

# Financial Aid Workshop

Financial Aid is a subject that can be difficult to understand and confusing to many students and parents. The purpose of the workshop is to clarify the process so that responsible decisions can be made and to relieve much of the stress surrounding the subject. Both the rationale and process of financial aid will be addressed. If at the end of the workshop, questions still remain, please feel free to contact me.

There are two types of aid available to students, need based and merit based. Need based aid is figured upon several factors, how many children are in the family, how many are in college, income and assets of the parents and student. There are forms (FAFSA and Taylor FAFSA Supplement) that need to be filed and received by the respective offices by the University deadline of March 10. Merit based aid is solely given on the basis of the characteristics of the student such as academics, leadership, music, and athletics. The first half of the seminar will deal with need based aid and the second half will focus on merit based aid.

## Need Based Aid

- A. The Free Application for Federal Student Aid (FAFSA) must be submitted and received by the Federal Processor by March 10.
- B. **Tips for making the FAFSA** a “cherished memory” instead of a chore!
  1. If at all possible, do it online. The FAFSA is available after January 1 at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). You could get your results back as soon as 72 hours compared to 4-6 weeks if you do a hard copy.
  2. Taylor University uses March 10<sup>th</sup> as the date that the FAFSA must be received by the Federal Processor. Always check the due date that your state or another college may require.
  3. When you do it online you will need to get a pin number for the student and the parent to act as your electronic signatures; apply for the pin number several days before you do the FAFSA. Do not wait until the final week to apply for a pin. If you complete the online FAFSA without a pin, you must print, sign and mail a signature page to the FAFSA processor or your FAFSA will be rejected.
  4. While parents usually do the FAFSA, remember it is written from the standpoint of the student doing it. Where the word “parent” is used, it means parent of the student and not the parent’s parent!
  5. If you do not know how to respond to a question, please feel free to call the Financial Aid Office at (800) 882-3456.
  6. The first page of the actual FAFSA refers entirely to the student and is primarily demographic; it is actually very easy and straight forward. If a parent is completing the form, be sure to enter the student’s SSN on this page and not the parent’s!
  7. Question 39-49 are sometimes confusing as they all have the words “and spouse” in parenthesis. If your student is single, just give their financial figures, whereas if they are married, be sure to include their spouse’s.
  8. Questions 59-84 ask about the parents. In the case of a divorce and remarriage, the parent who the student lived with the most during the past year is to be considered as the parent for the FAFSA. Questions about finances would then be answered using both the parent’s and, if they have remarried, the stepparent’s income.
  9. If you do not have your IRS 1040 (federal tax return) done by the time you do the FAFSA, then estimate your adjusted gross income in question 73. If you do have the 1040 done, put the exact adjusted gross income down. Three out of ten who file a FAFSA using exact figures are selected for verification and all who estimate are selected.
  10. If you are selected for verification, you will need to send in to the University a Verification Worksheet (available for download and print at [www.taylor.edu/admissions/finaid/forms](http://www.taylor.edu/admissions/finaid/forms)), and signed copies of both the student’s and the parents’ 1040 and W2 forms.
  11. Step Six on the final page asks you to list the school you are applying to for admission and the FAFSA federal code for the college. If you do not know the code (**Taylor’s is 001838**), you can find the codes at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

- C. After you submit the FAFSA, you will receive a report back that will show everything you answered on the FAFSA and also contain the “EFC”. The Expected Family Contribution (EFC) will be the figure that colleges will assume you can pay for your student’s education.

Note: The EFC will be appreciatively higher than what you think it should be; colleges will make an assumption that you can pay the amount of the EFC. This figure will be used in the compilation of need-based aid. You can get an estimate of EFC at [www.finaid.org](http://www.finaid.org). Click on Calculators and then click on Financial Aid. You do not need to have all the cost figures for each college; the estimator will work if you only put a total figure down in any of the places. I usually put it under “books” and it works as well as if I had broken it down!

- D. You will also need to submit the Taylor FAFSA Supplement, which can be accessed at <http://myfa.taylor.edu>. You will be prompted for their Student ID number which will be supplied to you by the Office of Admissions, and will be asked for the first eight digits of their social security number to use as a pin.

**E. Figuring Need Based Aid**

1. Need based aid is calculated upon whether the student is receiving a Dean’s, President’s or no academic scholarship. In an attempt to simplify the process and also strive for quality academics the following need based aid percentages will be used:

President’s Scholarship – 70% of tuition  
 Dean’s Scholarship – 65% of tuition  
 All other students – 60% of tuition

2. Taylor will meet the need for tuition according to the above standard using Expected Family Contribution (EFC) from the FAFSA, Federal Pell and SEOG grants, Indiana HEA and FOC grants, and Taylor grants. All of the money is in the form of grants which do not have to be repaid. Since the EFC will vary for each student, the amount of Taylor and government money will vary.

