6

Free Money

→]

Keep building your Command Center as you go.

“

Through research for this project, I saw that there are many different scholarships from around the U.S. that I can apply for, which may award anything from $100 to a full ride to the college I go to.

JOEL L.

THINK FIRST

What do you think students pay on average for in-state tuition and fees at a 4-year Public University?

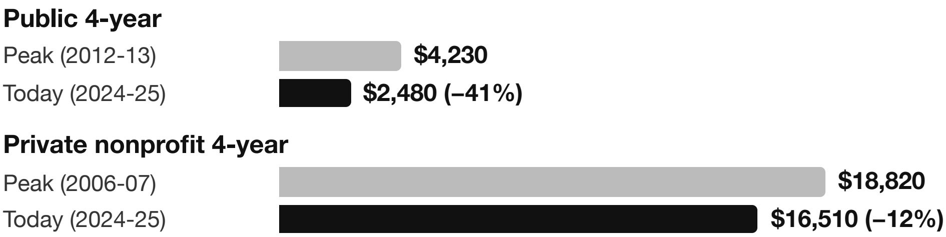
What do you think students pay on average for tuition and fees at a 4-year Private University?

Who (people, governments, companies, institutions?) will help you pay for college?

You’ve probably heard that the total costs of college (tuition, fees, room, and board) have grown sharply over the past decade.

Here is what fewer people hear: financial aid grew even faster. Measure what students actually pay in tuition after grant aid (the net tuition), and the trend points down:

NET TUITION PER YEAR, AFTER GRANT AID (2024 DOLLARS)



FACT: There's more financial aid available today compared to the past.

No matter who you are, it's possible to afford 4-year and 2-year colleges. To make it happen, you just might need financial aid. In the world of financial aid, these are the main options:

- **Student Loans:** Money you borrow and pay back later. Student loans can be good or bad, depending on the costs and benefits involved. We'll discuss loans in more detail in Student Loans 101.
- **Grants and Scholarships:** Money you don't have to pay back. This "free money" is the best type of aid, and it's our focus for this chapter. You can get this type of financial aid because of who you are, what you've done, and where you come from.

To receive financial aid, you'll need to complete some of the applications we cover in the FAFSA and Dream Act chapters. For now, let's get a better understanding of the two major aid categories: need-based aid and merit-based aid.

Draw the four rivers of free money flowing toward one student: federal, state, university, private. Label what you know so far; come back and add to it as the chapter fills in the picture.

NEED-BASED AID

Free money is not luck. It is being proactive and completing paperwork.

Need-based aid includes grants, work-study, and loans. You apply by submitting the FAFSA and possibly the CSS Profile. These applications inform colleges and the state and federal governments how much your family can afford to pay for college. If you're undocumented, you can still qualify for need-based aid from the state of CA and your university by filling out the CA Dream Act Application.

Shortly after you get accepted to each college, you'll receive a financial aid "award letter" that lists all offers of need-based aid. After receiving your award letter, you can accept the aid you want and decline the aid you don't want. Obviously, you should always accept the grants offered: they are free money!

Here are some details about the most popular need-based forms of aid (not including loans) available.

RIVER 1: THE FEDERAL GOVERNMENT

Federal Grants: The most popular grant from the U.S. government is called the Pell Grant. The maximum Pell Grant amount each student can get for the 2026-27 school year is $7,395. Other federal grants include the FSEOG (Federal Supplemental Educational Opportunity Grant), TEACH, and Service Grants.

Federal Work-Study: Many colleges also offer a type of federal need-based aid called work-study. Work-study provides students with advantages in landing part-time jobs on or near campus. If you qualify for work-study, you can search for jobs once you arrive on campus. These jobs are usually easy to apply for and have flexible hours based on your class schedule.

