FINANCIAL LITERACY

Resources for Every Stage of Federal Student Aid

Presented By
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Assistant Director, Financial Aid
Florida Atlantic University
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Agenda

1. Introduction

2. What is Financial Literacy?

3. The knowledge gap: What students don’t know

4. Financial literacy tools and resources
   - Comparison shopping
   - Applying for aid
   - Budgeting
   - Managing debt
   - Staying informed
Workers who get an education beyond high school are more likely to be employed, earn higher wages, and rise up the economic ladder. Whether it’s getting a technical certificate or four-year degree, higher education is critical to today’s economy.

- Treasury Secretary Jacob Lew, FLEC meeting, October 23, 2013
Why go to college?
Can't I get a good job now?
Yes, maybe you could, but a college degree will make your chances even better. Check out the earnings and unemployment rates for people 25 years and older with different levels of education:

<table>
<thead>
<tr>
<th>Level of education completed</th>
<th>Mean (average) earnings in 2011</th>
<th>Unemployment rate in 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a high school diploma</td>
<td>$29,848</td>
<td>14.1%</td>
</tr>
<tr>
<td>High school graduate, no college</td>
<td>$41,288</td>
<td>9.4%</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>$46,228</td>
<td>8.7%</td>
</tr>
<tr>
<td>Occupational program (career school)</td>
<td>$49,920</td>
<td>6.6%</td>
</tr>
<tr>
<td>Associate degree (academic program)</td>
<td>$52,988</td>
<td>6.9%</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>$71,552</td>
<td>4.9%</td>
</tr>
<tr>
<td>Master's degree</td>
<td>$84,448</td>
<td>3.6%</td>
</tr>
<tr>
<td>Doctoral degree (e.g., Ph.D.)</td>
<td>$102,648</td>
<td>2.5%</td>
</tr>
<tr>
<td>Professional degree (e.g., M.D., J.D.)</td>
<td>$121,212</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

The Knowledge Gap

84,372 high school students registered for the Financial Capability challenge

AND

69% received a national average score of 69% on the exam

Results of the U.S. Department of Education and the U.S. Department of the Treasury 2011 National Financial Capability Challenge
What is a plan?

A plan is a road map that:
• Guides you through school to college
• Advises you on what to do when
• Tracks your progress

https://bigfuture.collegeboard.org/make-a-plan
Parent Action Plan: 9th Grade

1. Get the facts about what college costs. You may be surprised at how affordable higher education can be. Start by reading

2. Make sure your child meets with the school counselor. Your child should schedule a meeting to talk about college and career options and to choose the most-appropriate classes

3. Start thinking about financial aid. It’s not too early to look into types of aid that could help you cover college costs. Start by reading.

4. Help your child start a college list. Visit College Search Step-by-Step together to get tips on starting a college search and figuring out what matters most to your child when choosing a college.

https://bigfuture.collegeboard.org/get-started/for-parents/parent-action-plan-9th-grade
Parent Action Plan: 10th Grade

1. Visit a college campus together. It’s a great way to get your 10th-grader excited about college.
2. Start thinking about ways to pay for college. Most families get help paying for college costs.
3. See how much you need to save for college. Use the College Savings Calculator to get an idea of where you are in terms of your savings goal.

https://bigfuture.collegeboard.org/get-started/for-parents/parent-action-plan-10th-grade
Parent Action Plan: 11th Grade

1. Attend college fairs and financial aid events. These events allow you to meet with college representatives and get answers to questions. Your child can ask the school counselor how to find events in your area.

2. Help your child research scholarships. This form of financial aid provides money for college that doesn’t need to be repaid.

Parent Action Plan: 12th Grade

1. Create a calendar with your child. This should include application deadlines and other important dates.

2. Fill out the FAFSA to apply for aid. The government and many colleges use the Free Application for Federal Student Aid (FAFSA) to award aid.

3. Review financial aid offers together. Your 12th-grader will need your help to read through financial aid award letters and figure out which package works best. Be sure your child pays attention to and meets any deadlines for acceptance.

https://bigfuture.collegeboard.org/get-started/for-parents/parent-action-plan-12th-grade
Financial Literacy Resources Can Help Students Make Wise Choices
Comparison Shop: College Navigator

AVAILABLE AT: http://nces.ed.gov/collegenavigator/
Comparison Shop: College Scorecard

**Costs**

What does it typically cost to attend FAU?
The average net price for undergraduate in-state students is $11,838 per year. Net price is what undergraduate students pay after grants and scholarships (financial aid you don't have to pay back) are subtracted from the institution's cost of attendance.

The average net price has increased 5.9% from 2008 to 2010.

Click here to see listings of changes in college costs.

Click here to go to the Net Price Calculator for a better estimate of what your costs would be.

