


# HOW TO GO TO COLLEGE FOR FREE *ALMOST!*

Clinic presented by Jason Robb

## Where we are going?

College tuition rates have been rising through the roof the last 10 years



### What is the AVERAGE cost of a College Education? (Tuition & Fees over 4 years)

PRIVATE UNIVERSITY:  
**\$105,092**

PUBLIC UNIVERSITY:  
**\$28,100**

### What is the AVERAGE cost of a College Education? (Room & Board over 4 years)

PRIVATE UNIVERSITY:  
**\$33,292**

PUBLIC UNIVERSITY:  
**\$27,200**

### What is the AVERAGE TOTAL cost of a College Education?

PRIVATE UNIVERSITY:  
**\$138,384**

PUBLIC UNIVERSITY:  
**\$55,300**

**\$17,357.60**

## Amount of FREE aid I received in 2007

**\$69,200**

Amount of aid you could  
accrue over your 4  
years in school

## VOCABULARY LESSON

KNOWING WHAT WE ARE LOOKING FOR

### Learning the Lingo!

- |                                                                                                                                                                                                                                                                     |                                                                                                                                                                    |
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| <ul style="list-style-type: none"> <li>□ <b>Categories</b></li> <li>    ■ Need Based</li> <li>    ■ Non-Need Based</li> <li>□ <b>Types</b></li> <li>    ■ Grants - <b>Free</b></li> <li>    ■ Loans - <b>Payback</b></li> <li>    ■ Work - <b>Earned</b></li> </ul> | <ul style="list-style-type: none"> <li>□ <b>Sources</b></li> <li>    ■ Private</li> <li>    ■ Institutional</li> <li>    ■ State</li> <li>    ■ Federal</li> </ul> |
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### Categories of Financial Aid

All types of financial aid fit into one of TWO categories

1. **Need Based**
2. **Non-Need Based**

### Need Based Aid

- AWARDED on solely *NEED* basis
- Funds are awarded after the Department of Education analyzes the family's financial resources

### Non-Need based

- Non-need based aid is often referred to as ***merit-based aid***
- Awarded to students in recognition of special skills, talents, or academic abilities.
- Qualifications for non need-based aid are usually competitive in nature
- Can be awarded based on ethnicity or religious background

## Category Review

**Need Based** = Government Awarded

**Non-Need Based** = Merit-based Award

## Types of Financial Aid

1. Grants = FREE
2. Loans = DEBT
3. Work = EARNED

## Grants

- Grants are considered “gift” aid since do not have to be repaid.

We will put **scholarships** in this category because they do not have to be repaid.

## Grants are our friends

**After the vocabulary lesson this is what we hunt down**

- FREE MONEY out there up for grabs:
  - ▣ All amounts – from \$50 to \$5,000
  - ▣ All places – Federal Government to your local Church
  - ▣ All stipulations – For interview essays to filling out an online application

## Grant Review

Grant = Free  
Grant = GOOD

## Loans

- Loans are very complicated.

Generally, I DISCOURAGE any student loan use.

There are THREE types of loans we will cover:

1. **Subsidized Loans**
2. **Non-Subsidized Loans**
3. **Private Loans**

## 1. Subsidized Loans

- Repayment on this loan does not begin until AFTER you graduate from college.

The government **PAYS** the interest on this loan while you are in school.

## 2. Non- Subsidized Loans

- Repayment on this loan also does not begin until AFTER you graduate from college.

However, the government **does NOT pay** the interest on this loan, it continues to **accrue interest** while you finish school.

## Subsidized and Non-Subsidized Loans

Both types are awarded through your schools financial aid office.

They are the safest loans because the interest rates are controlled through the state/federal government.

## 3. Private Loans

- Private loans are through private loan companies like Sallie Mae or common banks like Bank of America.
- The government has no regulation on any part of this loan.
- Most students use a parent to cosign to take advantage of lower interest rates.
  - ▣ Rates still average about 5.8% higher

## Private Loans

**Private Loans should be avoided at ALL COSTS**



## Why is this all important?

### Subsidized Loan

Borrow - \$5,000  
Interest - 4.5%  
Fees - 1.5%

### Un-Subsidized Loan

Borrow - \$5,000  
Interest - 6.8%  
Fees - 1.5%

***What is the difference after I spend it?***

## The Bottom Line

### Subsidized Loan

Borrowed - \$5,000  
 Cost per \$1000 - \$1,262.60  
 Monthly Payment - \$51.82  
 Total Repay = \$6,218.30  
 PER DOLLAR = \$1.24

### Un-Subsidized Loan

Borrowed - \$5,000  
 Cost per \$1000 - \$1,807.17  
 Monthly Payment - \$74.17  
 Total Repay = \$8,900.31  
 PER DOLLAR = \$1.78

WHY WOULD YOU TRADE \$1 NOW  
 FOR \$2 LATER?

