



BEING FINANCIALLY PREPARED

FOR POST SECONDARY EDUCATION & BEYOND



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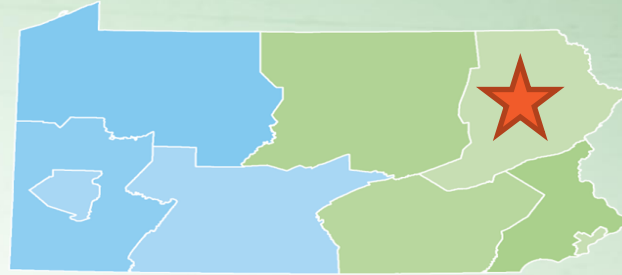


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Your presenter



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(PHEAA)**

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Today's Agenda

- ✓ Financial Aid – types of funds available
- ✓ How decisions affect your future
- ✓ Why understand budgets and credit?
- ✓ Making smart decisions

Types of Financial Aid

Funds provided to students and families to help pay for **Postsecondary** Educational expenses include:

GRANTS – Free Money based on Need and Merit

SCHOLARSHIPS – Free Money based on criteria

LOANS – Borrowed money – Direct Student Loan; PLUS loans

Work Study – Earned money during the school term



Know what financial aid forms each school requires

ALL SCHOOLS REQUIRE:

- **FAFSA** (Free Application for Financial Aid) – every year attending
- **STATE GRANT Form** (SGF) through PHEAA
 - Required for first year students after FAFSA is completed

SOME SCHOOLS REQUIRE

CSS Profile required by some postsecondary schools and scholarship organizations

Institutional Financial Aid Forms

-Internal school forms

FAFSA.ed.GOV

The screenshot shows the FAFSA.ed.gov website. At the top, it says "Federal Student Aid" and "PROUD SPONSOR of the AMERICAN MIND®". Below this is a navigation bar with links for Home, About Us, FSA ID, StudentsAid.gov, and Help. A search bar is also present. The main heading is "Get help paying for college" with the subtext "Submit a Free Application for Federal Student Aid (FAFSA)". Below this is a banner image featuring four diverse students. The page is divided into two main sections: "New to the FAFSA?" with a "Start A New FAFSA" button, and "Returning User?" with a list of options (Make a correction, Add a school, View your Student Aid Report (SAR), and more...) and a "Login" button. On the left side, there are links for "Deadlines", "School Code Search", and "FAFSA Filing Options". On the right side, there are "Announcements" and a section titled "Thinking About College?" which includes a video player and text about using FAFSA4caster.

Must SIGN electronically

Student and One Parent need separate FSA IDs

TIP: Get it early!



Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of
the AMERICAN MIND®

FAFSA®
Free Application for Federal Student Aid

Home About Us **FSA ID** StudentAid.gov Help

English Español

Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)

New to the FAFSA? Returning User?

Start A New FAFSA

- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

Login

THE FSA ID YOU NEED NOW...

SA ID?

username and password that you use to access U.S. Department of Education, and electronically sign the FAFSA will need a FSA ID?

create a FSA ID?

related in receiving federal student aid, you AND any parent you are completing the FAFSA will need a FSA ID? As soon as possible, we recommend you create your FSA ID or attend a FSA ID event.

I create a FSA ID?

A FSA ID as soon as possible, we recommend you create your FSA ID or attend a FSA ID event.

email account to create a FSA ID?

When creating a FSA ID, you will need to create an email account.

ve a Federal PIN to create a FSA ID?

ns. Your FSA ID will be used to sign the FAFSA.

W TO APPLY

HOW TO CREATE A FSA ID

Before you start
Make sure you have access to your personal email account.

STEP 1 Visit fsaid.ed.gov.

STEP 2 Enter your email, create a username and password, and confirm your age.

STEP 3 Enter your Social Security Number, date of birth and full name.
If you have a Federal PIN from the old system, you will receive a prompt to enter it. A Federal PIN is not required, but it can expedite the application process.

STEP 4 Confirm your personal information.

STEP 5 Enter your security questions and answers for future verification purposes. Select two predetermined questions, two custom questions and a memorable date.

STEP 6 Confirm your security questions. Read and acknowledge the FSA ID terms.

STEP 7 Enter the secure code that was sent to the email address submitted in Step 2. This will allow you to use your email address as your username.

I created my FSA ID, now what?

