



# **A Workshop on Financial Aid and Scholarships**

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**Monday, October 26, 2020**

# Financial Aid 101

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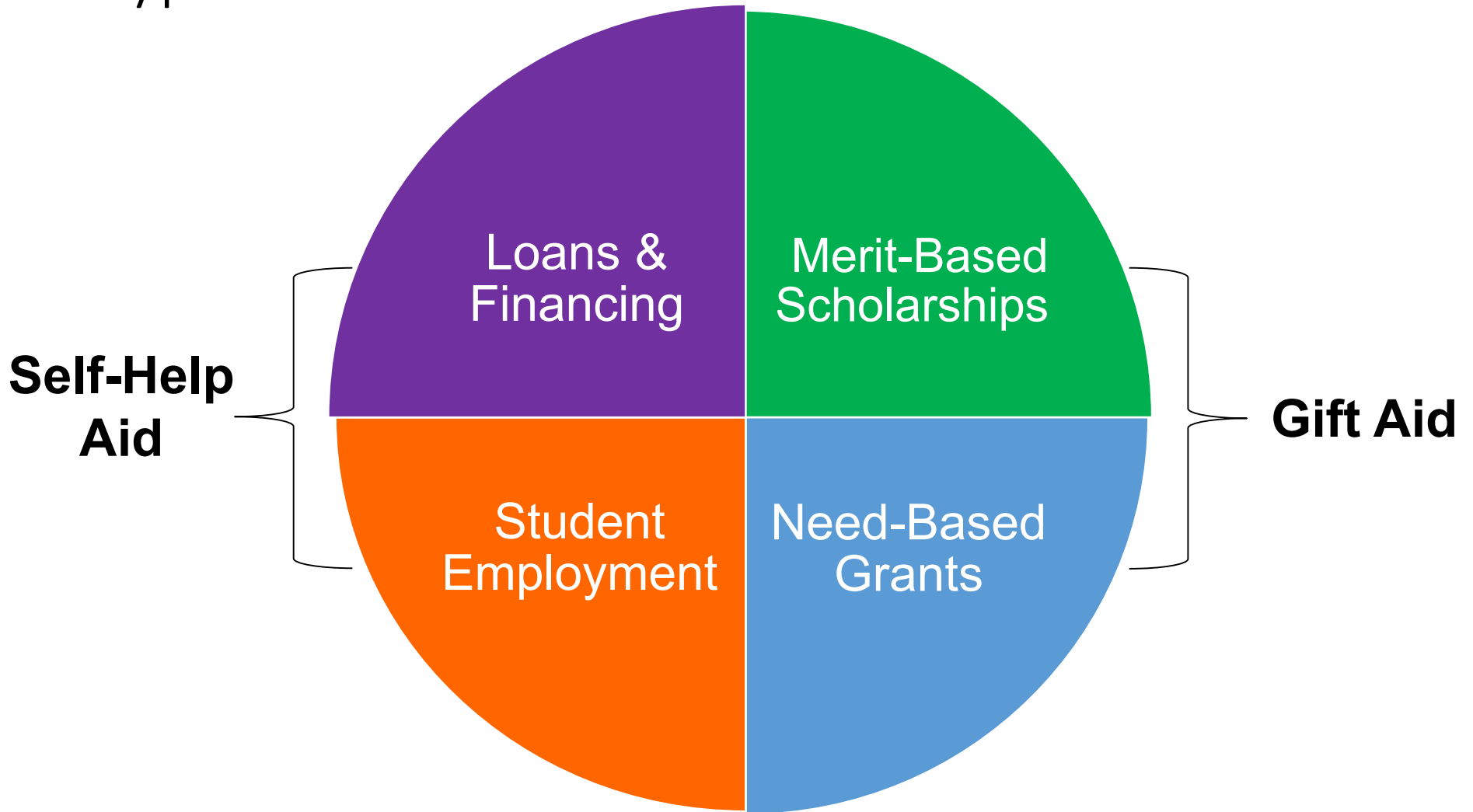


