
FAFSA and the CSS Profile

We have focused so much on how to get into college, but everyone seems to overlook how important it is for us to learn how to pay for our education. There are so many misconceptions out there about the cost of colleges, and this project helped me understand the truth.
- Ellie H.

The FAFSA.

You've heard the name, but what exactly is it? It's the Free Application for Federal Student Aid. So, the FAFSA is free. It's an application (it takes you about an hour to fill out online). And, it results in you receiving money from the federal government, state government, and universities to pay for the costs of college. The FAFSA is the main form¹ you'll use to *prove you need financial aid*, allowing you to qualify for need-based grants, work-study, and loans. Your requirement to show proof makes sense — this aid is intended to go *to students who genuinely need it* to pay for higher education. Every year, this application provides the gateway to billions of dollars in financial aid for millions of students at thousands of colleges.

1. Others include the CSS Profile and California Dream Act Application.

It (the FAFSA) takes about half an hour to fill out, and it could change the rest of your life... – *Barack Obama*

The FAFSA uses your information to calculate something known as your **Expected Family Contribution (EFC)**. Your EFC represents what the government thinks your family should be able to pay for you to go to college. When you subtract your EFC from the cost of attending college, you arrive at something called your Demonstrated Financial Need. This number tells the government and your university how much money you'll need; then they'll try to support you in filling that need.

Here's the math:

Cost of Attendance – EFC = Demonstrated Financial Need

In basic terms it looks like this:

(What does it cost?) – (How much can you afford?) = The financial aid you need

We know the upfront costs for each college, so the big question is, "How much can you afford?" This answer changes for many people every year, so you'll need to submit a new FAFSA before each year of college. If you're planning to graduate on time from a four-year university, you'll complete the FAFSA your senior year of high school, and as a freshman, sophomore, and junior in college. You won't need to fill it out your senior year of college unless you're planning on continuing your education past your 4th year.

When you fill out the FAFSA, you need to take some time to complete it correctly. Make sure to accurately input personal information, including your name, social security number, and family income level.

Q: *What if I have a social security number, but my parents don't?*

A: Input your social security number and then enter all zeros

(000-00-0000) for parents or guardians who don't have one.² *Do not* just make up a number.

Q: *What if I don't have a social security number?*

A: If you don't have a social security number, you won't be filling out the FAFSA, but you still might have great options for financial aid. One of these options could be the CSS Profile,³ which we'll discuss near the end of this chapter. If you live in California, your best option to receive significant financial aid is the CA Dream Act Application — we'll cover this in the next chapter!

When filling out the FAFSA, have the following information (from you **and** your parents/guardians) available:

- Social Security Numbers
- Birth Dates
- Driver's License (if any)
- Tax Returns for the previous year (if any)
- W-2 Form (your employer sends you this, usually in January of each year, to communicate your income and taxes for the previous year)
- Any other info related to assets (money, or things of value), extra income or investments (if you or your parents had any)
- FSA ID for both you and one parent or guardian (I'll explain this soon)

NOTE: Except for the CSS Profile, applying for financial aid is *free*. Some shady companies try to charge you fees for help on the FAFSA. Avoid them. As a high school student, you are very capable of filling out the FAFSA. Seek advice from your high school counselor, studentaid.gov, and fafsa.gov.

2. <https://fafsa.ed.gov/forw1718/help/PSparentSSN.htm>

3. Call your college's financial aid office to find out if the CSS Profile will benefit you.

THE FAFSA: WHAT TO DO AND WHEN TO DO IT

What to Do Before October 1st (Senior Year):