3. To calculate how much grant money the student will receive, first determine which category from above the student fits into, i.e. Dean’s, President’s, or neither. Multiply the tuition figure (currently \$21,800) by either 60%, 65%, or 75%. After you have done this, subtract the EFC to determine how much the government/Taylor will give in need based aid.

**Illustrations for Dean’s Scholarship:**

$$\begin{array}{r}
 \$21,800 - \text{tuition} \\
 \underline{\quad X .65 - \text{Dean's Formula}} \\
 \$14,170 \\
 - \quad \quad \quad 0 - \text{EFC} \\
 \hline
 \$14,170 - \text{Taylor/Government Need Based Aid}
 \end{array}$$

$$\begin{array}{r}
 \$21,800 - \text{tuition} \\
 \underline{\quad X .65 - \text{Dean's Formula}} \\
 \$14,170 \\
 - \underline{14,170} - \text{EFC} \\
 \hline
 0 - \text{Taylor/Government Need Based Aid}
 \end{array}$$

$$\begin{array}{r}
 \$21,800 - \text{tuition} \\
 \underline{\quad X .65 - \text{Dean's Formula}} \\
 \$14,170 \\
 - \underline{7,000} - \text{EFC} \\
 \hline
 \$7170 - \text{Taylor/Government Need Based Aid}
 \end{array}$$

## Merit Based Aid

- A. After figuring the amount of need based aid for the student, merit based aid will be added to the student's package.
- B. President's and Dean's scholarships are automatically awarded to students with a high school GPA of 3.5 according to the following chart of SAT (Math & Reading) or ACT scores. The scholarships are good for all four years provided the student maintains a college GPA of 3.2.

	SAT or ACT		GPA	% of Tuition
President's	1600	36	3.5	50% (\$10,900)
	1550	35	3.5	45% (\$9,810)
	1500	34	3.5	40% (\$8,720)
	1450	33	3.5	35% (\$7,630)
	1400	32	3.5	30% (\$6,540)
	1350	31	3.5	25% (\$5,450)
Dean's	1300	30	3.5	20% (\$4,360)
	1250	29	3.5	15% (\$3,270)
	1200	27	3.5	10% (\$2,180)

- C. In the case of taking the ACT, the highest subscores of science, reading, mathematics and English will be used to create a new composite score.
- D. For the SAT, the reading and math scores will be used. For students taking the SAT more than once, the highest math and reading scores will be used; i.e. we will mix and match to give a higher score.
- E. Christian Leadership Scholarships – 25% of tuition – renewable by participating in a college extracurricular activity and a GPA of 2.6. Every accepted student is considered as a candidate; the final decision is made based upon the total application. Ten males and ten females are awarded annually in the freshman class.
- F. Class Merit Awards – Awarded to the top ten students in each class who are not receiving a Dean's or President's Scholarship. The award is given to sophomore through seniors based on their cumulative GPA; the top five in each class receive 10% of tuition and the next set of five receive 5% of tuition.
- G. Enrollment Awards – Ten scholarships worth 10% of tuition are awarded to incoming freshmen who are not receiving a Dean's or President's Scholarship. The award is based upon both academic and extracurricular characteristics.
- H. Academic Merit Award – Students who have been designated as National Merit Finalists will receive an award equal to 50% of tuition in lieu of a President's Scholarship.
- I. Ethnic Student Scholarships – 25% of tuition. The award is based upon the student's ability to contribute to ethnic diversity. A written application will be sent to the student. Need based aid will also be figured for all ethnic students at the 75% formula described earlier in "Figuring Need Based Aid."
- J. International Student Scholarships – 25% of tuition. The award is based upon the student's ability to contribute to cultural diversity.
- K. Music, Art, and Athletic Scholarships – The awards are based upon exceptional ability and the opportunity to make significant contributions to the respective programs. For music and athletic awards, students are advised to fill out the optional form in the University's application. Submission of a portfolio is required for the art scholarship and an audition is required for the music award.
- L. Twenty First Century Scholars – Students who have qualified for the 21<sup>st</sup> Century Scholarship will also be given a 10% of tuition award in addition to their 21<sup>st</sup> Century award.
- M. Lilly Scholars – All on-campus room and board charges will be guaranteed, through institutional or private scholarship funding.
- N. Indiana Incentive Grant – Students who receive the Indiana Higher Education Awards (HEA) and Indiana Freedom of Choice Awards will receive a 10% of tuition award from Taylor.

