
5 Steps to Financial Awareness for College

1

Know What It Costs

The first and, perhaps, easiest step is figuring out what college will cost for the length of your education. This information is usually readily available on college websites and comparison sites. However, don't forget to include tuition and fees, room and board, books and supplies, personal expenses, and transportation costs into your equation. These will all be recurring costs from semester-to-semester and year-to-year. College Board's Quick Guide: College Costs can help with this step. Additionally, some students may qualify for additional financial support through public benefit programs to cover food, healthcare, and energy costs. For more information about these options, check out the College Affordability Resources from College Board.



2

Be Informed About Salary Potential

Another important, and often overlooked, step is to know what a starting salary is for your desired job. This will take some research and you want to be sure you are looking at starting salary not the earning potential for a given career. Knowing the expected starting salary can help you decide what degree to pursue and which college to attend based on the cost and how much you'll be earning when you graduate. For example, if you want to be a teacher and the starting salary is around \$35,000 a year, it may not make financial sense to attend a college that will cost you \$40,000 when you could attend a different school for less with as good or better credentials and experiences when you're finished.

3

Research and Secure Financial Aid Options

There are many available options for financial aid, from scholarships to grants to work-study programs and student loans. (Pro Tip: You'll want to take as few student loans as possible, if any). Financial aid is available through colleges and universities, private organizations and employers, state governments, and federal funding. This will be the most time consuming step of being financially aware, but could have the biggest payoff. You definitely want to spend the time here to research, apply for, and (hopefully) receive as much money toward college as possible.

4

Establish a Financial Plan

Work with your family, and a financial advisor or financial aid officer if possible, to establish a clear financial plan for paying for college. This should include all costs related to college (see #1), all financial aid amounts, and any contributions you or your family intend to make. Make sure that your financial plan includes information about the starting salary for your desired career and how any debt will be repaid. Start saving as early as possible, if that is part of your financial plan, and definitely spend the time to secure financial aid.

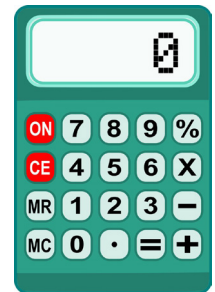
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Create a Budget

As part of your financial plan, you should create a college budget. The purpose of a college budget is to help students manage the varying costs of tuition and other expenses throughout the year. Carefully planning and sticking to a college budget will help you graduate with less debt. The Create a Budget for College guide from The Balance provides a step-by-step process for setting a college budget and this resource, Track School Expenses with a College Student Budget, from Mint includes a free college budget template that might be helpful.

Calculating Cost and Debt

The most important step in financial planning for college is calculating all the related costs and determining how much debt you will be in upon graduation. There are a number of tools that can help with this part of the process.



What You Need to Know

- Remember, your college experience won't just cost you tuition!
- To get an accurate estimate of the full cost of college, you'll need to factor in the costs of tuition and fees, room and board, books and supplies, personal expenses, and transportation. The [College Costs Quick Guide](#) from College Board can help you consider these expenses.
- All of these costs will vary from college to college, which is why it is important to figure this out when you are in the selection process (or before) so that you can make the most financially informed decision possible.
- Once you know the costs associated with obtaining a college degree, you can find ways to save money on most expenses, but if you don't know what you're spending (or going to spend) there's no way to keep track of how much debt you'll accumulate.

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- Thanks to financial aid, most students do not usually pay the published price to attend college.
 - Focus on the net price for a college. This is the published price for tuition and fees minus your gift aid (grants and scholarships) and education tax benefits. Getting the estimated net price for the colleges you're interested in is the best way to find out early on in the process how much a college will really cost you. Learn more about net price in this College Board resource: [Focus on Net Price, Not Sticker Price](#).
 - In their resource, "How to Get the Best Estimate of Your College Costs," College Board recommends figuring out three cost figures to help you decide if you want to further investigate a particular college:
 - **Average Net Price** - This is what a student really pays to go to this particular college. This figure is determined by subtracting any grants or scholarships you may be eligible for from the cost of attendance for the college. For example, a four-year public college has a published, in-state price of \$9,410, but the average net price might be \$3,980 - a huge difference.
 - **Average Percent of Need Met** - Most colleges won't be able to cover 100 percent of your demonstrated financial need, but you can get an idea for what they might be able to cover based on what it has typically offered students in the past.
 - **Average Percent of Gift Aid** - Scholarships and grants are considered 'gift aid', but other types of financial aid are available such as work-study jobs and loans. When you receive financial aid from a college or university, it will be divided among these types of aid. When researching schools, look to see what the average percent of gift aid (grants and scholarships) is to calculate this figure. Remember, a bigger number here is better.

