

Virginia Tech

Acing Financial Aid

FREE GRANTS AND LOW-COST LOANS FOR COLLEGE MIGHT BE AS CLOSE AS YOUR LAPTOP

By Kristen De Deyn Kirk

Photo courtesy of Virginia Tech

High school seniors sweat two questions every fall: Will I get into college, and how will I pay for it? Chances are, they and their families started agonizing over these challenges years ago, and that's good: Their forward thinking is beneficial, especially when it comes to paying the high price of higher education, which ranges annually from \$25,290 to \$50,900. Planning hopefully means they've saved money—but, understandably, they still might not have enough stashed away. Most often, that is the case. The National Center for Education Statistics reports that in 2016, 85% of bachelor's degree-seeking students received financial aid. According to Big Future, an online student planning tool offered by College Board, the SAT-creator, about 57% of financial aid is in the form of grants, and 34% in federal loans.

Tina Russell, director of financial aid at Christopher Newport University, describes these two types of aid as gift aid and self-aid, which can also include work-study jobs.

"Gift aid—grants or scholarships—is the best type of aid," she notes, "as it does not have to be repaid."

Exploring how much aid a student may qualify for is a multi-step process. Those who have specific colleges in mind can visit each

school's website and find a net price calculator. A student can enter their family's financial information, such as income and bank accounts, to receive an estimate of his bill at the school, regardless of the listed price.

To qualify for aid, students must fill out the FAFSA—the free application for federal student aid. It opens online each year on Oct. 1. Again, the student will enter their parents' financial information and answer other questions. At the end of the report, they can see a guide as to what they might expect for aid—either as grants they don't need to repay or loans that can be paid back shortly after college graduation. Some federal loans do not accrue interest during college, while others do. Most students qualify for the loans, and the loan amount increases from \$5,500 freshman year to \$7,500 senior year.

Students forward the completed FAFSA to each school they're applying to. Some colleges ask for more detailed financial information as well. The schools then use the data to make a financial aid offer, which could also

include funding from the state, the school and private sources.

"The best solution for seeking the best terms for aid is to research and apply for all aid sources, including scholarships, early," Russell advises. "Contact each institution to ensure you have completed all required steps. Not all institutions are in a position to negotiate. Private colleges typically have an advantage when it comes to negotiating the terms of an aid package."

Two Mistakes Students Make

1. Ignoring mail: Not responding to information requests on time can cause a student to miss out on aid. They should monitor emails, mail and student portals regularly and respond to requests as soon as possible.

2. Forgetting the requirements: Many grants and scholarships have requirements, such as maintaining a certain grade point average and meeting annual application deadlines. Students must understand and meet the criteria for continued aid.

—Tina Russell, director of financial aid at Christopher Newport University

Average Annual Cost of College in 2018

In-state public colleges: \$25,290

Out-of-state public colleges: \$40,940

Private colleges: \$50,900

Source: ValuePenguin