

Middle School Parents

Objectives

- Convey the importance of starting the college planning process early to middle school students and parents
- Introduce basic financial aid concepts and terms
- Share common sources of financial aid
- Provide tools and resources for middle school students and parents to begin the college planning process early

Materials

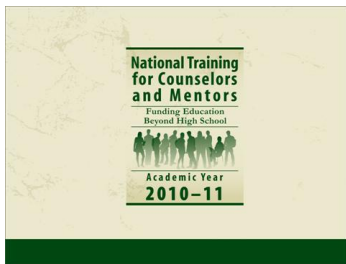
- Power Point presentation
- Handout

Trainer Tips

- The instructor's guide is just that, a guide. If you feel more comfortable training from the Power Point presentation, feel free to do so.

Middle School Parents

SLIDE 1



SLIDE 2



I. Introduction

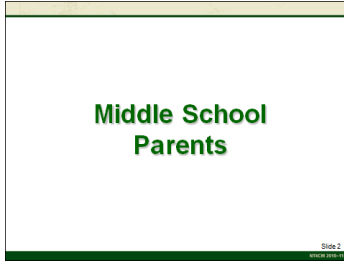
Note to Instructor: *This presentation is intended to encourage middle school students and their families to begin financially planning for college early. It introduces basic financial aid concepts and terms, shares common sources of financial aid, and provides families with resources and tools that they can use to begin preparing financially for college.*

Where do you see your child six or seven years from now? Do your aspirations for your child include college? Many parents want their children to earn a college degree, but may not know what they need to do to make this dream a reality. During this workshop, we are going to talk about financially planning for college.

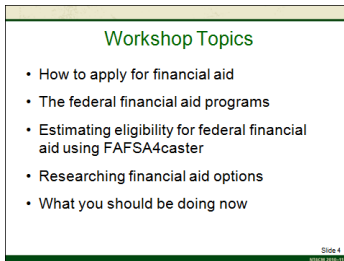
You may be thinking to yourself: "Why do I need to worry about financing my son or daughter's college education now? He or she is in middle school, not high school." Knowledge is powerful; the more you know about the college financing process the easier it will be when your child is selecting his or her school. Financially preparing for college is also easier if you begin planning early. Beginning to prepare financially for college while your student is in middle school will allow you to make more informed decisions about the college that is best for your son or daughter.

➔ *Take a moment to poll your audience on whether or not they have started preparing financially for their student's college education. If they have, ask what steps they have taken, such as setting up a 529 plan or researching scholarships based on their student's extracurricular activities.*

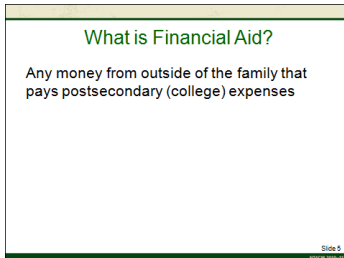
SLIDE 3



SLIDE 4



SLIDE 5



During this workshop, we will discuss the following topics:

- What is financial aid;
- Understanding college costs;
- The expected family contribution, or EFC;
- What is financial need;
- Types of financial aid;
- Sources of financial aid;
- How to apply for financial aid;
- The federal financial aid programs;
- Estimating your student's eligibility for federal financial aid using FAFSA4caster;
- Researching financial aid options; and
- What you should be doing now.

II. Talking about Financial Aid

➔ *Refer the audience to Page 1 of the Handout for the following discussion.*

A. What is Financial Aid?

- Any money from outside the family that pays postsecondary (college) expenses

SLIDE 6

Understanding College Costs

- College can be expensive, but worth the cost
 - A sound investment in your child's future
- More than just tuition
 - Also includes room and board, books, transportation, personal expenses

Slide 6

SLIDE 7

Understanding College Costs

- Vary by type of college
 - Community colleges are less expensive than four year schools
 - Private colleges are more expensive than public colleges
- Look at costs over a child's entire postsecondary education
 - Four to six years total

