
Free Money

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.

No matter who you are, it's possible to afford both 4-year colleges and 2-year colleges. To make it happen, you need money. If you (or your family) cannot pay for your college, you can receive financial aid to help. In the world of financial aid, there's the following:

Money you can borrow and pay back later (i.e., student loans).

Student loans can be good or bad; it depends on the costs and benefits involved. We'll talk more about loans in Chapter 6.

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. Specifically, you need to either:

1. Show that you *need* financial aid to help pay for college, or
2. Show you're a unique, amazing person (*merit-based*)

Demonstrating need or merit is done by spending time completing the applications we cover in Chapter 7 and 8. For now, let's get a better understanding of need-based aid and merit-based aid.

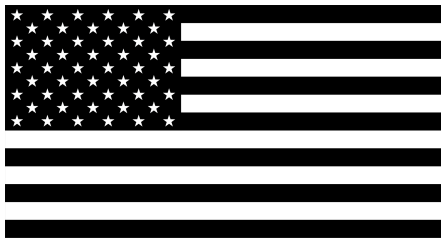
NEED-BASED AID

Need-based aid includes *grants*, *work-study*, and *loans*. You apply by submitting the FAFSA and possibly the CSS Profile.¹ Both applications inform colleges and the state and federal governments how much money your family can afford to spend on 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.²

Shortly after you get accepted to each college, you'll receive a financial aid "award letter" that lists all offers of need-based aid.³ After receiving your award letter, you can accept the aid you want, and decline the aid you don't want. Because they don't need to be repaid, you should always accept the grants offered to you.

Now, let's cover the different types of need-based aid.

1.



1. Chapter 7 covers the FAFSA and CSS Profile in depth.
2. Chapter 8 covers the Dream Act in depth.
3. To see an example of an award letter, go here: <https://secure-media.collegeboard.org/CollegePlanning/media/pdf/sample-financial-aid-award-letters.pdf>.

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 2017-2018 school year is \$5,920⁴ (slightly up from last year's \$5,815). Other federal grants include the FESOG, TEACH, and Service Grants.⁵

Federal Work-Study: Many colleges also provide students with a type of federal need-based aid called work-study.⁶ 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, with hours that are flexible 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 get 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 or tuition, or gas for my car or a milkshake for my friend. The decision was mine.

2.



State Grants: Another source of free money: state governments!

4. <https://studentaid.ed.gov/sa/types/grants-scholarships/pell>

5. <https://studentaid.ed.gov/sa/types/grants-scholarships>

6. <https://studentaid.ed.gov/sa/types/work-study>

State grant aid ranged from less than \$200 per student in 10 states to more than \$1,000 per student in 14 states.⁷ If you're planning on going to college in your home state, see your high school counselor or use Google to find a state-run website with information on how to apply for a state grant.

California, for example, has a popular grant called the *Cal Grant*. If you've been living in CA, depending on where you attend college, you could qualify for up to \$12,240 per year! You can use Cal Grants at California Community Colleges, UCs, CSUs, eligible private universities, and eligible career/technical schools.⁸ One great thing about the Cal Grant is that the application is easy! The FAFSA will prove your need for the Cal Grant, then you just need to make sure your high school sends in your "certified GPA" with the California Student Aid Commission by March 2nd. (Public high schools and public charter schools are required to submit this information during your senior year but double-check with your counselor to make sure yours gets sent.) If you can't fill out the FAFSA because you're not a U.S. citizen, you can complete the CA Dream Act Application to qualify for Cal Grants.

Overall, Cal Grants are one more excellent way to pay for college. Check out this quote from the head of the California Student Aid Commission for insight into their importance:

When I look at the Cal Grant Program, I look at its ability to change lives the way it did mine. 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.

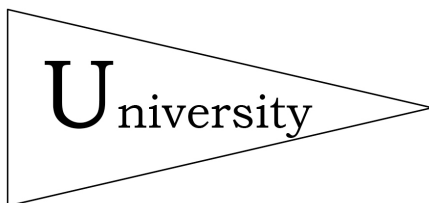
I advise young people that they need to pursue their education goals to get good paying jobs and change their lives...and even their families' lives...for the better. For myself, I really attribute my ability to go

7. <https://trends.collegeboard.org/student-aid/figures-tables/state-grant-aid-undergraduate-student-2015-16>

8. To see a list of eligible Cal Grant schools, visit https://webutil.csac.ca.gov/Cal-Grant_Inst/CalGrantInstSearch.aspx

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, Executive Director of the California Student Aid Commission*

3.