Quick story: I was offered work-study at USC and found a job in our school newspaper, the Daily Trojan. I didn't need any prior work experience to apply, and the job was located on campus, a few buildings away from most of my classes. It was a great way to work while going to school. And unlike other types of financial aid, this money was given to me in the form of a paycheck. I could spend it on books, tuition, gas for my car, or a midnight Del Taco run. The decision was mine.

Would you take work-study if it was offered to you? Explain.

RIVER 2: THE STATE (CAL GRANTS)

Another source of free money: state governments! Cal Grants can total up to:

- $6,838 at CSUs,
- $15,588 at UCs, and
- $9,358 at Private Nonprofit Schools.

One great thing about the Cal Grant is that the application is easy! No essays or tests are involved. Here is what you need to do:

- File the FAFSA or CA Dream Act Application. (You should already be doing this anyway…) These forms prove that you need the money.
- Next, submit a GPA Verification Form with the help of your high school. Check in with your high school counselor to make sure you get this done on time. (Public high schools and public charter schools must submit this information during your senior year, but double-check with your counselor to make sure yours is sent.)
- Create a "WEBGRANTS 4 STUDENTS" Account online. See the Cal Grant Website for more information.

SCAN ▸ Cal Grant details, deadlines, and your WebGrants 4 Students account.
csac.ca.gov

Here's a quote from Diana Fuentes-Michel, retired Executive Director of the California Student Aid Commission.

“

As the oldest sibling in a Latino family, a Cal Grant made it easier for me to talk with my family about the possibility of going to college. The Cal Grant Program made college a reality for me and my siblings… For myself, I really attribute my ability to go to graduate school and become a leader in higher education policy to the Cal Grant Program. There is no way I'd be here without it.

DIANA FUENTES-MICHEL

RIVER 3: YOUR UNIVERSITY

University Grants: Out of the $145 billion in grant aid given to undergraduate students in 2022-23, more came from universities than from any other source, making them the largest single source of free money for college!

Some universities even have financial aid programs known as no-loan aid. No-loan aid means students get a financial aid package that will cover all college costs if their family falls into a specific income range.

Yes, this means **FREE COLLEGE!**

One honest note: even with no-loan aid, families still cover some costs along the way. The total money needed for college depends not just on tuition, housing, and food but also on your lifestyle and willingness to hold a part-time job. Think of it like getting a free ticket, drink, and pretzel at a basketball game: you may still buy your own dessert.

These no-loan aid programs offer incredibly generous discounts. They provide access to college for students who otherwise wouldn't be able to afford it. If you get accepted to a school with a no-loan policy and your family makes less than a certain amount (usually somewhere between $40,000 and $150,000 annually), some good aid awaits. Your final cost of college will be much more affordable than you think.

How can universities afford to give away so much money? Donations. Every year, many receive massive gifts from people who want to support education, which gives their budgets room to offer students large amounts of financial aid.

Universities with true no-loan aid policies include very competitive private schools like Harvard, Princeton, Brown, Caltech, Columbia, Dartmouth, Duke, and Stanford. Other excellent schools offer a close cousin: tuition-free guarantees for families under an income cap, like the UC Blue and Gold Opportunity Plan, Texas A&M's Aggie Assurance, and the University of Michigan's Go Blue Guarantee. One difference to watch: a tuition guarantee covers tuition and fees, but your aid package may still include loans for housing and food. Read what each promise covers.

Just a heads up, though, some schools restrict no-loan aid to in-state students. Be sure to check their policies before applying.

Google "no loan aid" to learn more. List any no-loan universities that you might consider.

WHAT DO STUDENTS WHO RECEIVE NEED-BASED AID ACTUALLY PAY?

The price students actually pay for college after taking into account the financial aid they receive is known as the **net price**.

To show the math, here is what a student in a family of five with parents earning $100,000 per year might pay for a private 4-year university in Southern California (Claremont McKenna).

