

Financial aid overview for parents

Understand Your Options

Finding the money to pay for college is a concern of many parents because they think they can't afford it. It's important to know that families with lower incomes will have plenty of options for assistance. Even middle-income families have financial aid options. Families will be expected to pay as much as they can toward the cost of college, but are encouraged to apply for financial aid to cover what they can't pay for. Keep in mind that the most important thing families can do to plan financially for college is to start saving for college early. Having savings or assets will not exclude you from financial aid. When you apply for federal financial aid, the government determines how much you need, and their estimate is usually conservative. College costs add up when you consider tuition, fees, cost of books and other supplies, and either room and board or transportation expenses. Although most colleges try to meet each family's needs, they aren't always able to do so. Saving for college helps considerably.

Where's the Money?

Financial aid comes from a number of sources and includes grants and scholarships, student loans, and work-study programs. Most colleges offer some form of financial aid, and the more expensive colleges tend to have the most aid available. Financial aid also comes from many types of government and private organizations. Many people are surprised to learn that not all scholarships are based on academic or athletic achievement. There are many scholarships and grants available for students from various backgrounds and with various special needs and interests. Money from scholarships and grants does not have to be paid back. Money from loans does have to be paid back but, in most instances, not until after a student graduates.

While many parents feel overwhelmed with the prospect of seeking financial aid, remember that both the school counselor and the www.fafsa.ed.gov website can provide information. Don't allow yourself to be swayed by services that charge money to find you aid; this information is available for free. Consider asking at your local bank about low-interest college loans and about your state's 529 College Savings Plan. It is never too late to start saving for college, and whatever savings you have will not prevent your child from receiving scholarships. Once your child has chosen a particular college, that college will probably be the best resource for finding aid.

Source: *The College Board*

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