

Navigating the Cost of College

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Image Source: Vox

College is expensive. Embarking on this journey may be a fruitful one, but the accompanying financial challenges can be overwhelming. With tuition fees soaring and the cost of living rising due to various problems like inflation, securing financial aid has never been more crucial for students and their families. This issue, combined with the stress of college applications and academics, can even lead to serious problems with physical and mental health, pointing at how critical this is.

There are many tools to help reduce this burden, but navigating the maze of these opportunities can be a daunting challenge. From scholarships and grants to work-study programs, there are so many different yet complex opportunities to explore. But don't worry! This guide will give you everything you need to know to get started with your search for financial aid.

Types of Financial Aid

Understanding the different types of financial aid available and how to apply for them can significantly ease the financial burden of higher education. There are many different types of aid, and your eligibility will depend on your personal and academic

factors. However, there are different programs for each and every individual, so you can be sure to find something that will benefit you.

Scholarships

Scholarships are various financial awards given to students who meet certain criteria. Unlike loans, scholarships do not need to be repaid, making them one of the most wanted options for aid. Within scholarships, there are multiple types of them that contain different eligibility conditions.



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1. **Merit-Based Scholarships:** These are awarded to students who possess extraordinary talent, achievement, or potential in certain areas. These scholarships are given based on the student's accomplishments rather than their need for financial aid, but they can significantly reduce the cost of college and can sometimes even be renewed later on. The criteria can be diverse depending on the scholarship, with the goal of searching for talent in different areas.
 - **Academic Achievement:** Many merit-based scholarships require a minimum GPA, such as a 3.5, but this number can vary from scholarship to scholarship. Additionally, competitive test scores on standardized tests such as the SAT or ACT can enhance your eligibility, along with highly advanced coursework in your high-school career with classes like AP (Advanced Placement) or IB (International Baccalaureate).
 - **Extracurriculars:** While there are no strict requirements for certain extracurricular activities, having a lot of these can increase your chances of getting this scholarship. These can include leadership positions, passion projects, community service, and various awards and honors. Scholarship providers look for students who have made an impact in their communities through their activities, so make that a primary objective in your activities, but at the same time, follow your passion and interests.
 - **Artistic or Athletic Talent:** These scholarships are given to students who demonstrate exceptional talent in their field in the arts or sports. For art, these scholarships could include people who have received various awards and honors for their talent in fields such as music, visual arts, dance, theater, and more. Athletic scholarships are given to outstanding athletes who are recruited by college sports teams through the

consideration of performance, skill level, and personal qualities inside and outside the sport.

- Examples include the National Merit Scholarship (based on PSAT/NMSQT scores), private organization scholarships like the Coca-Cola Scholars Program, Gates Millennium Scholars, and the Elks National Foundation Most Valuable Student Scholarship, and other college-specific or state-provided scholarships.

2. **Need-Based Scholarships:** These scholarships are designed to assist students who demonstrate financial need, ensuring that higher education is accessible regardless of a family's financial situation. Unlike merit-based scholarships, these awards are primarily based on the student's financial circumstances. They play a crucial role in bridging the gap between the cost of college and what families can afford to pay. There are a few considerations when applying to these scholarships.

- **Financial Need:** The Free Application for Federal Student Aid (FAFSA) is the primary tool used to assess need, using data on household income and other factors and calculating the Expected Family Contribution (EFC), or how much you can contribute. Some institutions require the CSS profile which provides more detail on a family's financial situation. Financial need is determined by subtracting the EFC from the cost of attending that college.
- **Other Considerations:** In addition to the direct needs of the family, enrollment status is also considered. You will be awarded different amounts of money depending on whether you are a full-time or part-time student. Also, while the requirement is not as strict as merit-based scholarships, you will still need to maintain a satisfactory level of academic progress to qualify for these scholarships.
- Some examples of these scholarships include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), need-based scholarships from the institution, as well as state-provided and private organization ones such as the Jack Kent Cooke Foundation College Scholarship Program and The Horatio Alger Association Scholarship.

These are the two main types of scholarships. However, there are different specialty scholarships that apply to students with a passion in a certain field. Additionally, **grants** are similar to need-based scholarships and are issued by the federal and state governments as well as the colleges themselves.

Work-Study Programs

Work-study programs allow you to work while you're studying, helping you get a source of income to pay off your college expenses. These programs are often need-based and are an essential component of the federal financial aid package. By working while studying, students can gain valuable work experience, develop professional skills, and reduce their reliance on loans. There are some things to consider about these programs before applying.



Image Source: Sam Houston State University

- **Financial Need Eligibility:** The financial aid office uses the information provided on the FAFSA form that was filled out to determine your EFC, which will give the institution some information to decide on whether you're eligible for these work-study programs.
- **Enrollment Status:** You usually must be enrolled in an eligible degree or certificate program at that particular institution. Full-time and part-time students may qualify, but the amount of working hours may vary.
- **Academic Progress:** Students still have to maintain certain levels of academic progress if they want to remain eligible for these programs.
- Work-study programs allow you to work in a field you are interested in. While you may start in an entry-level position, you will gain valuable experience and money to help cover the cost of college while being a student. These jobs can range from being a research assistant to helping tutor other students.