University Grants: Your university could give you the greatest grants of all! Universities (with their institutional grants) gave away the most money in 2016-2017, a total of \$58.7 billion!⁹ Some universities even have financial aid plans known as *no-loan aid*. No-loan aid programs give students a financial aid package that will cover all college costs if their family falls into a specific income range. Yes, this means:



9. <https://trends.collegeboard.org/student-aid/figures-tables/total-grant-aid-type-over-time>

Some hecklers complain that students still have to take out loans even though they qualified for a no-loan aid program. But this is like getting a free ticket, drink, and a pretzel for a basketball game, and then complaining that you have to buy your own dessert. After all, the total amount of money needed for college depends not just on tuition, room, and board, but also your lifestyle and the willingness to hold a part-time job.

Haters aside, no-loan aid programs offer incredibly generous discounts. They provide access to college for students who otherwise wouldn't be able to afford it. In addition to providing more equitable access to education, these programs benefit universities and all of their students by increasing diversity in the classroom. So, 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 \$100,000 annually — get excited, your final cost of college will be much more affordable than you think.

You might be asking yourself, “How can all these universities afford to give away so much money?” Every year, many of these universities receive massive donations from community leaders who want to support education. Not all donations go to help pay for undergraduate education, but they do allow universities more room in their budgets to give students huge amounts of financial aid.

Recently

- John Paulson, a hedge fund manager, donated \$400 million to Harvard.
- Nike founder Phil Knight gave \$500 million to Oregon Health and Science University.
- Music moguls Dr. Dre and Jimmy Iovine (who sold Beats headphones to Apple) donated \$70 million for a new major at USC.

Universities with no-loan aid policies include very competitive private schools like Harvard, Princeton, Brown, Caltech, Columbia, Dartmouth, Duke, and Stanford. Other excellent schools that offer similar programs include the UCs, the University of Florida, the University of Arizona, Boston University, Texas A&M, and the University of Michigan, to name a few. Just a heads up, though: some of these places restrict no-loan aid to in-state students only. Be sure to check their policies before applying.¹⁰

MERIT-BASED AID

Billions of dollars are also given away each year in the form of merit-based aid, usually known as scholarships. Scholarships are just as excellent as grants because you don't have to repay this money either.

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 the people who don't *really* want the scholarship. 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.¹¹ Some scholarships provide students with academic, personal, and financial support throughout college, like The Posse Foundation¹² and The Jackie Robinson Foundation.¹³

10. There's a link to a list of no-loan aid schools at the end of this chapter.

11. <http://www.hrsa.gov/loanscholarships/scholarships/Nursing/>

12. <https://www.possefoundation.org/>

13. <https://www.jackierobinson.org/>

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 race can all be potential scholarship opportunities. So do the Game Time activity in this chapter, get online, complete some scholarship applications, and start receiving some of the free money available to you because of the awesome person you are!

FINANCIAL AID: THE CANNIBAL

It's best to understand how your college treats scholarships when calculating your financial aid package. Sometimes, an outside scholarship can reduce your need-based aid. For example, College XYZ determines you qualify for a \$20,000 need-based grant, but they see that you've received a \$5,000 scholarship from a local foundation. They may decide you no longer "need" the \$20,000 they allocated to you, and reduce your grant to \$15,000. It goes without saying, but this is not ideal for you. Many colleges deal with this situation differently, so be sure to call their financial aid office to learn more about how they treat outside scholarships.¹⁴

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, or commit to anything that claims it will "do all the work for you." To learn more about some additional signs of scholarship scams, visit this link: <http://www.finaid.org/scholarships/warning.phtml>

14. <https://www.fastweb.com/college-scholarships/articles/beware-scholarships-can-reduce-your-need-based-financial-aid>

OTHER WAYS TO MAKE COLLEGE AFFORDABLE

Vanessa and West Coast Reduced Tuition



Vanessa is a student from San Diego who dreams of attending the University of Arizona. Tuition for Arizona residents is \$11,400. Unfortunately, Vanessa is not from Arizona, so she is expected to pay non-resident rates, around \$32,600. Instead of giving up on her dream, Vanessa is determined to get her price reduced.