## In Perspective

### Subsidized Loan

Borrowed - \$20,000  
 Cost per \$1000 - \$1,262.60  
 Monthly Payment - \$207.28  
 Total Repay = **\$24,873.20**  
 PER DOLLAR = \$1.24

### Un-Subsidized Loan

Borrowed - \$20,000  
 Cost per \$1000 - \$1,807.17  
 Monthly Payment - \$296.68  
 Total Repay = **\$35,601.24**  
 PER DOLLAR = \$1.78

*\$10,728.04 is too much money for you to  
 not keep from your pay checks!*

## Private Loans

**YOU DON'T WANT ME TO SHOW  
 YOU THE NUMBERS ON THESE**



## LOAN REVIEW

- **Subsidized Loans** are the only acceptable type of student loan.
- **Un-Subsidized Loans** have higher interest rates and the government does not pay any of my interest.
- **Private Loans** are dangerous and I will never look at them!

## Work

- Most people would not consider work programs a source of financial aid, but hundreds of thousands of students work their way through college every year.

*Fun Fact: Financial Aid offices can  
 sometimes award more grant money if  
 you are holding a steady job!*

## Sources of Financial Aid

The four directions that we look in:

- **Private:** Local organizations; religious organizations; civic clubs, corporations, etc.
- **Institutional:** School's financial aid office
- **State:** High school counseling office; state grant agency
- **Federal:** School's financial aid office; U.S. Department of Education

### Private - Start in YOUR backyard

- Local organizations in your community
  - ▣ Church
  - ▣ Rotary Club
  - ▣ School PTA
  - ▣ Local Businesses
  - ▣ Local Country Club
  - ▣ Local Government



### Institutional Aid

This is simply any aid that is available at your school and includes the following:

- ▣ Music Scholarships
- ▣ University Scholarships
- ▣ Work Study Programs



### State Aid

- State-supported financial aid varies from state to state and may have residency or attendance restrictions.

**For anyone wanting to travel OUT of State**

- State aid services are able to offer vouchers that allow students to pay in-state tuition rates.

### Federal Aid

- Federal aid is the largest source of money for students who can demonstrate that they have financial need.
- If your family is in true need there are several programs fund financial aid

### Federal and State Forgiveness Programs

There are several programs which offer low to no interest loans for eligible student, which can be forgiven if the student meets certain stipulations

**Forgiveness** = You DON'T have to repay it

Forgiveness = **FREE MONEY**

### Texas B-On Time Loan

A good forgiveness example is found right here in Texas

- Must be have a FASFA completed
- Must graduate within 4 years
- Must complete all the courses that you enroll in
- Must graduate with at least a 3.0

**YOU CAN BE AWARDED UP TO \$8,000 PER YEAR!!**

## Pay Attention to Details

When you enter loan forgiveness you need to cross your T's and dot your i's

I participated in a Loan Forgiveness Program and was responsible for a **\$15,000** loan after because I missed a detail in the fine print!

## Reviewing the Lingo!

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## What to do first?

**FAFSA – Free Application for Federal Student Aid** (<http://www.fafsa.ed.gov>)



## Keep in Touch

- Check back often with your schools financial aid office
- *THEY* control the payout of Federal aid
- Applications turned in early will be awarded more aid

## Step 2: Start Applying

### Private Scholarships and Grants

- Apply for every scholarship that you are eligible for
  - ▣ From \$5,000 to \$50 it all adds up to your final bill
- Start a log of everything you apply for
  - ▣ Getting organized will help you get into an application groove

## The Dreaded Essay

**Over 90% of scholarships require an essay**

- Schedule a meeting with your councilor and your senior English Teacher
  - ▣ Ask you English Teacher to read over your first couple of Essays before you submit them
  - ▣ If you ever hit a road block **THESE** people are who you can turn to

## Good Rule of Thumb

When I went through this process I began coming up with the 1 in 10 rule:

You will be awarded 1 out of every 10 scholarships

## Wasted effort?

Isn't that a lot of effort wasted?