Resources for Calculating Costs and Debt

- [College Cost Calculator](#), College Board
- [College Tuition Compare](#)
- [Loan Payment Calculator](#), FinAid.org
- [Calculator: How Long Will It Take to Pay Off Your Student Loans?](#), NerdWallet
- [Loan Simulator](#), Federal Student Aid - U.S. Department of Education
- [Debt / Salary Wizard](#), Mapping Your Future
- [Net Price Calculator Center](#), U.S. Department of Education



Scholarships

Scholarships are **free money** for college! Unlike a student loan, scholarships are considered 'gift aid' and **do not have to be repaid** after graduation. Scholarships can be used for tuition and fees, but also room and board and textbooks (which can be a hidden expense). Applying for and trying to secure as many scholarships as possible throughout high school and college should be a priority for all students to help make college more affordable.



What You Need to Know

- **There are scholarships for everyone.** This might sound like an exaggeration, but there are scholarships available for all types of activities, hobbies, academic achievements, athletic accomplishments, identities, and interests. Some are restricted to those with high test scores or excellent grades (usually merit-based scholarships) but there are tons of others out there. TIP: Make sure to check with your local delegates and government representatives for scholarships as they are a great source!
- **Scholarships are easier than ever to find.** Thanks to the Internet, finding and applying to tons of scholarships has never been easier. There are many tools and search sites in the resources below that can help you find the best scholarships for you.
- **Start applying early and don't stop!** You want to start applying for scholarships as soon as you know you are going to college. You can apply for some scholarships even before you begin high school. Do not wait until your senior year to start searching for and applying to scholarships. It is most recommended to begin your search during your freshman year of high school. It is also important to continue applying for scholarships through your final semester of college. Yes, you read that correctly, obtaining scholarships before and during your college career will significantly help limit your debt.
- **Don't apply to everything.** Instead of applying to every scholarship you find, focus your time and energy on 3-5 applications per month. Make sure these are scholarships you are genuinely interested in and a good fit for. By reducing the number of scholarships you're working on, you will have more time to revise and submit the strongest application possible and you won't burn out on the process. TIP: Look for scholarships that require more effort and work as they will often have fewer applicants, giving you a better chance of winning.

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- **Be creative and original in your applications.** If an essay is required as part of the application, make sure your response is thoughtful, original, and creative. Tell a story and make sure that you respond to the prompt or question completely, without including the prompt directly in your response. More tips for essays that will get the committee's attention can be found in [5 Things Every Student Should Know About Scholarships](#) from MoneySolver.



- **You won't win them all.** Scholarships take a lot of work, but it is work worth doing. Even if you get more rejections than awards, stick with it! The practice of applying over and over will make your applications stronger and make you more comfortable with the process. This is also why it is a good idea to start early because it gives you more time to get good at it.
- **No Federal financial aid?** Though you may not be eligible for Federal financial aid through your FAFSA, you might still be able to secure State financial aid. Check with your state's higher education commission or department. In Maryland, you can visit this link for more information: [MD State Financial Assistance Programs and Applications](#) from the Maryland Higher Education Commission (MHEC).

Resources for Learning More or Finding SCHOLARSHIPS

- [The Basics on Grants and Scholarships](#), College Board
- [5 Things Every Student Should Know About Scholarships](#), MoneySolver
- [5 Things You Need to Know About the Scholarship Process](#), The Scholarship System
- [Finding and Applying for Scholarships](#), Federal Student Aid - U.S. Department of Education
- [Financial Aid Resources](#), Maryland Higher Education Commission (MHEC)
- [Scholarship Finder](#), CareerOneStop
- [Maryland Scholarships](#)
- [HBCU Connect Minority Scholarship Program](#), HBCU Connect
- [United Negro College Fund](#)
- [Thurgood Marshall College Fund](#)
- [Guide to Scholarships for New Americans and Minorities](#), DFW International
- [40 Great Scholarships for First-Generation College Students](#), Great Value Colleges
- [Financial Aid and Scholarships for Minorities](#), AffordableColleges.com
- [50+ Scholarships for DACA Students](#), Get Schooled
- [Scholarships for Immigrants and Refugees](#), USAHello