1. Get familiar with the FAFSA. If you're curious, this is what the FAFSA looks like: <https://fafsa.ed.gov/forw1819/pdf/PdfFafsa18-19.pdf>. Also, read this quick guide to filling it out: <https://studentaid.ed.gov/sa/fafsa/filling-out>
2. Create your personal Federal Student Aid ID (FSA ID) at <https://fsaid.ed.gov/npas/index.htm>. If you are currently a *dependent*,⁴ one of your parents will also need to create a separate FSA ID for her or himself. These FSA IDs will allow both of you to access and sign the FAFSA electronically.
3. If you want to get a quick estimate of your Estimated Family Contribution before filling out the FAFSA, use the "FAFSA4caster": <https://fafsa.ed.gov/FAFSA/app/f4cForm>
4. Did you know that it's better to have *assets* (or things that you or your parents own that are worth money) in your parents' names, not yours? This is one of many pro tips that can help you maximize your financial aid. Check out some more strategies here: <http://www.fnaid.org/fafsa/maximize.phtml>

What to Do After October 1st:

1. It's game time. Go to <https://fafsa.ed.gov/> and start filling out the FAFSA. This site also provides videos that explain the entire process.

4. Meaning you live with your parents/guardians, you're under 24 years old and don't have any children.



2. Avoid common FAFSA mistakes! Learn more here: <https://blog.ed.gov/2017/09/12-common-fafsa-mistakes-2/>

3. If your parents are divorced, separated, remarried, or unable to submit their information due to special circumstances, please determine whose information to use on the FAFSA by going to <http://studentaid.ed.gov/fafsa/filling-out/parent-info>

4. When filling out the FAFSA, you'll be able to list up to ten colleges you want to receive your financial information⁵. Add these colleges even if you haven't applied (yet). Your answers on the FAFSA will be summarized on your Student Aid Report (SAR), a document that describes your eligibility for financial aid. Within a few days of submitting the FAFSA, you'll receive an email with information to access your SAR. You should check it to make sure all the information is correct. If no updates are necessary on your SAR, keep the report in a safe place for your records.

5. In the winter or spring of your senior year of high school, colleges decide whether they'll offer you a spot in their freshman class. If they admit you, they'll also use your SAR to create a financial aid award letter for you.

It depends on the college and when you submit the FAFSA, but you should get a financial aid award letter from each college around the same time as your admissions offer letter. To help you make the most sense of your financial aid award letter, check out this webinar: <https://bigfuture.collegeboard.org/get-started/for-parents/webinar-its-time-comparing-financial-aid-award-letters>

5. Applying to more than ten colleges? No problem: <https://fafsa.ed.gov/help/forwfaq14.htm>

A Few More FAFSA Tips

1. On the right side of every entry page of the FAFSA form, you'll find a "Help and Hints" section that is specific to the questions on that page. At the top of every page, there's also a Help button (with a question mark on it) that allows you to chat live with tech support, in both Spanish and English.
2. Complete the FAFSA as soon as you can. Filling out the FAFSA in October provides the government and colleges with your EFC early, meaning you're more likely to hear about your financial aid award sooner. Some colleges have early FAFSA deadlines or give aid on a first-come, first-served basis, so don't delay — submit the FAFSA as early as you can.
3. You'll use your "prior-prior" tax returns. Here's how it works: Your family's 2018 tax returns were due in April 2019. This is the income and tax info you'll use while filling out the FAFSA in October 2019 to get financial aid for school in 2020. Get it? It sounds a little complicated with all of the dates, but just know filling out the FAFSA is now easier because you'll be able to use tax returns your family has likely already completed.
4. The **IRS Data Retrieval Tool**⁶ is useful for the quick and accurate transfer of your tax information to the FAFSA.

THE CSS PROFILE

Hundreds of colleges and scholarship providers use the College Scholarship Service (CSS) Profile to determine your eligibility for financial aid. The CSS Profile asks questions similar to those on the FAFSA, but it's a little more detailed in regards to your family's

6. More info here: <https://studentaid.ed.gov/sa/resources/irs-drt-text>

finances. The College Board website says that the form usually takes between 45 minutes and 2 hours to complete.