You can immediately use your FSA ID to sign an original FAFSA. Once the Social Security Administration verifies your information in 1-3 days, or if you have linked your Federal PIN to your FSA ID, you will be able to start a renewal FAFSA. Make changes to an existing FAFSA and log in to U.S. Department of Education websites.

Don't give your FSA ID to anyone—not even to someone helping you fill out the FAFSA. Never share your FSA ID!

STILL HAVE QUESTIONS?
Visit StudentAid.gov/fsaid.

PHEAA
Pennsylvania Higher Education Assistance Agency

These materials have been developed and paid for by the Pennsylvania Higher Education Assistance Agency (PHEAA) for informational purposes. Although the information contained in this document is believed to be accurate at the time of printing, PHEAA does not guarantee its accuracy. You should independently verify that this information is correct.
RD-FSAID 100115

Allows students and parents to sign the FAFSA electronically.

Both student and parent must have an unique email address.

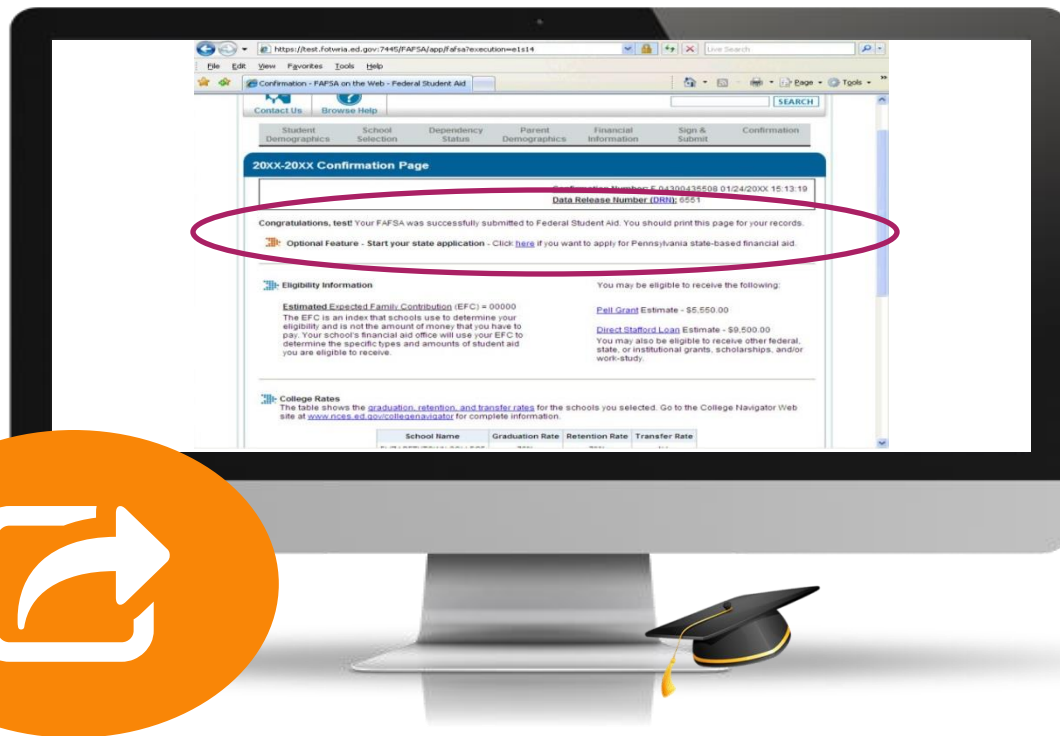
Keep your ID's – you'll use this again and for other Financial Aid processes

PHEAA
Pennsylvania Higher Education Assistance Agency

Pennsylvania State Grant Form

Link directly to the State
Grant Form from the
confirmation page of your
FAFSA!

Or at PHEAA.org



Financial Aid Award Notice

Sent after you Apply and are Accepted



- Official notification from school about financial aid, terms and conditions
- Lists the type and amount of each award to be received
- Describes what must be done to accept or reject any award
- Discloses students rights, responsibilities and academic requirements
- Compare different Packages/Awards for the affordable option

Eligibility and Amounts of Aid *Dependent on School Cost and FAFSA*

CURRENT Federal Programs, based on NEED:

Pell Grant ----- up to **\$5920** (AY 17/18)

FSEOG Grant ----- up to **\$4000**.