**Graduation Rate**

What percentage of students graduate?
41.1% of full-time students received their bachelor's degree within 6 years and 10.9% transferred to another institution. Graduation rate data are based on undergraduate students who enrolled full-time and have never enrolled in college before. This may not represent all undergraduates that attend this institution.

**Loan Default Rate**

Are students able to repay their loans after they graduate?
8.5% of borrowers defaulted on their Federal student loans within three years of entering repayment.

<table>
<thead>
<tr>
<th>8.5%</th>
<th>14.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>This Institution</td>
<td>National</td>
</tr>
</tbody>
</table>

**Median Borrowing**

What is the typical amount borrowed for a student's undergraduate study?
Families typically borrow $12,500 in Federal loans for a student's undergraduate study. The Federal loan payment over 10 years for this amount is approximately $143.85 per month. Your borrowing may be different.

To learn about loan repayment options, go to:
http://studentaid.ed.gov/sa/loans/understand/plans

$143.85/mo

**Employment**

What kinds of jobs do students have when they graduate?
The U.S. Department of Education is working to provide information about the average earnings of former undergraduate students at FAU who borrowed Federal student loans. In the meantime, ask FAU to tell you about how many of its graduates get jobs, what kinds of jobs they get, and how much those graduates typically earn.

Visit http://www.mynextmove.org to explore what potential careers a particular postsecondary program or major prepares you to enter. The site has information about current earnings and potential growth in those occupations.

**Available At:** [http://collegecost.ed.gov/scorecard/](http://collegecost.ed.gov/scorecard/)
Comparison Shop: Net Price Calculator

What does Net Price mean?
Net Price is the amount that a student pays to attend an institution in a single academic year AFTER subtracting scholarships and grants the student receives. Scholarships and grants are forms of financial aid that a student does not have to pay back.

What is a Net Price Calculator?
Net price calculators are available on a college’s or university’s website and allow prospective students to enter information about themselves to find out what students like them paid to attend the institution in the previous year, after taking grants and scholarship aid into account.

How do other students describe net price?
Click on one of the student video challenge winners to find out...

Net Price Calculator - Typography Video
by Brian S.

Worry About More Important Things
by David D., Michelle H.

Justin, Remo, Bilyana Net Price Calculator Video
by Michael K., Remo K., John R., Bilyana P.

FAFSA4caster

The FAFSA4caster is a free online tool to assist students and their families with getting an early start on the financial aid process. It provides an early estimate of eligibility for federal student aid by instantly calculating an estimated Expected Family Contribution (EFC) which is the number used to determine the student's eligibility for federal student aid.

Who should use FAFSA4caster?
Anyone who is not yet ready to file a FAFSA. You do not have to be a high school senior to use the FAFSA4caster, in fact, the tool is recommended for juniors, and even as early as middle school.

How do I use FAFSA4caster?
In this tool, you will answer financial aid and other questions that are used to estimate your federal student aid eligibility. You may be able to answer most of the questions easily but some of the questions may ask you to reference your personal records (e.g. federal tax information). You should use the most current information you have. Also, answer all questions, even if you have to estimate or guess.

What information does FAFSA4caster provide?
When you complete the FAFSA4caster, the tool displays a worksheet to help you determine the net cost of attending your chosen school. Based on the Estimated Family Contribution (EFC) from FAFSA Forecaster, you may be eligible for additional need based grants for this year if your EFC is within the following range (see chart below) . Please keep in mind that the information provided does not represent a final determination of financial aid eligibility; it is an estimate. Eligibility for need based aid may require additional criteria and are subject to change.
Comparison Shop: Financial Aid Estimators

Additional Resources

Award Projection Estimators

Below are estimators that will assist you in determining your financial aid eligibility. Please understand that completing these estimators does not take the place of actually applying for financial aid at FAU. Once you receive your award estimation and you are ready to apply for financial aid, please submit the Federal Application for Federal Student Aid (FAFSA).

Net Price Calculator

FAFSA4caster

College Scorecard

College Reality Check

Scholarships

Navigating Your Financial Future

College Navigator

College Affordability & Transparency Center

http://fau.edu/finaid/resources/other-resources.php
Comparison Shop: Financial Aid Websites

http://fau.edu/finaid/
Apply for Aid: FAFSA

- Takes **less than 30 minutes** to complete online at [https://fafsa.ed.gov](https://fafsa.ed.gov)
- Real-time **help is available** by phone at 1-800-4FED-AID, or via on-line chat
- Determines families’ ability to contribute to cost of attendance

Resources on this website are also available in Spanish.
Federal Student Aid Programs

- Federal Pell Grant
- Iraq and Afghanistan Service Grant (IASG)
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Perkins Loan
- Federal Work-Study (FWS)
- Subsidized and Unsubsidized Federal Direct Student Loans (Direct Loans)
- PLUS Loans
Florida Student Aid Programs

- Bright Futures Scholarship
- Florida First Generation Matching Grant
- Florida Student Assistance Grant
- Florida Resident Access Grant (Private Schools only)
- Able Grant (Private Schools only)
- Florida Work Experience.

http://www.floridastudentfinancialaid.org/SSFAD/home/uamain.htm
Scholarships

There are a host of scholarships available to assist students with their educational expenses. Scholarships are awarded on the basis of academic criteria and/or any combination of academics, financial need, campus/community activities, leadership positions and work experience. Scholarships are designed to reward, encourage and assist students in pursuing academic excellence and leadership roles.