Student Loans

Student loans are one of the most popular ways to help pay for college. However, unlike scholarships and grants, they need to be repaid with interest. This can be very daunting for students, since a lot of them need some time to get a job after graduating to pay off those loans. However, there are different types of loans that can benefit you if you don't qualify for scholarships/work-study programs or you need more aid.

1. Federal Student Loans

- **Direct Subsidized Loans:** These loans are available to undergraduate students who need financial aid. The U.S. Department of Education pays the interest on these loans while you're in school at least half-time, six months after you graduate, and during deferment periods. This can help reduce the amount owed through these loans. There are varying loan limits depending on multiple factors, and the repayment period can be anywhere from 10 to 25 years starting 6 months after you graduate.

- **Direct Unsubsidized Loans:** These loans are available to any type of student, whether it is an undergraduate, graduate, or professional student. Financial need is not required, but interest accrues while you are in school and during grace and deferment periods. However, you can choose to pay the interest off as it is growing. These have higher loan limits, allowing people to borrow more, and have similar repayment terms to subsidized loans.
 - **Direct PLUS Loans:** These loans are available to graduate and professional students or the parents of an undergraduate dependent. There is a fixed annual interest rate, and repayment begins 6 months after graduating or leaving school. Furthermore, the loan limit is the cost of attending after subtracting any aid you have already received.
2. **Private Student Loans:** Private student loans are offered by banks, credit unions, and other private lenders. They can help fill the gap between federal aid and the total cost of attendance but usually come with higher interest rates and less flexible repayment options.
- Eligibility usually depends on credit history, and a co-signer can be present if the recipient's credit history is not very good. The interest rate can be variable or fixed and usually depends on credit score and the financial institution, but is usually higher than federal student loans. Loan limits can vary but are usually the cost of attending minus aid received. Moreover, interest accrues and repayment terms can vary by lender, but is usually between 5 to 20 years.

Tips for Receiving Aid

With so many aid options, it can be easy to feel overwhelmed. However, here is a list of general tips you can follow that cover the different types of aid to minimize your financial burden.

- **Complete the FAFSA early and accurately.** The FAFSA is a very important form that determines your aid needs. Without it, many educational and financial institutions would not know how much aid you need to receive, limiting your eligibility for a lot of this aid. The FAFSA usually opens in October the year before and ends in June of the second calendar year in a certain school year. However, deadlines can vary because of state laws and other updates, so stay informed and submit it on time. Additionally, make sure all the information on the form is accurate, as you don't want to lose out on any potential aid or get

any rescinded. You can also indicate work-study on the FAFSA. Don't forget to explain any special circumstances on the FAFSA and to the financial aid office.

- **Maintain strong academic and extracurricular performance.** While certain need-based scholarships and grants only require a satisfactory level of academic progress, pursuing stronger levels of academic performance can increase your chances for additional merit-based scholarships and can also keep you out of risk for not qualifying for need-based scholarships. This can also include documenting and showcasing your achievements, allowing you to have a comprehensive list of activities when applying to these scholarships.
- **Prepare for work-study programs and positions.** If you plan on participating in a work-study program, be prepared for it. You can use on-campus resources and job boards to help find these programs. Moreover, you should be prepared by having a resume ready and brushing up on interview skills to help you secure the job.
- **Budget and borrow responsibly.** It can be easy to forget about your student loans and then have to deal with them later when they are much bigger. To prevent this, you should budget effectively so you have money to pay your loans in a timely manner.
- **Review and appeal aid offers.** Carefully review offers and the terms within them, and compare them to other offers you have received. If needed, appeal for more aid based on changing circumstances.
- **Research programs and apply widely.** Explore scholarships, state-specific aid programs, and institutional grants. Apply for multiple opportunities to increase chances of receiving awards. To find scholarships, start with comprehensive online databases like **Fastweb**, **Scholarships.com**, and the **College Board's Scholarship Search**. Visit your university's financial aid office and website for institutional and external scholarships. Explore professional associations and community foundations, and check government resources like Federal Student Aid. Additionally, consult your high school guidance counselor and use social media to stay updated on new opportunities.

Navigating the financial aid process can feel overwhelming, but with the right information and resources, you can find the funding you need for your education. Start by completing the FAFSA early and exploring scholarships, grants, work-study programs, and loans. Use online tools like Fastweb and Scholarships.com, and don't

forget to check with your school's financial aid office. Reach out to your high school guidance counselor and keep an eye on social media for new opportunities. By staying organized and proactive, you can ease the financial burden of college and focus on your academic journey. Remember, with a bit of effort and persistence, you can make higher education more affordable and set yourself up for success.