PA State Grants - up to **\$4378** In State (AY 16/17)

up to \$557 –DE, MA, OH, VT, WV, and DC **Others: \$0**

Work Study - work a job on campus (can be up to **\$2,000**)



CURRENT Federal Programs NOT based on Need:

Federal Direct Student Loans - **\$5,500** 1st year, increases as student progresses

Independent students: \$9,500. 1st year

PLUS Loans - Parent Loans **up to the Cost of Attendance**

If denied: student receives additional \$4000 loan

Other Federal & State Grants

Based on specific situations and criteria

Federal (ref: [StudentAid.gov](https://studentaid.gov))

Teach Grant

Iraq & Afghanistan Service Grant

Dependents Education Assistance (DEA) Grant - Veteran Affairs

Vocational Rehabilitation Program (students with disabilities)

Americorps - www.americorps.gov

State (ref: [PHEAA.org](https://pheaa.org))

Post Secondary Education Gratuuity Program (PEGP)

Partnerships for Access to Higher Education Program (PATH)

Pennsylvania Chafee Education and Training Grant (Foster students)

Blind or Deaf Beneficiary Grant Program

Pennsylvania Targeted Industry Program (PA-TIP)

Pennsylvania State Work Study Program (SWSP)

PA National Guard Education Assistance Program (EAP)



Scholarship search: Don't miss out on FREE Money

- Start early – and KEEP LOOKING
- Note requirements and Deadlines
 - Recycle Essays , But answer the questions & note requirements
- Outside scholarships - look everywhere
 - Google Interests, products, companies
- Don't PAY for information
 - If you're asked to pay, it's not free money - (scam)
- School Scholarships
 - Check Fin Aid and Admission websites
- Community Scholarships
 - Check at HS Guidance office - there's many!
- Create a profile for more matching opportunities
 - What's not on the HS transcript
- Small Scholarships ADD UP
- Don't disqualify yourself until IT disqualified YOU
- Don't forget to continue studies!

www.fastweb.com
www.educationplanner.org
www.fastaid.com
www.finaid.org
www.unigo.com
www.scholarships.com
www.scholarship-page.com
www.zinch.com
www.dosomething.org
www.collegeprowler.com
www.studentscholarships.org
www.collegeboard.com
www.collegeanswer.com
www.collegenet.com
MORE....



Scholarships are NOT based just on GPA

Scholarships come in all shapes and sizes and can be based on:

Merit

Characteristics

Field of Study

Community Service

Interests

First in family

Employment

Memberships

Activities

Athletics

Talents

Hobbies

Religion

Creativity

Military

Legacies

Descendants

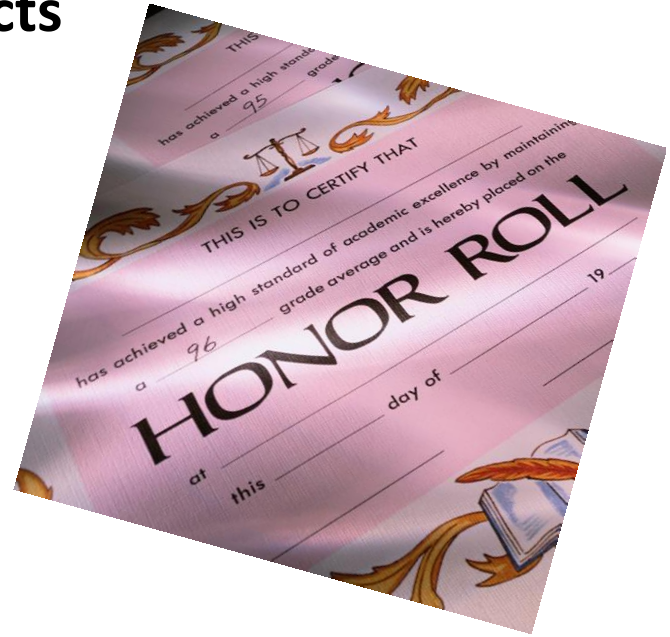
Civic Organizations

Products

Clubs

Music

Food



AND MUCH MORE...

Financial Aid and Affordability (Price)

Review the Financial Aid webpage

- Costs to attend vary - Tuition, Room, Board
- Look for Scholarships... and Apply!
 - » Applications or School Awarded
- Use the NET PRICE CALCULATOR to estimate costs
 - » Tool provided on the Financial Aid webpage
- School Participation in Financial Aid programs
 - » What Forms are required and **DEADLINES**
- What can you and your family afford to contribute
- Does the cost match your potential salary
 - » www.MySmartBorrowing.org and MyNextMove.org





A free tool for calculating an affordable future

Are You A **SMART** Borrower?