Never pay for scholarship information.
Finding Scholarships

Scholarships

Click here to review the FAU Financial Aid Guide.

This Scholarship Search Database houses available scholarships at Florida Atlantic University. Click here or click the scholarship image above to access the Foundation Scholarship Search Engine at Florida Atlantic University.

ATTENTION ALL STUDENTS!

Apply NOW for Scholarships for the 2014-2015 academic year!

ATTENTION INCOMING FRESHMAN & TRANSFER STUDENTS!

FAU’s Office of Undergraduate Admissions offers numerous scholarships for incoming freshman and transfer students. We suggest applying early as the scholarships are competitive and most are awarded early in the admission cycle. Additional scholarships are available through the Office of Student Financial Aid, FAU Alumni Association and through the academic colleges.

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Many colleges and departments at FAU offer scholarships to students that are specific to an area of specialization. Below is a list of scholarships by category that may be helpful to you in funding your college education.

- Freshman, Transfer & International Scholarships
- FAU Scholarships
- Other Scholarships
- Athletic Scholarships
- FAU Department Scholarships
- Prestige Scholarships
- Community Foundation Scholarships
- State of Florida Scholarships
- Scholarship FAQs
- Scholarship Search Engines

http://fau.edu/finaid/types-of-aid/scholarships.php
Comparison Shop: Financial Aid Shopping Sheet

“Know Before You Owe”

Institutions must use this form for service members and veterans if they sign on the principles of excellence but our preference would before them to use this type of form for all students.

Current “graduation rate survey” as reported to the National Center for Education Statistics under IPEDS

Current “cohort default rate” as calculated by the Department

New “median dept” calculated by the Department

Have You Ever Heard?

“I hardly make enough to cover my expenses”

“I can’t budget, I’m bad at math”

“I’ll figure it out, eventually…”
Budgeting
Budgeting & Borrowing: FACT Tool

Financial Awareness Counseling Tool (FACT) direct link:
https://studentloans.gov/myDirectLoan/financialAwarenessCounseling.action?execution=e1s1
Additional Borrowing Resources

Federal Loans First
Understand differences between federal and private loans
http://StudentAid.ed.gov/types/loans/federal-vs-private

Borrow Smart
Free money first; consider accepting less loans than offered
http://StudentAid.ed.gov/types/loans
Manage Debt: Entrance and Exit Counseling

NOTE: Exit Counseling does not include “Manage Your Spending While in School.”
Repayment Strategies

Make sure borrowers understand the various repayment plans and other options:

- Deferments/Forbearance
- Forgiveness/Discharges
- Consolidation

Make sure borrowers understand that they **MUST** repay their loans, regardless if they complete their education.
Manage Debt: Estimate Repayment Amount

Repayment plans and loan payment calculators are available at:
https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action
Stay Informed: StudentAid.gov

**StudentAid.gov** DESKTOP and MOBILE DEVICE browsing available
Stay Informed: Social Media

https://www.facebook.com/FederalStudentAid

https://twitter.com/fafsa

http://www.youtube.com/user/FederalStudentAid
Publications

The office of Federal Student Aid provides publications, fact sheets, online tools, and other resources.

<table>
<thead>
<tr>
<th>Resource</th>
<th>English</th>
<th>Spanish</th>
<th>Accessible Version</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Booklets and Brochures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>College Preparation Checklist</td>
<td><strong>PDF</strong></td>
<td>Coming soon</td>
<td>Braille</td>
</tr>
<tr>
<td>Funding Your Education: The Guide to Federal Student Aid</td>
<td><strong>PDF</strong></td>
<td>Coming soon</td>
<td></td>
</tr>
<tr>
<td>Funding Your Education: Audio Highlights</td>
<td><strong>Audio</strong></td>
<td></td>
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<tr>
<td>My Future, My Way: First Steps Toward College—A Workbook for Middle and Junior High School Students</td>
<td>Coming soon</td>
<td>Coming soon</td>
<td>Braille</td>
</tr>
</tbody>
</table>

[StudentAid.gov/resources](https://StudentAid.gov/resources)
Federal Financial Literacy Information

http://www.fdic.gov/consumers/consumer/moneysmart/

http://www.mymoney.gov/Pages/default.aspx

http://www.consumer.gov

http://www.federalreserveeducation.org

http://www.treasury.gov/Pages/default.aspx