The CSS Profile costs \$25 and is offered online by The College Board (the same organization that offers the SAT and AP Tests). If you're in a difficult financial situation, you may request a waiver for the \$25, meaning you won't have to pay the fee. You do *not* need to fill out the CSS Profile unless required by one of the colleges you're applying to. To see a list of the colleges that use the CSS Profile, visit <https://www.collegeboard.org/profilelist>. Be sure to look up each school's deadline for the CSS Profile — either check online or give the financial aid office a call.

If you submit the CSS Profile, you still need to fill out the FAFSA.⁷ To read more about the CSS Profile and fill out the application, go to <http://css.collegeboard.org>.

FAFSA + CSS IMPORTANT FACTS

	FAFSA	CSS Profile
Date Available	October 1	October 1
Cost	Free	\$25
Completion Required?	Yes ⁸	If your college or scholarship provider requires it
Submission Deadline	Early March of your Senior Year ⁹	Varies by college
Website	https://fafsa.ed.gov/	http://css.collegeboard.org

INCOME AND ASSETS

Some people report near-zero income per year, but have millions

7. Again, if you're undocumented, fill out the CSS Profile (if you apply to schools using it) but not the FAFSA.

8. Unless you're undocumented.

9. Seniors! Get this in as soon as you can -- sometime in October would be best. Early March is the deadline for CA and most universities. Scroll down to find updated deadlines here: <https://fafsa.gov/deadlines.htm?sf50869383=1><https://fafsa.gov/deadlines.htm?sf50869383=1>

of dollars in the bank. This is one reason why assets (things you own of value) are included when deciding your ability to pay for college. Sometimes, wealthy people don't receive any "ordinary income" — instead, they earn money from investments like real estate and stocks. Asking for information about assets helps the government and universities see each family's bigger financial picture. These assets often end up disqualifying wealthy students from receiving need-based financial aid.¹⁰ In calculating your EFC, only 5.6% of your parent's assets are considered "available for college" while 20% of your (the student) assets are considered available.¹¹ So, if your family has \$5,000 in assets, it's best if those assets are in your parents' name, rather than your name. As a student, your income is also considered available to use for college costs if you earn more than \$6,570 in a given year. As long as you make below that amount as a student, you're not expected to contribute any of your income towards college. But, if you earn more than \$6,570 you will be expected to use 50% of those additional earnings towards college costs.¹² For example, if you make \$8,570 (\$2,000 above the amount that is "protected") you will be expected to contribute \$1,000 of your own money towards college costs.

WE "MAKE TOO MUCH"

Before receiving your financial aid offer, it's important to set realistic expectations. Based on your results from net price calculators, you may realize your family's financial situation will prevent you from getting the financial aid you want. And for those who are offered a lot of financial aid, it's still fairly common for the aid amount to be less than what is needed to cover all the costs. If you're concerned about high net prices, be proactive and explore the following options.

10. Several CEOs pay themselves \$1.00 per year, but are quite wealthy; check out this article if you want to learn more: <http://time.com/2979379/ceos-who-make-1/>
11. <https://www.forbes.com/sites/financialfinesse/2017/01/12/how-your-income-and-assets-affect-the-fafsa/#2f5db8b86ee1>
12. <https://www.cnbc.com/2018/06/20/why-that-summer-job-wont-hurt-your-financial-aid.html>

Option #1 (before receiving your award letter): *Regardless of your financial situation, fill out the FAFSA, even if you think your family makes too much to qualify for any need-based financial aid. You have nothing to lose. Also, apply to colleges that request the CSS Profile. This application requires financial aid applicants to submit more information (e.g., the cost of living) compared to the FAFSA. The CSS Profile will possibly help you demonstrate that you have a higher need than it may seem on the FAFSA.*

Option #2 (before receiving your award letter): Apply for more scholarships!

Option #3 (before and after receiving your award letter): Get a part-time job to help you pay your way.

Option #4 (before and after receiving your award letter): Talk to the college's financial aid office. Let them know your situation and see if there's anything they can recommend.