Answer a few simple questions and see how your college and career choices could affect your financial future.

> FIND OUT NOW

How it Works



MySmartBorrowing.org

Guides students and families through these sections:

1

Select a Career

2

Select a School



3

Factor in Savings



4

Get Results

STUDENTS

PARENTS

COUNSELORS



Career Planning

Preparing for School

Paying for School

Self-Assessments

Ask a Counselor

My Smart Borrowing



Check out
MySmartBorrowing.org

A free tool to calculate an affordable future.

> Let's GO!

Become a SMART Borrower

MySmartBorrowing.org is a FREE interactive tool where you can create up to 4 different scenarios to see how much you pay for college and if you are at risk for overborrowing.

Not sure where you want to go to school or what career you want to pursue?

No problem – MySmartBorrowing.org will be your guide so you can get an idea of how college and career choice affect borrowing.

Compare costs vs career
outcome

MySmartBorrowing.org



**BEGIN with the
END in mind !**

Writers and Authors

Starting Salary: \$42,230

Choice Location Guess Overview

Next Step: [Edit your College Choice](#)

Do you know about Public Service Loan Forgiveness?

The program was established to encourage individuals to enter and remain in public service jobs. The program allows eligible borrowers to cancel the remaining balance of their Direct Loans after serving full time at a public service organization for at least 10 years while making 120 qualifying monthly payments.

Career Planning Resources

- [Schools for Your Career](#)
- [View Careers with a Bright Outlook](#)
- [Research Careers Online](#)
- [Explore Salary and Pay](#)

Results

Writers and Authors
Pennsylvania

\$42,230

Starting Salary

Smart Borrowing is sticking to your borrowing limit!

Follow the salary rule of thumb—try not to borrow more for your education than you intend to make in your first year out of college.

National Career Growth for 2014-2024

2.3 % Job Growth 26,100 Job Openings

[Where are we getting our numbers?](#)

Borrowing Limit:

\$42,230

is equal to your starting salary

Now that you have your borrowing limit, edit your college choice to find out how much college could cost.

Next Step:

[+ EDIT COLLEGE CHOICE](#)

Not sure where you want to go to college? Let MySmartBorrowing help guide you.

Pennsylvania State University-Penn State Wilkes-Barre

Net College Cost: \$57,212

Family Contribution: -\$10,000

Borrowed Amount: \$47,212

Over Limit: \$4,982

How do I manage debt?



RESEARCH the EXPECTED SALARY in your FUTURE CAREER, find an affordable school, and borrow realistically

- ✓ *There are many paths to the same degree*
- ✓ Research every option, including community colleges and commuting
- ✓ Only attend a school you can reasonably afford
- ✓ Only borrow what you absolutely need to attend
- ✓ Buy and Education, Not a School
 - ✓ There's an Option for Everyone



Your Financial Future can depend on your choices

Budgets: Learn it, Live it, Love it

Budgeting correctly will ensure good credit ratings which makes debt more affordable

- **First:** Determine how much you have to spend
- **Second:** List all your expenses
 - » Estimate how much you spend on each item
- **Third:** Examine the difference
 - » Set some goals

If expenses exceed income

2 options:

- » Increase income or
- » Cut expenses



Budget within MySmartBorrowing

Monthly Income	3519	3519	3519
Housing: Rent and Utilities	800	800	750
Transportation: Car payment, Repairs, Gas and Insurance	700	600	500
Food & Beverages:: Groceries and Dining Out	622	500	500
Clothing: Clothes, Laundry and Dry-cleaning	150	50	20
Phone TV & Internet: Phone, TV, Internet, Cable	150	80	80
Savings & Retirement: Amounts you put away each month for these accounts	0	50	50
Entertainment: Admissions, Hobbies, Pet Care, etc...	80	50	35
Healthcare: Insurance, Medical Services, Medication, Supplies	0	40	40
Student Loan Payment: Interest & Principal based on 10 yr standard repayment*	543*	543*	250
Payroll Deductions – Taxes, Social Security, etc – approx. 25% of income	880	880	880
Total Monthly Expenses	3925	3593	3105
Left Over (Disposable Income)	-406	-74	414

How to manage with BUDGETING

Setting a budget doesn't have to be hard

- Be realistic – NEEDS vs WANTS
- It's a working document - adjust it
- Spend wisely and avoid **“creeping debt”**
- Try the budget calculator at

YouCanDealWithIt.com

Find information on debt management



Create a Budget: [Use the Budget Calculator at YouCanDealWithIt.com](https://www.YouCanDealWithIt.com)

Budget Calculator

Creating a budget just got easier! Use our online budget calculator and take control of your spending.