# Topics

- What is financial aid
- Estimating financial aid eligibility
- Application process
- Application results



# Types of Financial Aid



# Merit-Based Scholarships

## Based on

- Academics
- Talent
- Service
- Athletics
- Other Wonderfulness

## Offered by

- Colleges/Universities
- Other organizations
  - Large companies
  - Congregations
  - Civic organizations



# Merit-Based Scholarships

## Colleges/Universities

- Check admission/financial aid materials for instructions and deadlines
- Could require special essay/audition/visit/etc
- May have renewal requirements

## Other Sources

- Deadlines vary
- Probably require special application
- Renewal varies – many are for one year only



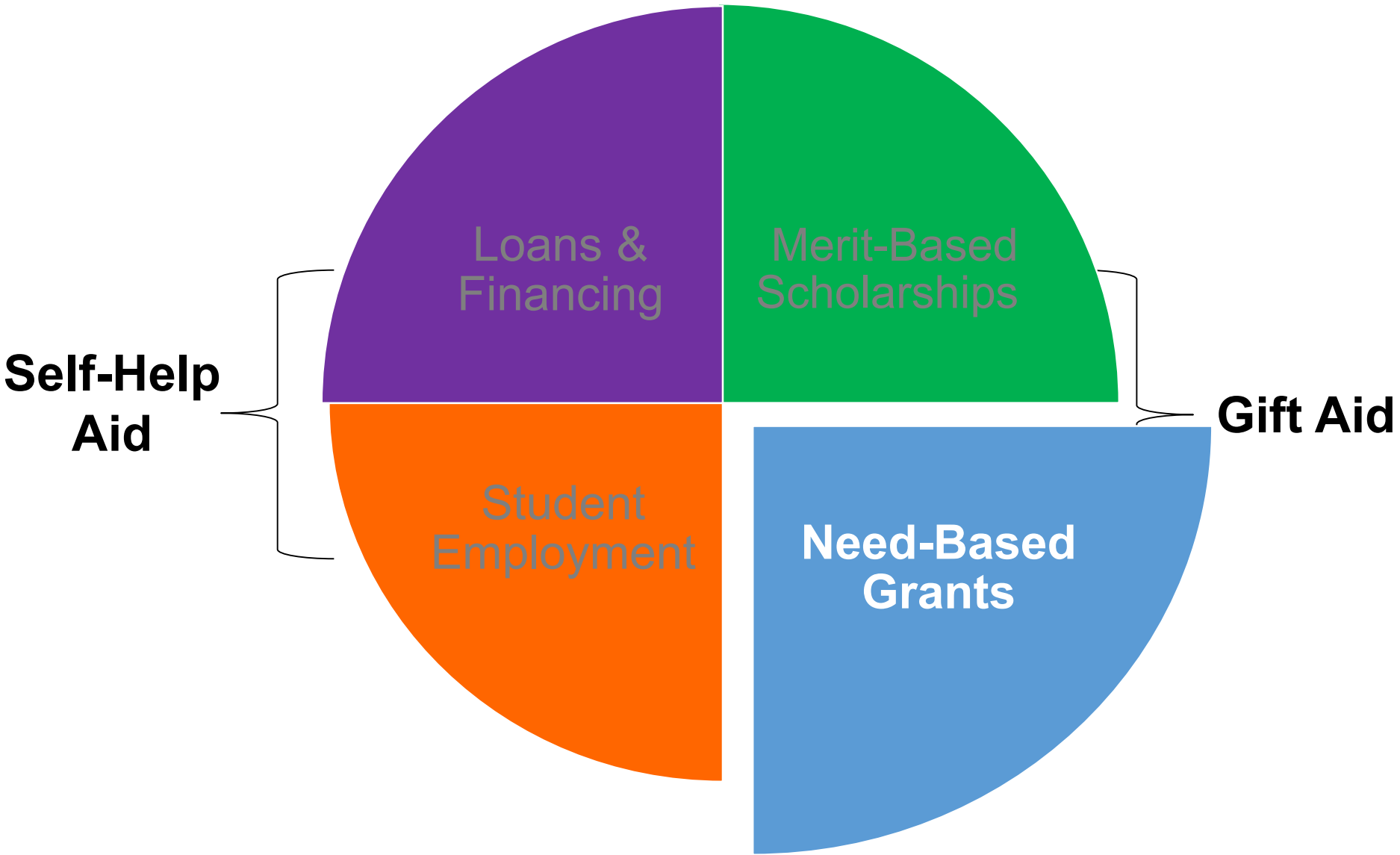
# Merit-Based Scholarships

## Sources

- Colleges and Universities
- Finaid.org
- [bigfuture.org/scholarship-search](http://bigfuture.org/scholarship-search)
- Many other web sites
- MHS Counseling Office



# Need-Based Grants





# Need-Based Grants

“Need-Based” = student must demonstrate need for assistance

## Sources include

- Federal Pell Grant
- Minnesota State Grant (for use in MN)
- Colleges & Universities
- Private Organizations