Slide 7

SLIDE 8

Expected Family Contribution

- Amount family can reasonably be expected to contribute, but not what family will pay to the college
- EFC the same regardless of college the student attends

Slide 8

SLIDE 9

Expected Family Contribution

- Calculating using a federal form and formula
- Two components
 - Parent contribution
 - Student contribution

Slide 9

B. Understanding College Costs

- College can be expensive, but worth the cost
 - A sound investment in your child's future
- More than just tuition
 - Also includes room and board, books, transportation, personal expenses, etc.
- Vary by type of college
 - Community colleges are less expensive than four year schools
 - Private colleges are more expensive than public colleges
- Look at costs over child's entire postsecondary education
 - Four to six years total

C. Expected Family Contribution

- Amount family can reasonably be expected to contribute, but not what the family will pay to the college
- EFC the same regardless of what college the student attends
- Calculated using a federal form and formula
- Two components:
 - Parent contribution
 - Student contribution

SLIDE 10

What is Financial Need?

- Difference between college costs and EFC
- Will vary by college
- Amount of financial need determines the aid a student will receive

Slide 10

D. What is Financial Need?

- Difference between college costs and EFC
 - Example: College costs of \$15,000 – EFC of \$5,000 equals a financial need of \$10,000
- Will vary by college
- Amount of financial need determines the aid a student will receive

E. Types of Financial Aid

➔ *Direct the audience to Page 2 of the Handout to follow the discussion.*

There are four types of financial aid:

- Scholarships;
- Grants;
- Loans; and
- Employment.

1. Scholarships

- Awarded on the basis of merit or unique characteristic
- Don't have to be paid back

2. Grants

- Awarded on the basis of financial need
- Don't have to be paid back

SLIDE 11

Types of Financial Aid

- Scholarships
- Grants
- Loans
- Employment

Slide 11

SLIDE 12

Scholarships

- Awarded on the basis of merit or unique characteristic
- Don't have to be paid back

Slide 12

SLIDE 13

Grants

- Awarded on the basis of financial need
- Don't have to be paid back

Slide 13

SLIDE 14

Loans

- Considered self-help aid
- Must be paid back, usually after the student finishes school
- Many different types
- Student loans are a reasonable form of aid
 - Borrow only amount needed

Slide 14
www.pearsoncmg.com

SLIDE 15

Employment

- Self-help aid
- Earnings used to cover college expenses
- Ideally related to student's field of study

Slide 15
www.pearsoncmg.com

SLIDE 16

Sources of Financial Aid

- Federal government
- States
- Colleges
- Private sources

Slide 16
www.pearsoncmg.com

SLIDE 17

Federal Government

- Largest source of financial aid
- Awarded mainly on the basis of financial need
- Apply every year using standard form

Slide 17
www.pearsoncmg.com

3. Loans

- Considered self-help aid
- Must be paid back, usually after student finishes school
- Many different types
- Student loans are a reasonable form of aid
 - Borrow only amount needed

4. Employment

- Self-help aid
- Earnings used to cover college expenses
- Ideally related to student's field of study

F. Sources of Financial Aid

There are four major sources of financial aid:

- Federal government;
- States;
- Colleges; and
- Private sources.

1. Federal Government

- Largest source of financial aid
- Awarded mainly on the basis of financial need
- Apply every year using a standard form

SLIDE 18

States

- Offer both merit-based and need-based aid
- Usually have residency requirements
- May have service requirements
- May have loan repayment programs

Slide 18
©2010-11

SLIDE 19

Colleges

- Varies widely from college to college
- Offer both merit-based and need-based aid
- May be offered as part of the admissions process

Slide 19
©2010-11

SLIDE 20

Private Sources

- Churches, civic organizations, employers
- Varying award amounts and application procedures
- Small awards add up

Slide 20
©2010-11

SLIDE 21

How to Apply for Financial Aid

- Complete a standard federal form every year
- Free Application for Federal Student Aid, or FAFSA
 - Collects demographic and financial information
 - Data used to calculate the EFC