Directions: Enter estimated amounts in all of the fields that apply to you. Round up to the nearest dollar and don't use commas.

Monthly Savings

Emergency Fund:	\$ <input type="text" value="0"/>
Investments:	\$ <input type="text" value="0"/>
Retirement:	\$ <input type="text" value="0"/>

Monthly Expenses

Food (groceries, dining out, etc.):	\$ <input type="text" value="0"/>
Clothing (jeans, shoes, jewelry, etc.):	\$ <input type="text" value="0"/>
Shelter (mortgage, rent, taxes, etc.):	\$ <input type="text" value="0"/>
Household (utilities, cell phone, cable, maintenance, etc.):	\$ <input type="text" value="0"/>
Transportation (public transportation, parking, gas, etc.):	\$ <input type="text" value="0"/>
Health (insurance, medications, doctor visits, etc.):	\$ <input type="text" value="0"/>
Student Loans (interest/principal payments, etc.):	\$ <input type="text" value="0"/>
Personal (gifts, charity, entertainment, hobbies, etc.):	\$ <input type="text" value="0"/>
Miscellaneous (magazines, child care, etc.):	\$ <input type="text" value="0"/>

Annual Expenses

Tuition:	\$ <input type="text" value="0"/>
Homeowner's/Renter's Insurance:	\$ <input type="text" value="0"/>
Car (registration, inspection, insurance, etc.):	\$ <input type="text" value="0"/>
Taxes:	\$ <input type="text" value="0"/>
Vacation:	\$ <input type="text" value="0"/>
Other:	\$ <input type="text" value="0"/>

Income

Monthly Pay:	\$ <input type="text" value="0"/>
Monthly Other (alimony, child support, etc.):	\$ <input type="text" value="0"/>
Annual Gifts:	\$ <input type="text" value="0"/>
Annual Tax Return:	\$ <input type="text" value="0"/>

Budget Review

Total Monthly Savings:	\$ <input type="text" value="0.00"/>
Total Monthly Expenses:	\$ <input type="text" value="0.00"/>
Total Annual Expenses:	\$ <input type="text" value="0.00"/> / 12 = \$ <input type="text" value="0.00"/>
Total Monthly Income:	\$ <input type="text" value="0.00"/>
Under/Over Budget:	\$ <input type="text" value="0.00"/>

Student Loans

- **You may have one of the following student loans:**

- Direct Subsidized Loans
 - Direct Unsubsidized Loans
 - Private Student Loans
- } pay your interest
while in school!


Be sure that you keep and maintain records for each of your loans, including payment information for loan servicers

Affordable education borrowing is an investment in you – only borrow what you need & look for SCHOLARSHIPS