## The Cost to Attend Taylor

### A. The Cost to Attend Taylor

	Fall 2006	January	Spring 2007	Total
Tuition	\$10,900.00	\$0.00	\$10,900.00	\$21,800.00
Room	\$1,434.00	\$0.00	\$1,434.00	\$2,868.00
Board	\$1,320.00	\$359.00	\$1,320.00	\$2,999.00
Health Services	\$70.00	\$20.00	\$70.00	\$160.00
Fees	\$34.00	\$0.00	\$34.00	\$68.00
<b>Total</b>	<b>\$13,758.00</b>	<b>\$379.00</b>	<b>\$13,758.00</b>	<b>\$27,895.00</b>

**Note:** An initial hard copy of the bill will be sent to the home address of the student for the first semester of attendance. The monthly billing statement is emailed on or before the 1<sup>st</sup> day of the month to the student's Taylor email address. It is the student's responsibility to provide this information to their parents. The dates for payment are August 20 for the fall semester and January 20 for the spring semester. Taylor has a payment plan through Tuition Management Systems, which offers interest free payments. The parents fill out a form specifying how many payments they desire and how much they owe the University, include a processing fee of \$65, and sign a one year contract. Many parents use TMS as their payment option for each year of college. Information about Tuition Management Systems can be found at [www.afford.com](http://www.afford.com).

## The Award Letter

The Financial Aid Office has a goal to finish packaging all first time students by April 15. Students are able to access their aid package at <http://myfa.taylor.edu>. The student will then be prompted for their Student ID number which will be supplied to them by the Office of Admissions and then asked for the first eight digits of their social security number as a pin. Once accessed the student will be able to see if all documents have been received and what has been awarded to them. The following may be available on the Award letter:

### A. Campus Job

1. Federal Work Study program – Eligibility is determined from the FAFSA as the program is need based. You will be eligible to work about 10 hours per week, be paid a minimum of \$5.75 per hour, and receive a paycheck every two weeks for the hours you have worked.
2. Taylor Employment – The program will not be on the award letter but is open to any student.

Note: The good campus jobs are taken very quickly as word of mouth is used to tell fellow students what jobs are considered “good” (spelled EASY!). As soon as you get to Taylor in the fall, check for the jobs and apply the first day or two. The online site to check is <http://www.taylor.edu/community/studentlife/careerdev/jobs.shtml>. My personal opinion is that the best job you can have in college is giving tours as you get to meet a lot of neat prospective students and their parents while developing poise and confidence in meeting total strangers. It will pay dividends when you apply for a job after college.

### B. Loans – There are two types of loans that frequently are on Award Letters. While you do not have to take out a loan, if it is mentioned on the Award Letter, it means that you are eligible for an amount up to the figure given.

1. Plus Loans – Frequently called parent loans, the yearly limit on the loan is the cost of attendance minus all other financial aid; many times it will be a figure similar to the Expected Family Contribution. The payment of the loan begins within sixty days after the money is fully disbursed, which is usually into the second semester. Interest rates are fixed at 8.25%.
2. Student Loans – There are two types of loans, Perkins and Stafford.
  - A. Perkins – The interest rate is 5%, repayment begins 9 months after the student leaves college, and you have up to 10 years for repayment. Freshmen may borrow up to \$1500, while amounts vary for upperclassmen.
  - B. Stafford – Interest rates are set at a fixed rate of 6.8%. If the loan is a subsidized loan, the government will pay for the interest while you are in college. Repayment begins 6 months after you leave school and you have up to 10 years to pay the loan off. The maximum one can borrow is \$3,500 the freshman year, \$4,500 the sophomore year, and \$5,500 for the 3<sup>rd</sup> and 4<sup>th</sup> years with a maximum of \$23,000.

**Note:** Whether to take a loan out or not is always a very hard decision for parents. I like to think of loans as investments; hopefully all parents have made investments through the years. Sometimes investments are great (orthopedic stocks!) and sometimes they are poor; investing in the education of our children in a Christian education is an outstanding investment. Studies continue to show that students who go to a Christian college continue in their walk with Christ (98%) while 52% of Christian students who go to a non-Christian college lose their faith. The first year is always the crucial year in relation to their faith; with the above figures, loans for our kids to attend a Christian college are some of the best investments we will ever make! A helpful tool to use in figuring out payments for loans can be found at [www.finaid.org](http://www.finaid.org). Click on calculators and then you will be able to find a very helpful loan calculator. Another helpful link is [www.salliemae.com](http://www.salliemae.com).

