



Understanding Scholarships and Financial Aid—Webinar Text

Sarah Battersby, Scholarships & Donor Services Officer, Triangle Community Foundation

Slide 1: This is a basic overview of financial aid and how scholarships work with other aid you may be receiving. You should always speak to the Financial Aid office at your school with specific questions about your aid!!!

Slide 2: First, let's go over some basics on options for paying for college.

Slide 3: Let's start with a basic overview of the components that make up 'Financial Aid'. Financial aid includes what we call gift aid (aid you don't have to pay back—grants, work study and scholarships) and loans. As we mentioned, you DO have to pay back loans, with interest. Be sure when you are looking at schools, you understand what they mean by the percentage of their students that receive financial aid, and whether this is primarily gift aid or loans.

Slide 4: The first piece of 'gift aid' to know about are grants. Grants are "free" money—meaning you don't have to repay them after you graduate, although there may be requirements to keep them, including maintaining a minimum GPA and/or a certain number of credit hours. Grants are need based and awarded through your college or university. Some common types of grants include the Federal Pell Grant, the Federal Supplemental Educational Opportunity Grant and university-based grants.

Slide 5: The second piece of 'gift aid' to know about is work-study. Work-study is administered through your school and funding for this type of aid is typically very limited. It requires students to work in on-campus positions or eligible off-campus positions—which also allows you to gain work experience. If you're eligible for this kind of aid, be sure you know how your school will notify you about positions and application deadlines for available positions. Speak to your financial aid office!

Slide 6: The third piece of 'gift aid' to know about is scholarships—scholarships are also a type of aid you don't have to repay, but they will likely have specific criteria in order to receive and keep it. There are lots of different types of scholarships available and most have a separate application. Local places to look for scholarships include your local community foundation, like Triangle Community Foundation, civic groups like the Rotary or Kiwanis, churches, or even your parents' employers. Also ask your high school guidance office as they may know about scholarships open to students in your high school, and look at the websites of the colleges you're applying to, as they may list scholarships available to students attending that college.

Slide 7: This is an example of a scholarship offered through Triangle Community Foundation. You can find this and other scholarships on our website at www.trianglecf.org. In this example, you can see that students must meet certain criteria in order to be eligible to apply—this includes residency in

Wake, Durham, Orange or Chatham county, a GPA of 2.5 or higher, plans to attend a 4-year college or university in North Carolina, financial need, and community service. Other scholarships will have different criteria—pay attention to these before you spend time applying. If you don't meet the criteria, you won't be able to receive the scholarship, even if you have a great application. If you aren't sure, reach out to the scholarship administrator.

Slide 8: The final type of aid available to students are loans. It's important to note that loans ARE considered financial aid and are included in a financial aid package. You DO have to repay this type of aid, with interest—which means you will be paying more than the total you took out. Types of loans include FDSL, Federal Direct Student Loans, and private loans. For federal loans taken out by STUDENTS, there is an interest rate, set annually (the same for all students). In 2017, this was 4.5%. Loans can be subsidized (which means that it gains no interest until after you graduate or leave school) or unsubsidized (which means that it starts gaining interest immediately). If you are planning to take out loans, you should take out subsidized first and then unsubsidized. Also important to note is that you do NOT have to take out the entire amount of loans offered to you; if you need less, you can take less. If you are unsure how to adjust your loan amount to be lower, speak to your financial aid office. Federal loans taken out by STUDENTS also have options for repayment after you graduate or leave school, based on your income.

For federal loans taken out by PARENTS, called the Parent PLUS loan, there is a different and HIGHER set interest rate than loans taken out by students. In 2017, this was 7%.

Private loans are not controlled by the federal government; their interest rates may vary, do not have to be the same for every student and may be dependent on your credit.

Slide 9: In this section, we'll briefly go over some common terms you may hear in the process of applying for financial aid. We'll also link to a glossary of lots of terms at the end of the presentation.

Slide 10: There are lots of common terms in financial aid. However—these terms may be common to financial aid staff and not to you! If you're not sure what something means, ask! These terms include FAFSA (Free Application for Federal Student Aid, an application you must complete to get federal aid, including grants, work-study, or loans), COA (Cost of Attendance), EFC (Expected Family Contribution, what the FAFSA tells you your family should be able to pay for college), CSS (College Scholarship Service—an additional application for need-based aid your school may ask you to complete), and professional judgement. Professional judgement is for students whose financial situations have changed significantly since the income documentation listed on their FAFSA—you may ask your financial aid staff to use their professional judgement to help your aid accurately reflect your family's current financial situation if it has significantly changed. However—financial aid officers work with many students, and you will be responsible for reaching out to them to let them know your situation has changed. They can't help you if you don't ask!