CLAREMONT MCKENNA, ONE YEAR

Gross price ("Total")	$88,804
Grant (money never repaid)	– $74,600
Net price	**$14,204**

They can still reduce this by buying used books and being frugal with their "personal expenses." (To put this in perspective, I typed the same student details in for Sac State and got a net price of over $20,000 per year…)

What do you think about the difference between the gross price and net price?

How can students pay the remaining $14,000 if they don't get financial help from their parents?

One option is working about 15 hours per week...

Now it's time to research the universities you're considering by looking at the average net prices students pay. Later you'll get an even more accurate estimate of your **personal net price** by finding a college's net price calculator and filling out a few financial details.

SCAN ▸ The real average cost of your focus schools, by family income. Bookmark it: we revisit it throughout this workbook.

collegescorecard.ed.gov

For now, we'll use the College Scorecard to find the average annual cost (i.e., net price) of your focus schools. Remember, these averages include housing and food, and were from students who received some federal financial aid. Many students will still pay the full (gross) price, while many others will pay less (maybe $0) for the same education at the same university.

Use the Focus Schools you found in the A Good Fit chapter to complete the table that follows.

MY FOCUS SCHOOLS	AVERAGE ANNUAL COST

What is surprising about the average annual costs at your focus schools?

With more financial aid, we've seen an increase in students from low-income backgrounds attending colleges once considered much too expensive. But, many students still don't know about all the financial aid opportunities available to them. Here's some important college application advice I mentioned earlier:

Wait until AFTER you've received financial aid award letters to decide if a college is too expensive.

Highlight that. Share it with your neighbor. If you really want to attend a particular college, apply! Go for it. And if someone tells you that you won't be able to afford it, ask yourself:

Is that person a financial aid officer at the university you're applying to?

- If so, do they have your financial aid application in hand?
- If not, **they don't have all the information necessary to tell you what you can and cannot afford.**

You are unique, and financial aid is different from student to student. It's very common for students to pay different prices for the same college. If your financial aid award letter still isn't enough, see the appeal options in The FAFSA and CSS Profile chapter and the Reading Your Award Letter chapter.

> **MEET THE EXPENSIVE PRIVATE SCHOOL**
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> Stanford is one of those "exclusive private universities" with a gross price of over $95,000 a year. That might seem extremely expensive, but here's what actually happens on campus:
>
> - The average scholarship for the current Stanford freshman class is over $70,000.
> - If a student's family earns under $150,000 a year (with typical assets), Stanford charges no tuition at all, and families earning under $100,000 pay nothing for tuition, housing, or food! You will spend more on housing and food if you're living on your own and not going to college.
>
> 
>
> Stanford has extremely selective admissions, making it a challenge to get in. However, its financial aid policy shows how some "expensive" private schools become cheaper than state schools when financial aid is considered.

SHOW YOUR FAMILY THIS PAGE

Who at home needs to see this page? Name them.

Cost fear usually lives at home. Hand this page to the people who help you decide.

To the family of this student: Paying for college works differently than it did even ten years ago. Three updates worth two minutes:

1. **The sticker price is not the price.** Students received $145 billion in grant aid in a single recent year, more of it from colleges themselves than from any other source. Many families pay a fraction of the published number. Some pay nothing.
2. **The most selective schools are often the least expensive.** Stanford charges no tuition to most families earning under $150,000. Princeton charges no tuition to most families earning under $250,000. In California, the UC Blue and Gold plan covers all tuition and fees for most families earning under $100,000.

3. **Ten minutes gives you your own number.** Every college website has a free net price calculator. It asks about income and family size, then estimates what your family would actually pay. Sit down together and run one tonight for a school your student has mentioned.

What your student needs from you is simple: honest financial information once, for the calculators and later the FAFSA, and support for applying broadly. The strongest move a family can make is to wait for the real numbers before crossing any school off the list.

Free Money, Part 2

THINK FIRST

What makes you unique? Do you (or your family) belong to a group that may provide scholarships? Have you done anything unique in your school or local community?