# What is Financial Need?

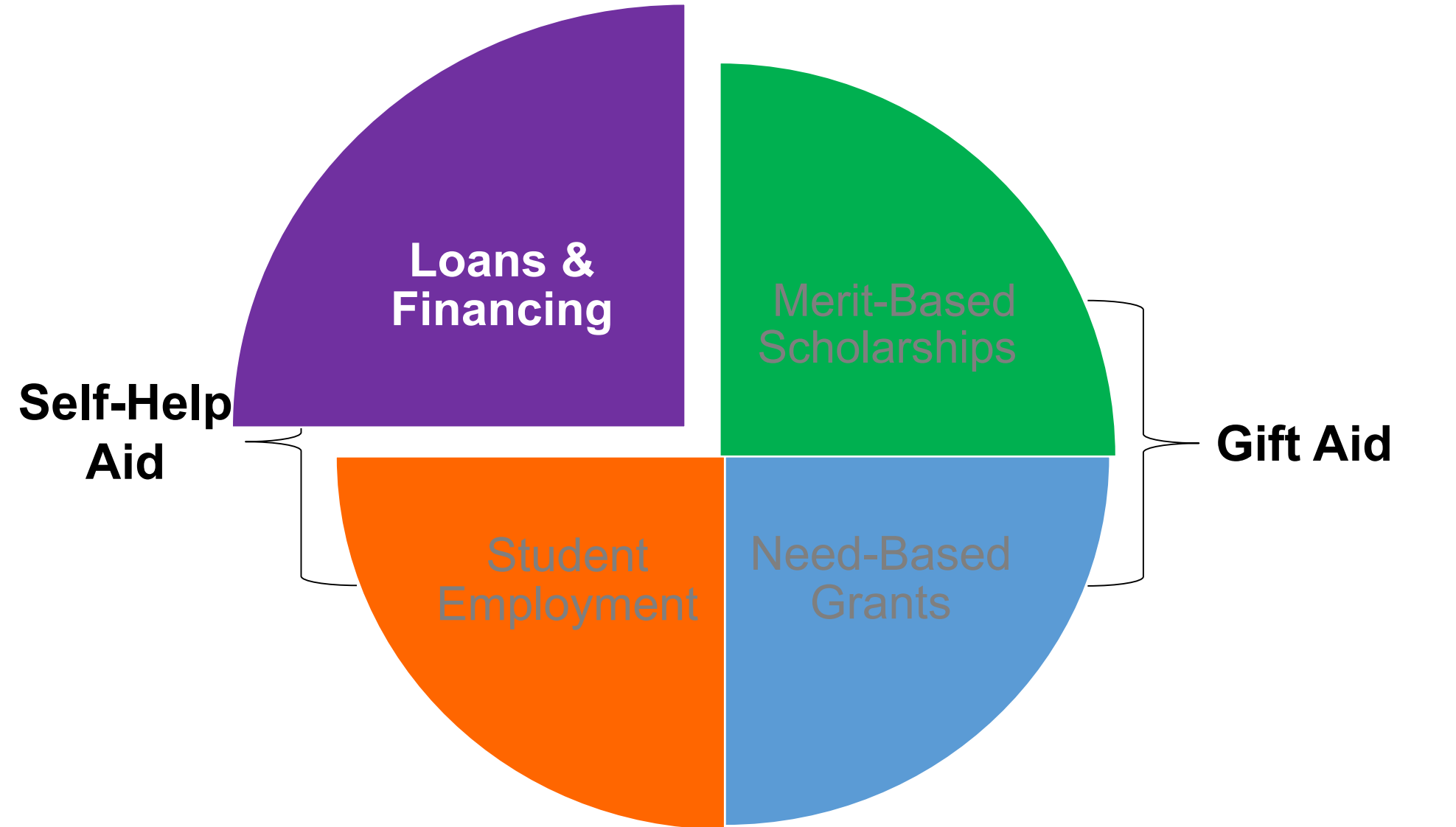
**Cost of attendance (COA)**

**– Expected family contribution (EFC)**

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**= Financial need**

# Loans & Financing



# Loans and Financing

- Federal Direct Loan
  - Subsidized
  - Unsubsidized
- Details: [www.ohe.state.mn.us/pdf/student\\_loans.pdf](http://www.ohe.state.mn.us/pdf/student_loans.pdf)



# How Much Debt?

- [projectonstudentdebt.org](http://projectonstudentdebt.org) reports class of 2018 National Average = \$29,200
- Use calculators to estimate monthly payments.
  - \$27,000 would require approximately \$275 to \$300 per month for ten years.
- Rules of thumb/family decisions



