

Myths and Facts about Financial Aid

When you start thinking about college, you may encounter lots of advice about the process, particularly about financial aid. Some of the advice is helpful, some of it not so much. Verify the accuracy of the financial aid tips that you are receiving and throughout the application process always check with the colleges and universities for particular policies and details. Outlined below are some of the more common myths we hear from families as they navigate the financial aid process.

MYTH: College is too expensive for my family – I shouldn't even apply.

FACT: More than \$185 billion* in financial aid is awarded each year to undergraduate college students. The government offers grants and low-cost loans for families that have financial need and many colleges offer their own financial aid to offset college costs.

MYTH: My child shouldn't apply to a higher cost school because we'll never be able to afford it.

FACT: Families should consider costs when applying to colleges, and have financial safety schools on the list. But don't discourage your student from applying to certain colleges simply because of the cost until they understand what financial aid may be available.

MYTH: My child has a high GPA and high SAT scores so we will probably get a scholarship and not need to file for financial aid.

FACT: Scholarship awarding policies vary from institution to institution. Students may be eligible for a merit scholarship based on their grade point average or college entrance test scores at one college but not at another. The competitiveness of the institution as well as the other candidates applying for admission may be a factor. Families should file the FAFSA and apply for financial aid at all colleges to take advantage of all opportunities for funding.

MYTH: My child needs good grades and high SAT scores to receive financial aid.

FACT: Of the over \$185 billion* in financial aid awarded to undergraduate students annually, most of it is based entirely on financial need, not merit.

MYTH: I make too much money to be eligible for financial aid.

FACT: Don't make assumptions about your potential eligibility. It may differ from school to school.

MYTH: If we apply for financial aid, it will hurt our child's chances of being admitted to the college.

FACT: Most colleges practice need-blind admissions where the applicant's financial aid status has no bearing on the admissions decision. You won't be penalized for applying for financial aid at schools that practice need-blind admissions.

MYTH: We have a lot of personal debt, so we should be eligible for more financial aid.

FACT: Financial aid formulas are used to measure your family's overall financial strength based on your income and assets. Personal debt, such as credit card debt and auto loans, is not considered when determining financial aid eligibility.

MYTH: If I save (or save too much) for college, we won't receive any financial aid.

FACT: Savings are actually a very small part of the financial aid formula. The financial aid process is predominantly driven by family income. Families who save are in a much better position to meet their expected college costs than families who do not save.

MYTH: Financial aid means free money.

FACT: Grants, scholarships, loans and federal work-study are all forms of financial aid. Some financial aid is essentially free money for education, but a loan does need to be repaid, and almost half of the financial aid that is awarded comes in the form of education loans.

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