Using the world's best library (Google), Vanessa soon finds a program called the [Western Undergraduate Exchange](#) (WUE).¹⁵ Since Vanessa lives in the Western U.S., she's eligible for a significant discount: she only has to pay 150% of the resident tuition rate if she attends a participating college.

Vanessa did the math and found that her tuition at U of A would decrease to \$17,100 with WUE!¹⁶ Her new cost is almost half of what she thought she would have to pay to attend her dream school. Vanessa is fired up!

However, only knowing of this program won't get Vanessa the reduced tuition. She still needs to check the 'WUE' box on U of A's online application. If there isn't one, she'll need to reach out to the Admissions Office and ask them how she can apply for it. Some colleges give WUE reduced tuition on a first-come, first-served basis, so Vanessa better get her application in early!

QuestBridge

An organization that connects low-income students with 37 of the nation's best universities, [QuestBridge](#)¹⁷ allows students to match col-

15. <http://www.wiche.edu/wue/students>

16. $\$11,400(1.5) = \$17,100$

17. <http://www.questbridge.org/ncm>

lege admission with significant scholarships that cover 100% of their need. Here is a quote from QuestBridge's mission statement:

QuestBridge provides a single, internet-based meeting point which links exceptional students with colleges, scholarship providers, enrichment programs, employers, and organizations seeking students who have excelled despite obstacles. By facilitating these exchanges, QuestBridge aims to increase the percentage of talented low-income students attending the nation's best universities and the ranks of national leadership itself.

Starbucks: A Job that Pays!

Here's one more awesome way to get free tuition: In 2015, Starbucks introduced the [Starbucks College Achievement Plan](#).¹⁸ 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. BOOOOM! And, 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.

The Military

Over 1000 colleges have Reserve Officer 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: <http://todaysmilitary.com/training/rotc>

Live On The Cheap

Room, board, and other living expenses could quickly add up to

18. <http://www.starbucks.com/careers/college-plan>

over \$10,000 per year. 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 that was the size of a 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-op structures are typically different than work-study because you might alternate between school and work for 6-month cycles.

Your college might also have a nearby a co-op housing program. These co-ops offer affordable housing to its members, all of whom 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 attach it to your Form 1040 or Form 1040A. Sound complicated? It's not too bad...especially for a few thousand dollars in your pocket. When it comes time to file taxes, follow the instructions and links included here: <https://www.irs.gov/credits-deductions/individuals/aotc>

CHAPTER RECAP

1. Every student might not be able to afford every college, but every student can find colleges they can afford.

2. 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 Chapter 6 for more on loans)

3. More than 100 universities around the country have no-loan aid programs, covering college costs for students who demonstrate they need such financial support.

4. Ideally, you want to apply for financial aid from all directions — the federal government, state government, your university, and any other private foundation.

5. 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."

6. The military and Starbucks also offer significant financial support for college in exchange for your work.

ESSENTIAL QUESTIONS

1. What are some of your most significant accomplishments in life?
2. What challenges have you had to overcome?
3. What qualities make you unique as a person?

DO NOW

4.a. Do you qualify for any federal grants? Fill out the table below based on what you find here: <https://studentaid.ed.gov/sa/types/grants-scholarships>

The College Project

Grant Name	Description and \$ Amount	Application Deadline

4.b. Do you qualify for any state grants? Fill out the table below based on what you find here (for CA students): <http://www.csac.ca.gov/doc.asp?id=905>

Grant Name	Description and \$ Amount	Application Deadline

4.c. Learn more about no-loan aid and the universities that offer them. List any no-loan universities that you might consider. <http://www.finaid.org/questions/noloansforlowincome.phtml>

No-loan Universities I Might Consider

4.d. List 3 – 5 scholarships you may qualify for, and describe why you would be a good candidate for them.

TYLER HENSLEY

Scholarship Name	Description and \$ Amount	Application Deadline

For help: Check out what scholarships are available to you using any of these links: College Board (bigfuture.collegeboard.org/scholarship-search), College Greenlight (collegegreenlight.com), Fastweb (fastweb.com). Also, be sure to ask your high school counselor for names of local scholarships that students from your high school have received in past years.