# Financing Options

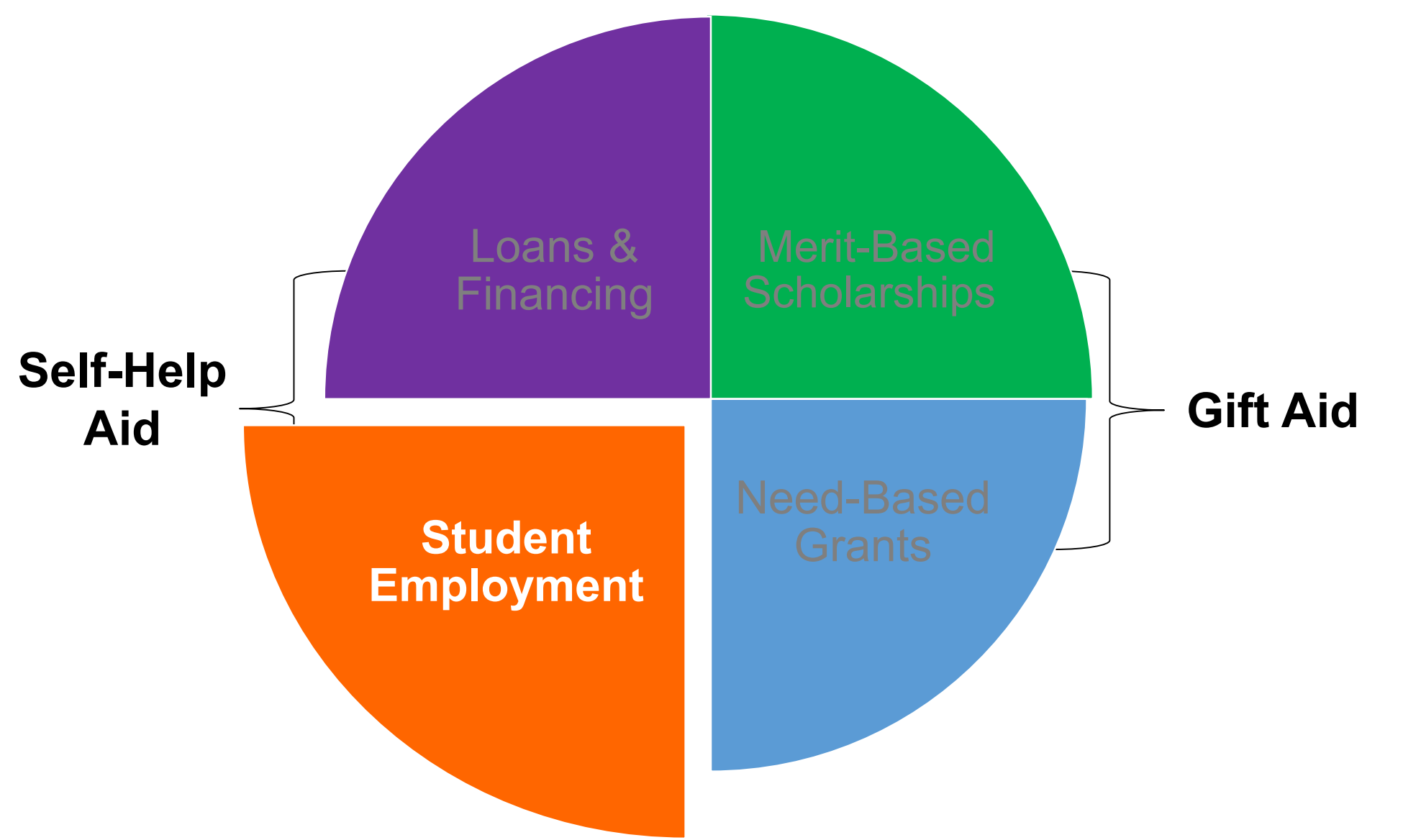
## Available to Most Families

- Federal PLUS Loan for Parents
- Unsubsidized Federal Direct Loan for Students
- Minnesota SELF Loan for Students
- Other Private Loans
- Payment Plans (vary by school)