On a scale of 1–10, how much work are you willing to do when applying for scholarships? (e.g., write a 2,000-word essay? Make a prom dress out of Duck Tape®?)

RIVER 4: PRIVATE SCHOLARSHIPS (MERIT-BASED AID)

In addition to the billions of dollars in need-based aid given to students each year, billions more are given away in the form of merit-based aid, usually known as scholarships. Scholarships are just as excellent as grants because the money never needs to be repaid.

Here's the catch: you don't typically receive scholarships without some work on your part. Be prepared to write an essay and get letters of recommendation from teachers, counselors, and mentors in your life. Don't give up too quickly: you probably have a better chance of getting the scholarship if there is a lot of work to do. More work (such as writing a 2,000-word essay and getting three letters of recommendation) will filter out thousands of people who don't want to do the work.

Essays and letters of recommendation also allow you to fully explain your story and show why you are an excellent candidate for the scholarship money. There are scholarships with a career focus, like the NURSE Corps Scholarship Program, which pays for all of your education. Some scholarships provide students with academic, personal, and financial support throughout college, like The Posse Foundation and The Jackie Robinson Foundation.

Of course, these scholarships aren't the only ones in town. There are thousands of scholarships out there. Think of it this way: there's probably a scholarship for every interest you have. Do you play sports? Scholarship. Are you involved in the arts? Scholarship. Did you make your prom outfit out of Duck Tape®? Scholarship. (Seriously, visit stuckatprom.com). You get the idea.

Anything, from your extracurricular activities to your religion and your ethnicity, can be potential scholarship opportunities. It's time to find the money available to you because of the awesome person you are!

Local sometimes beats national: fewer applicants, better odds.

List 3–5 scholarships you may qualify for, and describe why you would be a good candidate. For help, check out BigFuture's scholarship search below.

SCAN ▸ BigFuture's scholarship search: filter by your background, interests, and major.
bigfuture.collegeboard.org

It's often wise to start local (within your school), then look within your school district, then your city, county, state, and national. Be sure to ask your high school counselor for the names of local scholarships that students from your high school have received in past years.

SCHOLARSHIP NAME	DESCRIPTION AND $ AMOUNT	APPLICATION DEADLINE

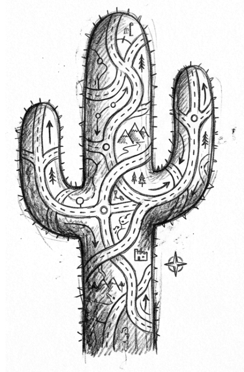
SHARE Share one scholarship you truly plan to apply for. What would make you a strong recipient?

⚠ HEADS UP!

BEWARE SCAMS! You should NEVER have to pay money (even as low as $1.00) to access or apply for a scholarship. Never put credit card information down, provide your FAFSA info (anywhere other than the studentaid.gov website), or commit to anything that claims it will "do all the work for you."

MORE WAYS TO MAKE COLLEGE AFFORDABLE

MEET SAM AND WEST COAST REDUCED TUITION



Sam is a student from San Diego who dreams of attending the University of Arizona. Tuition for Arizona residents is $13,900. Unfortunately, Sam is not from Arizona. He assumes he'll need to pay non-resident tuition, around $42,300.

Instead of giving up on his dream, Sam is determined to get his price reduced. Using the world's best library (Google), Sam soon finds a program called the Western Undergraduate Exchange (WUE). Since Sam lives in the Western U.S. and the U of A participates in WUE, he can get the massive discount that comes with WUE: 150% of the resident tuition rate.

Sam did the math and found that his tuition at U of A would decrease to $20,850 with WUE! His new cost is less than half of what he originally thought he would have to pay. Sam is fired up!

Knowing about this program is not enough to get Sam the reduced tuition. He still needs to check the 'WUE' box on U of A's online application. If there isn't one, he'll need to reach out to the Admissions Office and ask them how he can apply for it. Some colleges give WUE reduced tuition on a first-come, first-served basis, so Sam better get his application in early!

