>
</tr>
<tr>
<td>Lifetime Limit</td>
<td>$31,000</td>
<td>$57,500</td>
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Other Loans

• **Federal Direct Parent PLUS Loan**
  – For parents of dependent students
  – Borrowed from the federal government
  – If Parent PLUS Loan application is denied, student is eligible for additional unsubsidized loan
Other Loans

• Private Loans
  – Borrowed from private lender
  – Terms vary by lender
  – Student is borrower, with a cosigner—does not have to be parent
Employment

• Federal Work-Study
  – Considered financial aid and is based on need and availability of funds; funds run out quickly
  – Funds earned by rate of pay and hours worked
  – Jobs are usually on campus
  – Search for jobs on college’s website
Applying for Financial Aid

• Free Application for Federal Student Aid® (FAFSA)
  – FAFSA.gov
  – UWW’s school code: 003926

• Must reapply every year
  – FAFSA is available Oct 1 each year

• UWW’s priority filing date is January 1
Applying for Financial Aid

- Available in English and Spanish
FSA User ID

- Both the student and one parent can sign the FAFSA using their FSA User ID
- Obtain one within the FAFSA or at fsaid.ed.gov
What’s Needed to Complete the FAFSA

<table>
<thead>
<tr>
<th>Student Demographic Data</th>
<th>Student Income Information</th>
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<tbody>
<tr>
<td>• Name</td>
<td>• Income earned from work</td>
</tr>
<tr>
<td>• Date of birth</td>
<td>• Adjusted gross income from federal tax form (if filed taxes)</td>
</tr>
<tr>
<td>• Social Security Number</td>
<td>• Checking, savings, and other investments information</td>
</tr>
<tr>
<td>• Driver’s license number (if you have one)</td>
<td></td>
</tr>
</tbody>
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What’s Needed to Complete the FAFSA

Parent Demographic Data

• Name
• Dates of birth
• Social Security Numbers (SSN)
  – If parent does not have an SSN, enter all zeros
• Marital status

Parent Income Information

• Income earned from work
• Adjusted gross income from federal tax form (if filed taxes)
• Checking, savings, and other investments information
• Number of people in the household
IRS Data Retrieval

• Within the FAFSA, you may retrieve tax data directly from the IRS
  – Minimizes errors
  – Reduces paperwork if selected for verification
  – For 2020-2021, you will use 2018 taxes
  – For 2021-2022, you will use 2019 taxes
  – For 2022-2023, you will use 2020 taxes
Common FAFSA Errors

• Incorrect Social Security Numbers
• Using incorrect parent tax data in case of divorce or separation
• Incorrect household size
• Including main house and/or retirement investments in net worth
After the FAFSA – Now What?

• Review your Student Aid Report that is emailed to you from the US Department of Education
• Submit any documents colleges may request
• Check college online portals and email for important information
Special Circumstances

• Contact the Financial Aid Office at each college for a review of your situation

• Reasons for requesting a special condition
  – Change in employment status
  – Medical expenses
  – Change in marital status
  – Loss of benefits (e.g. child support)
What Can I do Now?

- Look at Admissions and Financial Aid web sites for each school that you are applying to
- Meet all application deadlines
- Investigate other sources of aid
- Review Cost of Attendance information on school’s website
Additional Sources of Aid

• Free Internet scholarship search engines:
  – Collegeboard.org
  – Fastweb.com
  – ScholarshipAmerica.org
  – Scholarships.com
Additional Sources of Aid

• Other Government Sources
  – AmeriCorps
  – ROTC
  – Department of Veterans Affairs
  – Division of Vocational Rehabilitation
  – Bureau of Indian Affairs