If you apply for 100 scholarships that are on average \$250 each you will average \$2,500 in awards

**\$17,357.60**

**Amount of FREE aid I received in 2007**

## Private – Start a GLOBAL Search

Internet sites can uncover a wealth of Scholarship opportunities:

- ▣ [www.collegescholarships.com](http://www.collegescholarships.com)
- ▣ [www.fastweb.com](http://www.fastweb.com)
- ▣ [www.collegeboard.com](http://www.collegeboard.com)
- ▣ [www.finaid.org](http://www.finaid.org)

There are plenty of resources online to get you pointed in the right direction

## Scholarship Search Engines

fastweb®  
Help to find your scholarship

Get matched with up to 25 million in scholarships

First Name:

Last Name:

Address:

City:

State:

Zip:

Phone:

Email:

Password:

Confirm Password:

## Scholarship Search Engines

fastweb®

Fastweb Search Results On Scholarships And Research Opportunity Matching Methods

Name	Amount	Location
Scholarship Search Engine	\$250	Global



## Scholarship Search Engines

Status	Name	Amount	Deadline	Type
New	<input type="checkbox"/> Gen and Kelly Tenabe Scholarship	\$1000	July 31, 2010	Scholarship
New	<input type="checkbox"/> Big Dig Scholarship	\$3000	December 03, 2010	Scholarship
New	<input type="checkbox"/> Healthy Respect Win-Win Scholarship	\$25000	December 30, 2010	Scholarship
New	<input type="checkbox"/> GM College Discount Program		December 31, 2010	
New	<input type="checkbox"/> SuperFuture Scholarship	\$5000	August 15, 2010	Scholarship
New	<input type="checkbox"/> Discos Awards College Scholarship	\$2000	Varies	Scholarship
New	<input type="checkbox"/> Castle Ink- Green Scholarship	\$2500	July 31, 2010	Scholarship
New	<input type="checkbox"/> Flaircard Scholarship	\$500	August 01, 2010	Scholarship
New	<input type="checkbox"/> Change for the Children Grant	\$1500	July 15, 2010	Grant
New	<input type="checkbox"/> I Don't Want to Play for College Scholarship	\$1000	August 31, 2010	Promotion
New	<input type="checkbox"/> A GPA isn't Everything Scholarship	\$1000	August 31, 2010	Promotion
New	<input type="checkbox"/> College Provider "No Essay" Scholarship for July	\$2000	July 31, 2010	Promotion

## Start a GLOBAL Search

There are thousands of organizations donating MILLIONS of dollars a year to education.

“You miss 100% of the shots you don’t take”

- Wayne Gretzky

## Start a GLOBAL Search

“You be awarded \$0 of the scholarships you don’t apply for.”

- Jason Robb

## Checks in the Mail.....

- As you are awarded \$
  - A LARGE portion of \$ will be sent directly to YOU by check
- Put ALL of it aside
  - DO NOT touch any of it until August

## Budgeting for a YEAR

**Controlling Spending is the #1 way to graduate college without debt**

- College is the first time most adults are given financial independence in their life.

## Curbing the appetite

- Cutting down your spending to the extreme will set you up for success
  - You have to take IN more \$ than you SPEND
- Saving money is not a habit, it is a **Lifestyle**

**WANTS vs. NEEDS**

## Budgeting

- Plan out the **MINIMUM** amount you can live on
  - ▣ Keep bills/expenses as low as possible
- Budget every dollar
  - ▣ Your bottom line each month should be -0-

## Coming out Ahead

There is the **OPPORTUNITY** to **MAKE** money

College for free? How about getting paid **TO GO!!**

## Four Months of LIMBO

- Prepare to weather the storm
  - ▣ Moving
    - ▣ Deposits
    - ▣ Rent
    - ▣ Utilities
  - ▣ New work clothes
  - ▣ Emergency Funds

**First paycheck is in SEPTEMBER**

## Putting ideas into action

**The money is out there, you just have to go GET IT**

- Know what you are looking for
  - ▣ Fine untapped resources
- Look in all areas
  - ▣ Private, Institutional, State, Federal
- Spend with a **PLAN**
  - ▣ Protect your hard work by making a \$ plan

## Contact me!

[web.me.com/jasonbuellrobb/TBA](http://web.me.com/jasonbuellrobb/TBA)

- This Presentation
- Additional Resources
- Contact information