

# 3 Ways to Pay For College



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## CONSIDER YOUR OWN RESOURCES

- Tap into parent or student income. Use gifts from relatives.
- Begin or use savings. Some common types include:
  - the 529 Plan:** state-sponsored, tax-advantaged program.
  - Coverdell:** tax-advantaged investment account. The beneficiary (the child going to college) must be under 18. It's NOT a last-minute savings option.

The federal government awards about \$150 billion every year to students who have financial need.

Source: Federal Student Aid

## GET FINANCIAL AID

There are 2 types: **Need-based** and **merit-based**

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**Need-based aid** means your family can prove you **NEED** the money. Both the federal government and nonfederal sources offer it.

To get **federal need-based aid**, you must demonstrate need. To do so, complete the **Free Application for Federal Student Aid (FAFSA)**. Visit [fafsa.edu.gov](http://fafsa.edu.gov). Effective in 2016, the FAFSA will be available on October 1. Complete it online. You will need to resubmit the FAFSA every year you request need-based financial aid.

There are 3 types of federal need-based aid: **grants, loans, federal work-study.**

**Grants:** This is FREE money! These do NOT need to be repaid.  
*Examples: Federal Pell Grant, Federal Supplemental Educational Grant.*

**Loans:** These DO need to be repaid.  
*Example: Direct Subsidized Loan.*

**Federal Work-Study:** Students who prove financial need can get part-time jobs on campus to earn money for school.

There is also **nonfederal need-based aid** available through **scholarships**. These do NOT need to be repaid.

**Merit-based aid** can be awarded based on your accomplishments or interests.

The most common type is **scholarships**. These do NOT need to be repaid. You may become eligible based on good grades, athletic accomplishments, extracurricular participation, or company/religious/ethnic affiliations. Many colleges award scholarships and institutional grants to incoming students based on a student's profile (grades, interests). Visit the website of your top college choices and research available awards.

## SCHOLARSHIP FINDERS

College Board • Fast Web • National Honor Society  
*(members-only)*

## THERE IS HELP AVAILABLE!

40% of students received \$122.7 billion in scholarships and grants in 2013-14 (for higher education).

Source: The College Board

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## REDUCE COSTS

- During high school, **earn college credit** through Advanced Placement (AP) and dual enrollment coursework. Successful completion may cut the amount of time and money necessary to earn a degree.
- **Public service programs**, like ROTC, may help cover college costs.
- Begin or complete studies at a lower-priced **community college**.



## EARN THAT DEGREE FOR A LIFETIME OF REWARD.

Based on average earnings in 2014, an individual with a bachelor's degree earned \$31,252 dollars more than an individual with a high school diploma alone.

## DO YOUR HOMEWORK...

### Use the Net Price or Cost Calculator

- All colleges and universities are now REQUIRED to offer this calculator on their website.
- It helps prospective students discover the true cost to attend. (Many schools offer programs to reduce your cost.)
- Plug in your numbers on the websites of your favorite college choices to check affordability.

### Use the College Scorecard

- It's offered by the U.S. Department of Education.
- Visit [collegescorecard.ed.gov](http://collegescorecard.ed.gov).

This is a broad overview of financing a college education. Be sure to check the following resources for comprehensive information:  
Federal Student Aid: [studentaid.ed.gov](http://studentaid.ed.gov)  
FAFSA: #AskFAFSA on Twitter

It's never too early to start planning.

The National Honor Societies encourage all students to pursue higher education and #HonorYourFutureNow.