# Student Employment

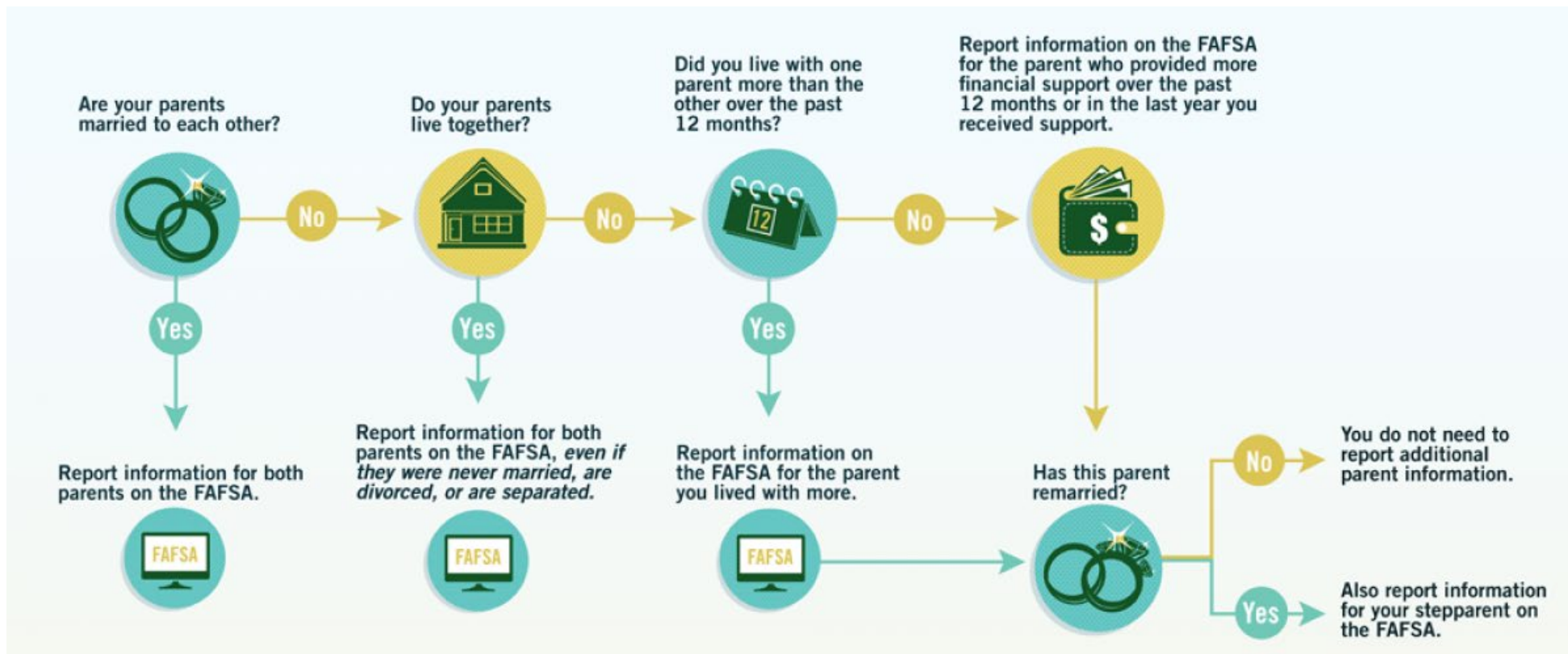


# Student Employment

- Funded by Federal, State, or Institution
- Delivered as a Paycheck to Student



# Federal Student Aid Family



[studentaid.ed.gov/fafsa/filling-out/parent-info](https://studentaid.ed.gov/fafsa/filling-out/parent-info)

# Federal Student Aid Family

## Custodial parent(s) and stepparents only.

- For FSA purposes, the “custodial” parent is the biological/adoptive parent with whom the student lived most during past 12 months.
- Secondary definition of custodial: the parent who provided most financial support in past 12 months.

Note: some colleges may ask for noncustodial parent information.



# Family Financial Strength

## Federal & State Family Contribution (EFC) Factors

- Parent 2019 Income
  - Wages, Salary, Business Income
  - Interest, Dividends, Capital Gains
  - Non-Taxed Income
- Student 2019 Income
- Taxes Paid
- Family Size & Number In College
- **Assets** (cash, savings, checking, investments, real estate equity, 529 college savings plans, equity in “non-small” business/farm)



