

# what's money got to do with college? everything!

KNOW HOW THE EXPECTED FAMILY CONTRIBUTION TRANSLATES TO MONEY OUT OF YOUR POCKET FOR SCHOOL

**How much money do you have?** Will it cover the costs of your first-pick school? Will the college of your dreams offer you enough financial aid to make up the difference?

Wait a sec ... Did you think you can get as much financial aid as you need? Not exactly.

Financial aid can be a complex, confusing maze of paperwork, deadlines and regulations. Most people realize this too late—like January of senior year, when they begin filling out the FAFSA (Free Application for Federal Student Aid). After you complete your FAFSA, you'll receive a Student Aid Report, or SAR—the government's financial picture of your family after all the numbers on your FAFSA have been crunched.

The Expected Family Contribution (EFC) is what the government says your parents can afford (and therefore must pay) for each year of your college education. Unless you win a full scholarship to the college of your choice, don't expect to receive any aid that will eliminate or defray this EFC cost for your family.

## Example

Say your EFC is \$5,000. That's what the government thinks your family can afford for each year of your college education. But your parents didn't put this amount in the college fund; they bought a 4-foot plasma TV instead.

Well, your family still has to come up with the \$5,000 no matter how much other aid you may receive. You will also have to come up with the difference between the financial aid package from the college you choose and the actual cost of your education.

## How to look at financial aid

Financial aid is more like a chance to help yourself than it is a gift. The government and colleges actually use these

terms—self-help and gift—to describe the different kinds of financial aid you can get.

Financial aid's not necessarily a snap. But the good news is that you can do a lot to improve your chances of getting enough financial aid for college and not drowning in debt for decades afterward. ¶

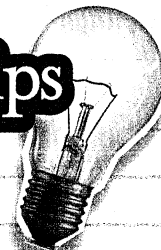
**Charlene Haykel** is president and CEO of Simply Student Aid, LLC, a company that offers a step-by-step workbook and process called Simply College™ (simply-college.com). The program helps students and parents understand how the financial aid process works and shows them how to apply successfully for the maximum amount of financial aid for which they qualify.

## online info

Need financial aid help?

[nextSTEPmag.com/FinancialAid](http://nextSTEPmag.com/FinancialAid)

## financial aid tips



### • Start early

Get organized and informed about financial aid in winter of junior year.

### • Be proactive

Actively seek scholarship opportunities. Apply for dozens rather than a handful of scholarships, regardless of your academic prowess.

Do your homework on college loans through Web research and phone calls to a variety of lenders, such as your parents' bank, a local bank and nationally ranked lenders.

Find out not just the annual rate for each loan, but the total amount you will end up paying over the entire repayment period.

Calculate the total cost of all four years of college rather than just the first year.

Keep all financial documents used to complete the FAFSA together in one place until the end of your senior year in case you're one of the 30 percent of applicants asked to verify your numbers.

### • Work as a team with your parents

You can't reach your college goals without their active and willing cooperation. If you think through your college goals and their financial realities together, you're more likely to end up with a win-win situation for you and your whole family.