Option #5 (after receiving your award letter): Make a "Professional Judgment Appeal." This option is a little more official than Option #4. If your family's financial status recently changed, or you feel that you have circumstances beyond your control that prevent you from contributing the amount calculated by the FAFSA, you can make a "Professional Judgment Appeal" to the college's financial aid administrator. Financial aid administrators are allowed to change aid awards on a case-by-case basis after they review these appeals. You might also help your case if you're able to show a better financial aid package offered to you by another, similarly competitive college.

Remember to be considerate, professional, and polite in your communication with the financial aid office staff. They weren't the ones who put you in your current financial situation, so don't blame them. If there's something they can do to help, they will do it.

Option #6 (before and after receiving your award letter): Review other options in Chapters 4 and 6.

Option #7 (after receiving your award letter): Choose another school.

COLLEGE PROBLEMS

Okay, timeout. Most of this book has been about uncovering the right way to do things, but let's take a break to look at some bad financial and educational decisions. Here's a little story about Stu.



Stu went to nearby Crasto College, which costs \$10,000 per year. Stu thought he was getting a good deal compared to what he might pay at other universities. He did not realize, however, that Crasto had just a 25% graduation rate and a 30% loan default rate. These rates mean only one in four students received a degree from Crasto, and about one in three were in severe financial trouble after graduation. Despite the “cheap” price tag of Crasto, the odds were actually against Stu from the start.

Stu applied for financial aid by filling out the FAFSA – his one good move – and received a freshman year grant for \$5,000. Unfortunately, he forgot to resubmit the FAFSA during his freshman year and didn't receive any more aid for his sophomore year.

Stu often joked about his procrastination, though truthfully he knew his jokes weren't funny. Stu's GPA started dropping. Unlike his high school, Crasto College never contacted him or his parents to discuss his troubles. It wasn't their problem. Stu ended up quitting school because he wanted to “focus on other priorities.” He had a serious girlfriend and wanted to increase his hours at a part-time job to increase his income.

Unfortunately, Stu's restaurant couldn't give him any more hours. They eventually fired him because he was more interested in playing video games on his phone than serving customers. Sadly, Stu lost his job just as his student loan payments began coming due. (Since he had completely stopped taking classes, he now needed to start paying down his debt.) Without his job, Stu could not pay his \$75 monthly loan payment and went into default. Default severely damaged Stu's credit history, and now no landlord will rent him an apartment. Stu moved back to his parent's house, shares a room with his younger brother, and feels like his luck has run out.

You can avoid Stu's fate. Take your college goals seriously, find the support you need to succeed, and take action to receive the financial aid you need.

CHAPTER RECAP

1. The FAFSA is possibly the **most important** part of your entire financial aid journey.
2. Fill out the FAFSA. fafsa.ed.gov
3. Fill out the FAFSA. It's available October 1st.
4. Fill out the FAFSA. Use the IRS Retrieval Tool to transfer your tax information to the form directly.
5. Fill out the FAFSA. Call a college's financial aid office or ask your high school counselor if you need help.
6. Fill out the FAFSA. Complete it every October before your next year of college.
7. Fill out the CSS Profile if required by any universities you're applying to.
8. Don't be like Stu.

ESSENTIAL QUESTIONS

1. What did Stu do (and not do) to end up in a troubled situation? What mindset do you need to avoid ending up like Stu?
2. You’ve got to do some work to get financial aid. How much time and effort are you willing to put in to make college affordable for you?

DO NOW

7.a. Complete the items in the “What to Do Before October 1st” section on page 101.

7.b. Find out if your focus schools require you to fill out the CSS Profile and if so, write their submission deadlines below.

Focus Schools	CSS Deadline?
(Safety)	
(Match)	
(Reach)	

Additional Reading

For a story of a family that “makes too much” negotiating for a better financial aid award, read this article: <http://nypost.com/2015/12/13/step-3-ways-to-negotiate-with-schools-for-a-better-deal/>