

At National University, we strive to make higher education accessible to all adult learners. This informative guide is designed to educate you about your financial aid options, so you can find the resources you need to pay for college and achieve your goals.

# THE COST OF EDUCATION

College costs have climbed steadily over the years, with reports saying tuition has risen as much as 80 percent since 2000.<sup>2</sup> College loan debt has grown too, surpassing car loans and credit cards as the largest sources of personal debt.

Along with higher costs, many public colleges and universities are spending less per student today than they have in many years because of decreased education funding by other sources. Even severe cuts to per-pupil spending are not enough to make up for the drop in school funding, so tuitions have skyrocketed.

College enrollment has declined correspondingly, but not because people do not want to go to college. The fact is that many families simply cannot afford the increased cost.

In 2017, Americans owed over \$1.3 trillion in student loan debt, and 1 in 5 adults ages 30-44 was paying off student loans.<sup>1</sup>



### BENEFITS OF A COLLEGE DEGREE

The value of a higher education is undeniable. Earning your college degree can increase your earning potential, improve your job prospects, and set you up for a more secure future. In fact, 86 percent of college graduates find their college education worth the money they put into it.<sup>2</sup>

According to the U.S. Bureau of Labor Statistics, bachelor's degree holders earn 67 percent more on average than those with only a high school diploma.<sup>3</sup> A recent study found that bachelor's degree holders are likely to earn \$1 million more over the course of a lifetime than their peers who have only completed high school. Using those calculations, it's estimated that the value of a college degree is \$970,000.<sup>4</sup>

A college degree provides job security too. The unemployment rate for workers with bachelor's degrees is almost 50 percent lower than those with a high school diploma, according to the BLS. During the more recent recession, the population that suffered the greatest job loss was that group with no post-secondary education. The group that was impacted the least: college graduates.<sup>5</sup>

College grads experience benefits of their education far into the future. According to the Lumina Foundation, bachelor's degree holders are more likely to have health insurance, contribute to a retirement plan, and rely less on government assistance. College grads also have a greater impact on society through volunteerism and philanthropic contributions.<sup>6</sup>



# FINANCIAL AID BASICS

Most college students pay for their education with grants, scholarships, loans, or a combination of the three. The purpose of financial aid is to bridge the gap between educational cost and a student's resources.

Here is a quick overview of the differences between grants, scholarships, and loans. The following pages will give you a deep-dive into each financial aid option.

FINANCIAL AID OPTIONS		
TYPE OF FINANCIAL AID	WHAT'S THE DIFFERENCE?	WHAT WILL IT COST ME?
GRANTS	Grants are essentially free money awarded to students based on financial need. Typically, grants come from the government, your college, or a nonprofit organization. Here's the best part: you don't have to pay them back.	Free
SCHOLARSHIPS	Scholarships are usually awarded based on merit or other specific requirements, including minority status, athletic ability, or academic achievements. Scholarships, like grants do not need to be repaid.	
LOANS	Loans differ from grants and scholarships in that they must be paid back. Some loans may be subsidized by the U.S. Department of Education while others are offered unsubsidized—meaning you pay the interest.	That depends on the amount you borrow, when you pay it back, and the interest you accrue.

#### **GRANTS**

Grants are a great way to fund your education because, unlike loans, most do not have to be paid back. Each grant is awarded on a need basis and will have unique qualifiers that must match your situation.

To learn more about federally issued government grants, including eligibility requirements, visit <u>studentaid.gov</u>.

TYPE OF GRANT		
PELL GRANT	Pell Grants are awarded to undergraduate students who are working toward their first bachelor's degree and have a high financial need.	
TEACHER EDUCATION ASSISTANCE FOR COLLEGE AND HIGHER EDUCATION (TEACH) GRANT	TEACH grant program provides grants of up to \$4,000 per year to students who are completing or plan to complete course work needed to begin a career in teaching. Students must maintain a 3.25 GPA.	
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (FSEOG)	This is a grant for undergraduate students with exceptional financial need.	
STATE GRANTS	States offer grants to residents. A list of the various grants offered by each state can be found at <u>ed.gov</u> or <u>grants.gov</u> .	
CAL GRANT A, B, S	Cal Grants provide aid to California residents who are undergraduates, vocational training students, and those in teacher certification programs. Grants are based on financial need and GPA competitiveness.	



Most grants are given to qualified students on a first-come, first-served basis, so apply for grants as early as you can.

#### **SCHOLARSHIPS**

Scholarships are usually awarded based on merit or other specific requirements. Sometimes those requirements may be based on minority status, athletic ability, or may even be awarded to students that win academic competitions. Scholarships, like grants, do not need to be repaid.

You can learn about scholarships in many ways, starting with contacting the admissions office at the school you plan to attend. Another good place to find scholarship information is the U.S. Department of Labor's scholarship search tool.

Remember that you do not have to pay any agency or individual to find scholarships or other financial aid opportunities.

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#### STUDENT LOANS

Loans come in all sizes and varieties and differ from grants and scholarships in that they must be paid back. Some loans may be subsidized by the U.S. Department of Education while others are offered unsubsidized.