- C. Other grants and scholarships – In the Award Letter may be other types of grants such as Taylor General Grants, endowed scholarships, and church matching funds. Any student applying for financial aid is automatically considered for these awards based upon information from the application for admission. Church matching grants allow Taylor to match 100% of a church’s contribution up to a maximum match of \$1000 per school year. An application will be sent to accepted students and needs to be received by the University by March 10. Over 200 churches participate with the University in this program annually. The application for the Church Matching Grant can be downloaded at <http://www.taylor.edu/admissions/finaid/forms>. The deadline for the application to be returned to Taylor is March 10 and payment from the church must be received by June 1.

## Outside Aid

- A. Outside Aid – Students are encouraged to search out other sources of aid to help defray the expense of college. Two major sources of aid are Internet services and local scholarships.
1. Internet Services – There are several good sources of information about scholarships on the Internet. Two of the best sources are [www.fastweb.com](http://www.fastweb.com) and [www.collegeboard.org/pay](http://www.collegeboard.org/pay). When you register with the site, they will send you information about scholarships. If you find a scholarship that has requirements that you would be able to meet, make sure you apply for it.
  2. Local Scholarships – Early in the senior year, you should speak with your guidance counselor about local scholarships such as Optimist, Lions, Elk, Kiwanis, etc clubs and local foundations that may offer scholarships to students from either the area or the particular high school. If you are from Indiana, make sure you find out about the Lilly Scholarships in your community. In many cases you do not have to be a graduate of the local high school, but do have to live in the town or county of the group offering the scholarship. If you are home schooled or from a private school, information may be obtained in the public library and at the local high school.

**Note:** When you apply for a local scholarship, you will have to fill out an application, which may also include an essay and a letter of recommendation. Always proof read the essay as spell and grammar checkers may not detect the difference in words such as “there” and “their.” The committee reading your essay will always catch your errors, which may disqualify you for the award. While the temptation will be to write the essay trying to please the readers, it is always better to write from your heart.

Most of the time, you will ask a respected person who knows you well to write the recommendation letter. Even if the person really likes you, they may not know a lot of significant statements to write about you. Create a resume highlighting activities you have been involved with in high school and church, any awards, volunteering, leadership positions, employment, etc. Give the resume to the person writing the letter of recommendation; it will enable the person to write a much better letter.

## A Warning about Scholarship Scams

A Warning about Scholarships Scams – In recent years, a number of scholarship scams have appeared; last year over 26 million dollars were scammed from people in relationship to scholarships. Scams take the form of scholarship searches, scholarship competitions, and financial aid seminars. Some warning signs of a possible scam are: charging money for a scholarship search or help, asking for credit card or bank information, “official” sounding names (US Scholarship Foundation, Federal Scholarship Corporation, etc), undue pressure to apply, guarantee of winning, etc. Never send money for any help with scholarships or go to a financial aid seminar unless a college, high school, or bank sponsors it. If you get a letter inviting you to a “scholarship competition” at a very good hotel, show it to your guidance counselor or call me about it, as it is probably a sophisticated scam. A general rule to remember is not to have anyone help you with financial aid forms or information unless they are from a college or your guidance counselor!

## A Final Word of Encouragement to Parents

As you consider the cost of your student attending college, always remember that our Lord wants to walk with you through the process. In the Old Testament the children of Israel were miraculously delivered from the hand of Pharaoh and the Egyptians only to face the difficulty of crossing the Red Sea with Pharaoh and his army seeking to capture them. In the midst of their despair, Moses cried out to God and He graciously opened the Red Sea for His people to cross over to safety. Many of you will no doubt feel that you are at the Red Sea as you ponder how to pay for your student’s education. The exciting news is that the God of the Hebrews of Exodus 14 is also the God of His people today. I encourage you and your student to read Psalm 139 and consider how God knows our thoughts and the words of both our hearts and our mouths. As you ponder this passage, realize that God knows and stands willing and ready to help us. As students see their parents resolute in their faith that God will provide, they will be taught a valuable lesson about their God. They will come to see in a new way that God can be trusted with all avenues of their life from the decision of what college to attend to how to pay for their education. As you go through this journey of faith, I encourage you to contact me and share how God is at work in your family. Please be assured of my prayers for you. Please feel free to contact me about any area as you and your student embark on this new journey in their lives. I can be reached at [kntaylor@taylor.edu](mailto:kntaylor@taylor.edu) or by phone at (800) 882-3456.