# Family Financial Strength

## Estimating the EFC

- [bigfuture.org](http://bigfuture.org)
- [MyinTuition.org](http://MyinTuition.org)
- College Net Price Calculators





# Net Price Calculators

$$\begin{array}{r} \text{Cost Of Attendance} \\ - \text{Grants \& Scholarships} \\ \hline = \text{Net Price} \end{array}$$

- Schools are required to provide net price calculator on web site.
- Methodology varies:
  - Statistical modeling based on few questions.
  - Need analysis based on more questions.



**MyinTuition**

Quick College Cost Estimator

**myintuition.org**



1	2	3
4	5	6



**HARVARD**  
COLLEGE



**JOHNS HOPKINS**  
UNIVERSITY

Kenyon College

**LAFAYETTE**



**MACALESTER**



**Massachusetts**  
Institute of  
Technology



Middlebury

**MOUNT HOLYOKE**

**Northeastern**  
University



MACALESTER

# College Navigator

[nces.ed.gov/collegenavigator/](https://nces.ed.gov/collegenavigator/)

## ⊖ NET PRICE

### AVERAGE NET PRICE FOR FULL-TIME BEGINNING STUDENTS

Full-time beginning undergraduate students who were awarded grant or scholarship aid from federal, state or local governments, or the institution.