The difference is that the U.S. Department of Education pays the interest on a Direct Subsidized Loan while you are in school, and you are responsible for paying the interest on a Direct Unsubsidized Loan.

For a full list of Federal student loans, interest rates, and criteria for eligibility, visit <u>studentaid.gov</u>.

TYPE OF LOAN		
FEDERAL SUBSIDIZED WILLIAM D. FORD (WDF) STAFFORD LOAN	A loan program to assist undergraduate students with educational expenses. Stafford loans are subsidized, so recipients are not required to make payments or pay the interest during full-time attendance or the first six months after the student's last day of attendance.	
FEDERAL UNSUBSIDIZED WILLIAM D. FORD (WDF) STAFFORD LOAN	This program is available to graduate and undergraduate students who may not qualify for a subsidized Stafford Loan or for students who may qualify for only a partial subsidized Stafford loan. The terms and conditions are the same as the subsidized Stafford Loan, except that the borrower is responsible for the interest that accrues while the student is in school and during the grace period.	
FEDERAL PLUS LOANS FOR PARENTS	Plus loans assist parents of undergraduate dependent students with educational costs.	
FEDERAL PERKINS LOAN	This is a low-interest loan program that assists undergraduate students with tuition cost and is funded on a limited basis to students with exceptional financial need.	
GRAD PLUS LOAN	This government-insured educational loan is designed for graduate and professional students at a fixed rate.	
PRIVATE LOANS	Available through various lenders, private student loans are credit based and can have a variable interest rate.	





## WHO QUALIFIES FOR FEDERAL STUDENT AID?

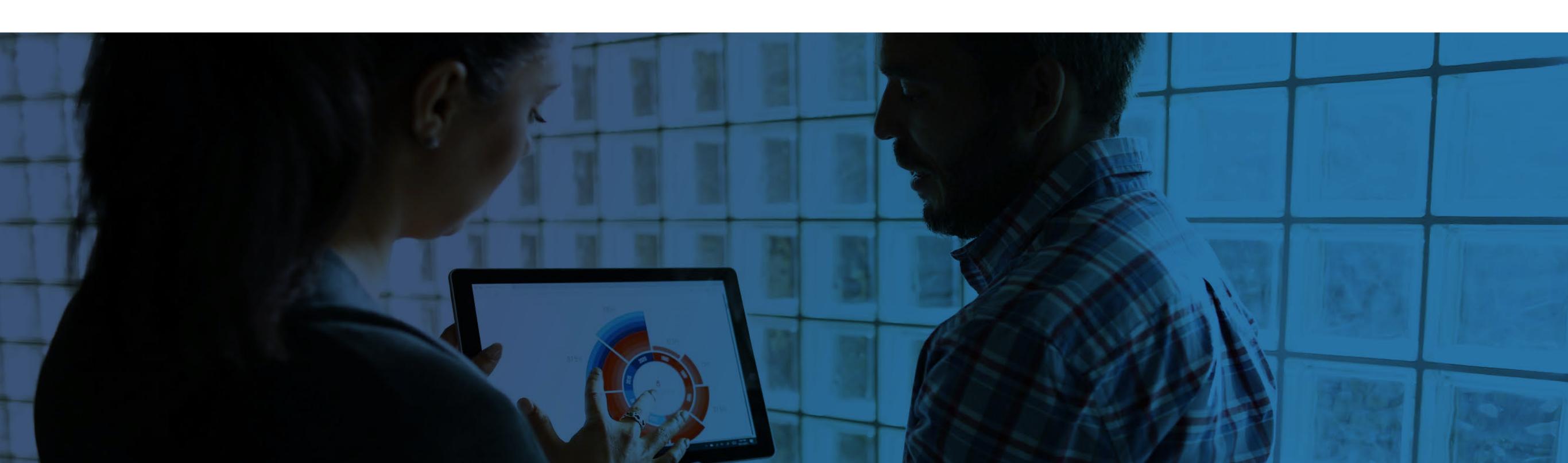
Generally speaking, you must demonstrate financial need for a majority of the federal student aid programs. This need is typically defined by the difference between the cost to attend a school and your expected contribution to the cost.

If you do not meet the citizen eligibility status, there may be options through the U.S. Department of Labor or your country's embassy or consulate that may afford you aid. Ask the college or career school you plan to attend whether they offer any aid for students in your situation.

For a complete list of eligibility criteria, visit <u>studentaid.gov</u>. You can also speak with a financial aid advisor at the school you are interested in for answers about specific criteria.

#### GENERAL ELIGIBILITY FOR FEDERAL AID:

- Be a U.S. citizen or an eligible non-citizen
- Have a valid Social Security number
- Have a high school diploma or General Educational Development (GED) certificate
- Be enrolled or accepted into an eligible degree program at an accredited institution of higher education
- Be registered for Selective Service if you are a male between the ages of 18-25
- Complete and submit a <u>Free Application for Federal</u> **Student Aid (FAFSA)**



# YOUR FINANCIAL AID CHECKLIST

A college degree is worth every penny you put into it, but applying for college can seem daunting when you start thinking about how to pay for it. Use this checklist to help you stay on track to securing financial aid opportunities:

#### **✓** APPLY FOR FAFSA

Visit <u>fafsa.ed.gov</u> to fill out the FAFSA application for federal student aid, including federal student loans. You can do this before you decide what school you will go to.