Slide 11: In the last slide, we mentioned "Cost of Attendance". Cost of attendance is what it truly costs for you to attend college and pay your living expenses while you do so; you can receive aid only up to the cost of attendance. Schools publish their cost of attendance each year and each school has a different cost of attendance, taking into account their tuition and the cost of things such as housing and transportation in their area. Cost of attendance includes 'direct' costs—tuition, fees, and room and board if you live on campus- and 'indirect' costs—books, supplies, transportation, health insurance, and rent if you live off campus. The featured COA is from UNC-Chapel Hill in 2017.

Slide 12: A financial aid equation to know is the following: COA (Cost of Attendance) minus EFC (Expected Family Contribution, from the FAFSA) = Need. “Need” is what you can receive aid to cover, including scholarships, but it is NOT a guarantee that you will receive that aid. If you are receiving federal aid, your EFC CANNOT be replaced with any type of aid. It’s also important to know that COA is determined based on a general estimate—if you have higher or ‘nontraditional’ costs such as childcare expenses or high medical expenses, ask to speak with your financial aid office. They may be able to raise your COA, which increases your capacity to receive aid (but again, this is a not a guarantee that you will receive additional aid). Be sure that you understand the total cost to attend your chosen college, what aid you are receiving, what you can afford to pay, and if there is still a gap. If you do not understand your award letter and total cost, ask to speak to your financial aid office.

Slide 13: This slide is a sample award letter. You can see that this student was offered a Pell Grant of \$5,500 and both subsidized and unsubsidized loans. As we discussed previously, you do NOT have to accept the full amount of loans you are offered—only accept what you need, and accept subsidized first. If you have received a scholarship through a community organization, such as Triangle Community Foundation, but do not see it listed on your award letter, contact your financial aid office and ask what documentation they will need to add it to your award letter.

Slide 14: In this final section, we’ll briefly go over some do’s and don’ts for applying to scholarships, and link to some more resources for finding information about financial aid.

Slide 15: When you are applying for scholarships—DO keep a running list of your extracurriculars, awards, and accomplishments, so that you don’t have to remember them each time you need to list them on an application. Also keep copies of your essays—if an application has a similar prompt, adapt and reuse an essay instead of writing an entirely new one (but be sure you are referencing the correct scholarship!). Ask questions you may have BEFORE the scholarship deadline, follow instructions, and be courteous and respectful to scholarship administrators. Respond to emails they send you! At the Foundation, we receive hundreds of applications, and don’t have the capacity to follow up multiple times. We’re counting on you to respond. If you receive a scholarship thank the donors—if you’re not sure how to get in touch with them, ask the scholarship administrator. They can forward emails or letters on to the donors. And finally—if you’re eligible for a scholarship, apply for it!

Slide 16: When you are applying for scholarships—DON’T let your parents pretend to be you in an email or essay (we know when this happens!). If you have questions about the scholarship—ask them yourself! We know you’re in school during the day, but an email in the evening is fine. Don’t ask for recommendations from people who might not know you well and can’t write a good letter recommending you—if you don’t know a teacher well, consider asking a mentor, staff in a program you participate in, a coach, or another adult who can tell us why you’re qualified for this scholarship. Most scholarship applications will ask you to list a contact email—be sure it’s one you check, and also one that won’t be discontinued. Some scholarships may not make decisions until after high school graduation, so consider using an email that is not linked to your school.

Slide 17: These are a few resources if you need more information. At the bottom is also a link to our website, where you can view and apply for scholarships. I hope this information has been helpful and if you’ve made it to the end—thank you for listening! Best of luck on your college journey.

Resource List:

Understanding Types of Aid: <http://studentaid.unc.edu/types-of-aid/>

Student Financial Aid Glossary: <https://www.edvisors.com/glossary>

Comparing Financial Aid Awards: <https://bigfuture.collegeboard.org/pay-for-college/financial-aid-awards>

Loan Repayment Plans: <https://myfedloan.org/borrowers/repayment-plans/>

Triangle Community Foundation Scholarships: <http://trianglecf.org/scholarships-awards/>