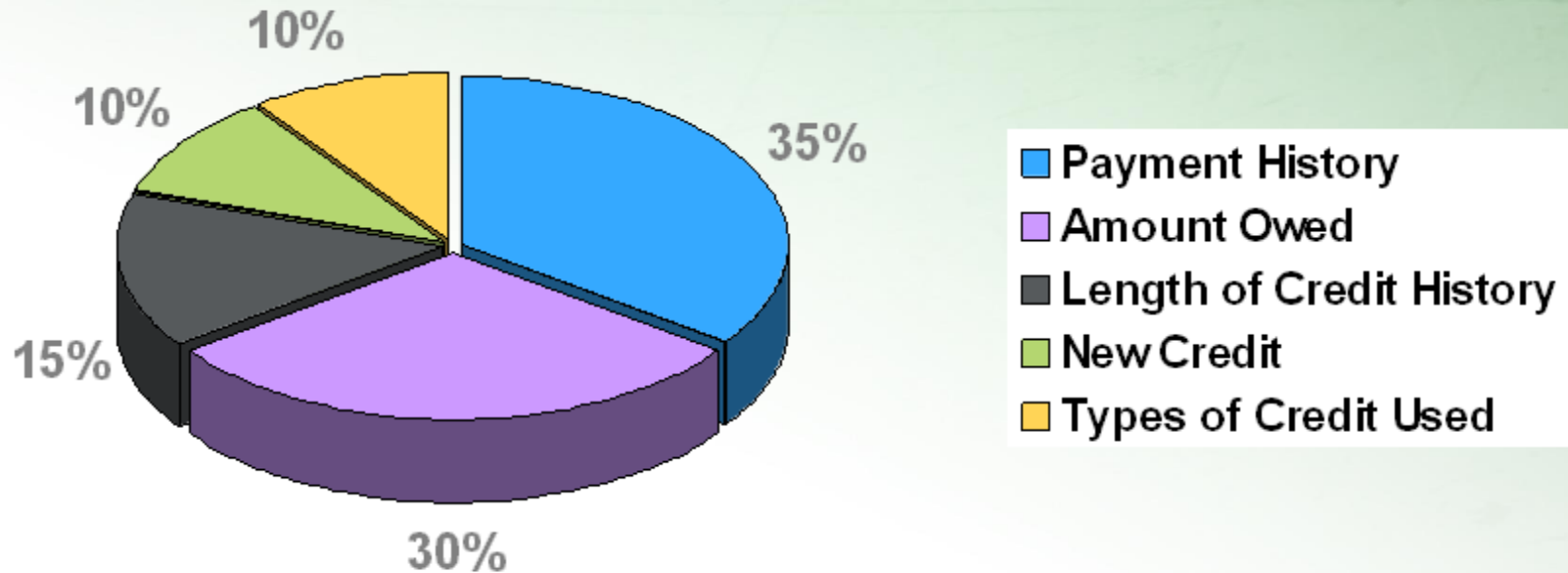


Credit Scores and Reports

Credit Scores are a “*Snapshot*” of your credit behavior and is a factor for credit approval and interest rates you receive

- Predicts future performance by analysis of past payment behavior
- Allows lenders to identify who is likely to perform well in the future – even if their information reveals past problems.
- It’s your “risk factor”  or GRADE
- Computer programs transform information from your credit report into a number – ‘a score’
- To create a score – need at least 1 account open for 6 months or greater

Habits that create your score

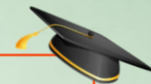


What is a good score?

Computers assign numbers to certain factors and habits to tell creditors the likelihood that you will repay on time

Scores generally range from 400's to 900's

► *remember different lenders interpret results differently* ◀



Above 850:	Excellent Credit
725 – 850	GOOD Credit
625 – 725	Creditors may take a closer look at your factors, but overall AVERAGE Credit
550 – 625	Higher risk. May not be eligible for best rates.
Below 550	Poor credit risk. Most likely turned down for most credit unless there are factors like good collateral or cosigner

How scores can affect YOU



Effects of your scores

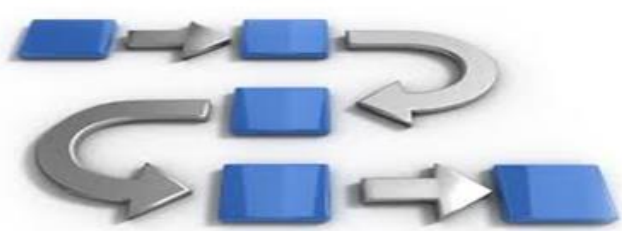
- » Eligibility for future credit
- » Insurance, Employment, Housing
- » Interest rates on future loans

*How much
can you save*



Below chart is based on a 36-month car loan for \$20,000 with no money down and no trade in.

Credit Score	500--589	590--624	625--659	660--689	690--719	720--850
Interest Rate	18.597%	16.206%	12.225%	9.498%	7.386%	6.674%
Monthly Payment	\$729.05	\$705.17	\$666.43	\$640.64	\$621.07	\$614.60
Total Expense	\$26,245.80	\$25,386.12	\$23,911.48	\$23,063.04	\$22,358.52	\$22,125.60



The Plan

- ✓ Narrow down career choices
- ✓ Know anticipated salary
- ✓ Research and apply to several schools
- ✓ Work hard on scholarship search
- ✓ Be realistic about career choice & schools
- ✓ Compare estimated financial aid award notices
- ✓ Make the tough choices
- ✓ Think of the future
- ✓ **Finish on time**



Your Unique Journey, starts with YOU



Thanks and Best Wishes!

Questions?



PHEAA Online Resources

- **PHEAA.org**
- **EducationPlanner.org**
 - Career planning
- **MyNextMove.org**
 - Research Careers
- **MySmartBorrowing.org**
 - Borrow smart
- **YouCanDealWithIt.com**
- **Facebook.com/pheaa.aid**
- **MyFedLoan.org**