You can fill out the form online for the fastest response (and online help) or download an application to fill out and return by mail. If you apply online, you can expect a response in a week or less. If mailed, give your application a few weeks to process.

You will then receive a Student Aid Report (SAR) that helps your school determine the types of federal aid for which you are eligible.

#### ✓ CHOOSE YOUR COLLEGE AND DEGREE

Contact an admissions advisor at your college or university of choice. They will:

- Find a degree program that's right for you
- Determine if your previous credits transfer
- Outline the full cost of your program

#### ✓ SPEAK WITH A FINANCIAL AID ADVISOR

Once you receive the SAR results of your FAFSA application, a financial aid advisor at your university or college will use your overall score along with the report to help find the right amount and type of aid you qualify for.

They will also calculate your school fees, tuition, and estimated costs for books and supplies to help you determine the total amount you will need to attend.

#### **✓ SEEK FREE MONEY FIRST**

A simple rule of thumb is to take advantage of free money first, like scholarships, grants, and gifts, as it is difficult and timeconsuming to save up enough ahead of time. Then look into borrowing money, starting with federal student loans.

There are specific timetables that must be adhered to in order to qualify; so do not delay applying for them. In some cases, grants are given to qualified students on a first come, firstserved basis, so apply for grants as early as you can.



### MANAGING YOUR STUDENT LOAN DEBT

Here are some helpful tips on how to manage your student loan debt and pay back what you owe. To learn more about federal student loans, including current interest rates, visit studentaid.gov.

#### 1) BORROW RESPONSIBLY

Federal student loans are a great place to start since the interest rate is fixed and is often lower than private loans and most credit card interest rates. You will not need to get a credit check for most federal student loans (except for PLUS loans), and federal student loans can help you establish a good credit record. You usually do not need a cosigner to get a federal student loan.

#### 2) CONSOLIDATE YOUR LOANS

If you have a number of student loans, you can consolidate them into a Direct Consolidation Loan.

#### 3) POSTPONE PAYMENTS WHEN NECESSARY

If you are having trouble repaying your loan, you may be able to temporarily defer or lower your payments while you are continuing your education. If you work in public services for healthcare or education, you may be eligible to have some portion of your loans forgiven.

#### 4) MAKE SURE ANY DEBT IS REASONABLE

Whether you go with a federal or private loan, ask your school's financial aid advisor for starting salaries of recent graduates in your field of study to get an idea of how much you are likely to earn after you graduate. You can use the Department of Labor's career search tool My Next Move to augment that information so you can consider your debt-toincome ratio before taking on debt.

#### 5) VISIT YOUR COLLEGE'S FINANCIAL AID OFFICE

Use free resources to help figure out what you need. A college financial aid office is a free resource that will assist in providing all the information you need to find money—you should not pay anyone for those services.

Take advantage of grants, scholarships, and gifts, borrowing only what you need.

### FINANCIAL AID ADVISORS: CONSULT THE EXPERTS

Don't let financial worries stop you from getting the education you want. There are a wide variety of resources to help you pay for college and a financial aid advisor can help you navigate them. Every school is different, so contact the financial aid office of the school you're interested in early and arrange a meeting to get all of the latest information.

#### A good advisor will help you:

- Complete your FAFSA application
- Find all the aid you're eligible for
- Set a realistic budget to get you through college
- Remember all application deadlines
- Understand your payment options after you graduate

#### **ONLINE RESOURCES**

Here are a few helpful links to help you find more information about your financial aid options.

- FAFSA
- Federal Student Aid
- U.S. Department of Education
- Grants.gov
- Scholarships Search Tool

A financial aid advisor can review the results of your Student Aid Report with you. The advisor can help determine the amount of aid you'll need and what aid options are available to you.

#### **ABOUT NATIONAL UNIVERSITY**

National University is a San Diego-based nonprofit founded in 1971 by retired U.S. Navy Lt. Cmdr. David Chigos. As the largest private nonprofit university in San Diego, our mission is to provide accessible and achievable higher education to adult learners. To help reduce the cost of education, we offer over 100 degree programs with four-week classes and accept all federally funded financial aid programs, including grants, loans, and scholarships. We also award tuition scholarships and grants to those who qualify.

#### NATIONAL UNIVERSITY AT-A-GLANCE

- Over 100 associate, bachelor's, and master's degrees, plus certificates and credentials
- Classes offered on campus, online, and on over a dozen military bases nationwide
- Over 20 locations in California and Nevada
- Accredited by the WASC Senior College and University Commission (WSCUC)
- Named a Best Value College by Money Magazine
- Yellow Ribbon school with tuition discounts for military personnel and their dependents
- Over 150,000 alumni around the globe

#### LEARN MORE

(855) 355-6288 finaidinfo@nu.edu <u>nu.edu</u>

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