Slide 21
©2010-11

2. States

- Offer both merit-based and need-based financial aid
- Usually have residency requirements
- May have service requirements
- May have loan repayment programs

3. Colleges

- Varies widely from college to college
- Offer both merit-based and need-based aid
- May be offered as part of the admissions process

4. Private sources

- Churches, civic organizations, and employers
- Varying award amounts and application procedures
- Small awards add up

G. How to Apply for Financial Aid

➔ *Direct the audience to Page 3 of the Handout.*

- Complete a standard federal form every year
- Form is the Free Application for Federal Student Aid, or FAFSA
 - Collects demographic and financial information about the student and his or her family
 - Data used to calculate the EFC

SLIDE 22

How to Apply for Financial Aid

- Information from the FAFSA may also be used by states, colleges, and private sources to award aid
- Ask colleges if any other forms are required

Slide 22

- Information from the FAFSA may also be used by states, colleges, and private sources to award aid
- Ask colleges if any other forms are required

SLIDE 23

Federal Grant Programs

- Federal Pell Grant
- Academic Competitiveness Grant (ACG)
- National Science and Mathematics to Retain Talent (SMART) Grant
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Supplemental Educational Opportunity Grant, or FSEOG

Slide 23

H. Federal Financial Aid Programs

➔ *Before reviewing the federal aid programs, ask the audience to name any programs with which they are familiar. Consider offering small prizes, such as candy, to encourage discussion.*

1. Federal Grant Programs

- Federal Pell Grant
- Academic Competitiveness Grant, or ACG
- National Science and Mathematics to Retain Talent, or SMART, Grant
- Teacher Education Assistance for College and Higher Education, or TEACH, Grant
- Federal Supplemental Educational Opportunity Grant, or FSEOG

2. Federal Loan Programs

- Federal Perkins Loan
- Stafford Loans
 - Borrowed by students
- PLUS Loans
 - Borrowed by parents and graduate students

SLIDE 24

Federal Loan Programs

- Federal Perkins Loan
- Stafford Loans
 - Borrowed by students
- PLUS Loans
 - Borrowed by parents and graduate students

Slide 24

SLIDE 25

Federal Employment Programs

- Federal Work-Study

Slide 25
www.pearsoned.com

SLIDE 26

Estimating Eligibility Using FAFSA4caster

On-line tool developed by U.S. Department of Education to help families prepare financially for college

- Asks for data you will need to provide on the FAFSA
- Estimates the EFC
- Estimates eligibility for federal financial aid

Slide 26
www.pearsoned.com

SLIDE 27

Estimating Eligibility Using FAFSA4caster

- Estimates possible financial aid at various types of colleges
- Allows you to get an idea of realistic costs, financial need, and financial aid
- Available at www.fafsa4caster.ed.gov

Slide 27
www.pearsoned.com

SLIDE 28

Researching Financial Aid

- Begin early
- Find scholarships that match your student's academic interests, hobbies, and unique characteristics
- Don't pay for scholarship searches
- Be wary of promised results
- Report fraud

Slide 28
www.pearsoned.com

3. Federal Employment Programs

- Federal Work-Study

I. Estimating Eligibility Using FAFSA4caster

➔ *Direct the audience to Page 4 of the Handout for the following discussion of the FAFSA4caster.*

- On-line tool developed by U.S. Department of Education to help families financially prepare for college

- Asks for data that you will need to provide on the FAFSA
- Estimates the EFC
- Estimates eligibility for federal financial aid

- Estimates possible financial aid at various types of colleges

- Allows you to get an idea of realistic costs, financial need, and financial aid

➔ *If time permits, ask audience members if they believe that the FAFSA4caster will be helpful as they financially prepare for college. If they think it will be helpful, ask what features of FAFSA4caster will be of the most value.*

J. Researching Financial Aid

- Begin early
- Find scholarships that match your student's academic interests, hobbies, and unique characteristics
- Don't pay for scholarship searches
- Be wary of promised results
- Report fraud