	2015-2016	2016-2017	2017-2018
Average net price	\$28,528	\$30,672	\$29,013

Full-time beginning undergraduate students who were awarded Title IV aid by income.

AVERAGE NET PRICE BY INCOME	2015-2016	2016-2017	2017-2018
\$0 – \$30,000	\$16,848	\$16,811	\$11,466
\$30,001 – \$48,000	\$14,378	\$19,129	\$14,704
\$48,001 – \$75,000	\$17,423	\$14,304	\$17,682
\$75,001 – \$110,000	\$23,161	\$23,994	\$26,313
\$110,001 and more	\$38,132	\$36,798	\$39,102



# FAFSA

- Free Application for Federal Student Aid
- Used for
  - Federal Student Aid
    - Federal Pell Grant
    - Federal Direct Loan
    - Federal PLUS Loan
  - Minnesota State Grant
  - College/University Aid (many schools)



# FAFSA

- Free
- Must be filed each year.
- Siblings each file their own FAFSA.
- FAFSA can be sent to 10 schools at a time
  - Once the school receives the FAFSA result, they always have the result.
  - Add/delete schools as often as necessary.
  - Data corrections can be made online [fafsa.ed.gov](https://fafsa.ed.gov).



# FAFSA

- Becomes available October 1 for following academic year
- [fafsa.ed.gov](https://fafsa.ed.gov)
  - Parent & student each need FSA ID – [fsaid.ed.gov](https://fsaid.ed.gov)
- myStudentAid app
- 800-4FED-AID for a paper FAFSA





# FAFSA IRS Data Retrieval Tool

- Parent & student have option to import data using IRS Data Retrieval Tool (DRT).
- Use of DRT is strongly encouraged.
- If DRT is used, data will be masked to protect privacy.



# IRS Data Retrieval Tool

## Certain tax filers cannot use the IRS Data Retrieval Tool

Did not  
indicate on  
FAFSA a  
tax return  
was  
completed

Marriage  
date is  
January  
2020, or  
later

First three  
digits of  
the SSN  
are 666

Filed a  
non-U.S.  
tax return

Married  
and filed  
as head of  
household,  
or filed  
separate  
returns

Neither  
married  
parent  
entered a  
valid SSN

Non-  
married  
parent or  
both  
married  
parents  
entered all  
zeroes for  
the SSN

# CSS/Financial Aid PROFILE

- Required by some Colleges and Universities
  - Around 300 colleges/universities
  - Schools with significant need-based institutional grants
- Parents may be required to complete CSS Profile regardless of current marital status.
- [cssprofile.collegeboard.org](https://cssprofile.collegeboard.org)
- Fee per school, auto-waiver low income students



# CSS/Financial Aid PROFILE

In addition to all the FAFSA questions:

- Home equity
- Small business equity
- Value of retirement accounts
- Medical expenses
- Elementary/secondary tuition
- Three years of income
- Special circumstances



# Applying for Financial Aid

The Financial Aid Application Materials go to two separate entities:

- The FAFSA and CSS/Financial Aid PROFILE go to a central processing agency which delivers the results to the schools you specify;
- Everything else (tax returns, letters, etc.) should be sent to the school's financial aid office.
- The results of your financial aid application will be sent to you by each school's financial aid office. You can receive an aid package from more than one school.



# Applying For Financial Aid

- Each school has its own deadlines and requirements, usually published in admission materials and online.
- Early is better than late.





# Applying for Financial Aid

## Some Schools May Require:

- Tax Documents
  - 1040
  - Schedule 1 (and other schedules)
  - W2
- Verification Worksheet(s)
- Institutional Aid Application
- Noncustodial Parent PROFILE
- Other Clarifications



# After You Apply

## Financial Aid Packages From Schools

- Generally, student must be admitted
- Includes eligibility for Federal, State, and institutional aid
- May not include all available loans/work
- May not include outside scholarships



# Asking for Reconsideration

- Changes and special circumstances
- Requesting versus “negotiating”



# Questions?