QuestBridge. An organization that connects low-income students with about 55 of the nation's best universities, QuestBridge allows students to match college admission with significant scholarships that cover 100% of their financial need. Here is a quote from QuestBridge's mission statement: "QuestBridge connects high-achieving students from low-income backgrounds with a thriving community and transformative educational, career, and life opportunities that help propel them to lives of fulfillment, meaning, and purpose."

Starbucks: A Job that Pays! Here's one more awesome way to get free tuition: In 2014, Starbucks introduced the Starbucks College Achievement Plan. If Starbucks hires you and you work an average of 20 hours a week, you become immediately eligible to receive free tuition at Arizona State University. The degree you'll earn is the real deal: it's the same diploma as those who attend courses in person, and you can attend the graduation ceremony with all the other

ASU seniors when you finish. Didn't get hired at the Starbucks down the street? Just go another few miles down the road and apply again!

The Military. Over 1,000 colleges have Reserve Officers' Training Corps (ROTC) programs offered by the U.S. Army, Navy, and Air Force. ROTC is an excellent option for students to get some (or all) of college paid for while committing to military service after graduating. If this is an opportunity that interests you, visit todaysmilitary.com.

Live On The Cheap. Room, board, and other living expenses could quickly add up to over $10,000 annually. If you'd like to lower these costs, the first option is to eat cheap (think mac and cheese) and choose the lowest-cost dorm, or maybe consider living at home. During my sophomore year at USC, my roommate and I shared a room the size of a utility closet, and it worked out just fine. You can also buy used books and choose cheap transportation options to help lower your living expenses.

If you're looking to save even more, see if your college has a co-op program where you can work to pay off your tuition. Co-ops typically look different from work-study because you might alternate between school and work for 6-month cycles. Your college might also have a nearby co-op housing program. This is where affordable housing is offered to co-op members, who share resources and responsibilities associated with the housing complex.

Or, if you want to stay on campus, you can also apply to become a Resident Advisor. As an "RA," you get free or reduced housing based on your work, maintenance, and supervision of students in a residence hall.

The American Opportunity Tax Credit. You can get a tax credit (tax money put back in your pocket) of up to $2,500 based on college expenses. As a college student, you'll typically receive a tax form (1098-T) by mail from your school each January. This form will help you figure out your tax credit. When filing your taxes for the previous year, you'll need to complete Form 8863 and file it with your Form 1040. Sound complicated? Is the work worth a few thousand dollars in your pocket? When it comes time to file taxes, follow the instructions at the IRS page below.

SCAN ▸ The tax credit worth up to $2,500 of your college costs.
irs.gov/newsroom/tax-benefits-for-education-information-center

CHAPTER RECAP

- Many colleges are more affordable than you think.
- By filling out the FAFSA, you may get all or some of the following: federal, state, and university grants (money you don't have to repay); work-study (a flexible job on or near campus); student loans from the federal government (see Student Loans 101 for more on loans).
- More than 100 universities around the country have no-loan or tuition-free aid programs, which cover some or all college costs for students who demonstrate a need for such financial support.
- Ideally, you want to apply for financial aid from all directions: the federal government, state government, your university, and any other private foundation.
- NEVER pay for a scholarship. Don't put credit card information down, provide your FAFSA info, or commit to anything that claims it will "do all the work for you."
- The military and corporations like Starbucks also offer significant financial support for college in exchange for your work.

PAUSE AND REFLECT

Which source of free money surprised you most, and what is your first step toward it?

→] **ADD TO YOUR RUNNING LIST** Fill in what you've learned so far next to each college on your list, and add any no-loan or tuition-free schools worth a look.

This page is yours: write any thoughts, new or old, or doodle your heart out. Your teacher might also have a plan for this page.