

HOW TO PAY FOR COLLEGE

Learn about loans, grants, scholarships, and the net cost of higher education.



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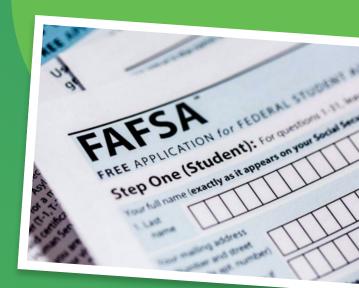
Learn about loans, grants, scholarships, and the net cost of higher education.

About the Activity

Finding financial help to pay for college can be difficult, and sometimes the process seems overwhelming. This activity helps students identify the types of financial aid that are available to them as they seek to pay for a college education.

This is the second in a two-part series of activities about paying for college. You can see Part 1, "What is the Real Cost of College," here.





Supplies

- Device with internet connection
- A printer to print out:
 - The Financial Aid Process infographic
 - What You Will Need to Complete the **FAFSA** document
 - Sample FAFSA application

Grades: 7-12

Topic: College Readiness

Time: 45-60 minutes



Activity Steps

Follow these simple steps to find out how to get financial aid to pay for college.

money you get from a bank or lender that you financial savings, do not need to be paid back. learned in the activity before this), between loans,

Okay, Let's Get Started

(1) Print out and review the Financial Aid Process

DID YOU KNOW? One of the sources of grants and loans is the federal government. Their Free Application for Federal Student Aid, or FAFSA, is the only way you can get federal money to help you pay for college. And many states and colleges also use the FAFSA application to determine how much financial aid you'll get.

- (2) Go to FAFSA.gov and find the FAFSA
- (3) Now, collect your family's financial information. household by downloading this informational

DID YOU KNOW? There are a lot of ways to pay for college. Work study, which is working a job on your college's campus, is one way that students offset the cost of college. Nearly 8 out of 10 students work while in college, according to and the Workforce.

(3) Complete the sample FAFSA application. If possible, complete this sample FAFSA

DID YOU KNOW? According to a 2019 National Study conducted by Sallie Mae and Ipsos, on average, families spent \$26,226 on college and used a variety of sources of payment. A typical family paid for college this way:

- 43% savings and income
- 31% scholarships and grants
- 24% borrowing
- 2% friends and family



Test Your Knowledge

See how well you know the different ways to pay for college.

QUESTION 1

Identify the type of financial aid that needs to be paid back:

- a. Grants
- b. Loans
- c. Work-Study
- d. Scholarships
- e. Savings

QUESTION 2

True or false? Most students don't work while in college.

- a. True
- b. False

QUESTION 3

True or false? Less than half of American families whose kids go to college pay for it out of income and savings, alone.

- a. True
- b. False

QUESTION 4

The real price of college, once you deduct grants and scholarships, is called the ____ cost of college.

- a. Actual
- b. Net
- c. Deferred
- d. None of the Above

QUESTION 5

FAFSA is:

- a. The federal government's Free Application for Federal Student Aid form or FAFSA.
- b. The only way you can get federal money to help you pay for college.
- c. A form that many states and colleges also use to determine how much financial aid you'll get.
- d. All of the above

Reflection Questions

Questions to deepen wonder and understanding

- All this new information about paying for college might be hard to immediately understand. Discuss the financial aid process with an adult in your family. The infographic is a great way to start the conversation.
- Why is it important to develop a plan early to pay for college?
- Why aren't student loans deducted from the cost of college when calculating the net price?



College Costs:

Sticker Price vs. New Price



Sticker Price

The college's published cost of attendence



Grants & Scholarships

Gift aid (free money you don't havee to pay back) awarded by the college



Net Price

The difference between the two—the real amount your family pays (typically with loans, savings, and income)

Investigate & Explore

Take your new knowledge to the **next level**.

There are agencies and sources of help for students and their families to help understand the information and better calculate the difference between "Sticker Price" and "Net Price." The U.S. Department of Education's Office of Financial Aid, for instance, is a great source of information.

When you are ready to actually submit your FAFSA application, it will ask you to write three schools that you are interested in attending. It's OK to change them later. The FAFSA report will automatically be

sent to the admissions/financial aid office of those three colleges. It's okay to change your mind as the college most likely won't determine their financial aid until after you've been accepted.

Once you get your report and know the total of your grants and scholarships from all sources, federal, state, other agencies and your colleges, you can calculate the "Net" cost of college. This is the price you will have to pay for with savings. loans and other forms of payment.

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