Even More Resources for Learning More or Finding SCHOLARSHIPS

- [MD State Financial Assistance Programs and Applications](#), Maryland Higher Education Commission (MHEC)
- [Maryland State Delegate Scholarship](#)
- [Maryland 2020-21 Legislative Scholarships](#), Maryland Higher Education Commission (MHEC)
- [Scholarships, Grants, and Other Awards in Maryland](#), CollegeScholarships.org
- [Scholarship Search](#), College Board
- [Scholarships](#), FastWeb
- [Scholarships.com](#)
- [Find College Scholarships](#), Niche
- [ScholarshipOwl](#) - Find and apply for scholarships with one application
- [Scholly](#), Sallie Mae
- [Unigo](#)
- FREE Workshop: [6 Steps to Secure Scholarships for College \(and Avoid Student Loan Debt\)](#), The Scholarship System
- COURSE: [The Search for Scholarships](#), MoonPrep
 - This course is being offered for FREE for a limited time (as of the time of publication) as part of a Planning for College Course Bundle



Grants

Grants are another type of 'gift aid' and are also **free money that does not have to be repaid**. Grants can be issued from college or career schools, private or nonprofit organizations, state governments, or the federal government. In most cases, these grants will be awarded by your college or career school as part of your financial aid package.

What You Need to Know

- **Most grants are need-based.** This means that they are awarded based on your or your family's financial situation. At any point, if your financial need is reduced, perhaps by other financial awards, you may no longer qualify for the grant.
- **You will need to complete the FAFSA to qualify for grants.** Because most grants are need-based, you will be required to show evidence of your financial need. Completing the Free Application for Federal Student Aid (FAFSA) will provide all the information required to prove your level of need.
- **Grants may have requirements you must meet to maintain eligibility.** These requirements will vary from program to program. In most cases, eligibility requirements include finishing a program you're enrolled in (i.e. earning the degree or certificate), keeping a full-time course load, a reduced need for financial aid, or not fulfilling a service obligation relevant to the grant.
- **You may have to repay a grant.** If you are not able to maintain your eligibility, you will have to repay the grant. The information on the U.S. Department of Education's [Grants](#) webpage provides more details about situations where you would have to repay a grant.



Resources for Learning More or Finding GRANTS

- [Grants](#), Federal Student Aid - U.S. Department of Education
- [The Basics on Grants and Scholarships](#), College Board
- [How to Find Grants to Pay for College](#), The College Investor
- [Guide to Grants for College](#), NerdWallet
- [Grants for College](#), SallieMae
- [What is a Pell Grant?](#), College Board
- [Everything You Need to Know About the Pell Grant](#), U.S. News
- [Workforce Shortage Student Assistance Grant Program](#), Maryland Manual Online

Work Study

Work-study is a federal (or state) government program that provides funding for part-time employment for students in financial need to finance the cost of college. As part of a work-study program, students are paid no less than the federal minimum wage. The money earned from a work-study program won't be enough to cover all your college expenses - you'll still need to pull together aid from multiple sources - but it is beneficial for students who qualify.



What You Need to Know

- **You will need to complete the FAFSA to be eligible for work-study.** Just like grants, to be eligible for participation in a work-study program you must demonstrate a certain level of financial need. There is a specific item on the FAFSA that asks if you'd like to be considered for work-study; if you are, be sure to respond 'Yes'.
- **Not all colleges and universities offer work-study programs.** According to the U.S. Department of Education, an estimated 3,400 colleges and universities have a Federal Work-Study Program (FWS), but this is not all schools. You will want to check with the financial aid office at the schools you're considering to find out if they offer work-study programs.
- **You will have to find your own work-study-eligible job** and work to earn the awarded amount. You will receive notice of your acceptance into a work-study program as part of your financial aid package alongside grants, loans, and other financial aid awards. Although your package may list a certain amount of money allocated to a work-study program, it will be your responsibility to find a qualifying job and work enough hours to earn the amount awarded.
- **You do not have to accept a work-study offer.** If you receive a work-study offer as part of your financial aid package, but do not intend to use it, you can decline. However, if this component of your financial aid will reduce the amount of student loans you need to borrow (it will), it is highly recommended to accept it to minimize the debt you'll be facing after college.

Resources for Learning about WORK STUDY

- VIDEO: [What is Federal Work Study and How Much Does It Pay for College?](#), The College Investor
 - [What is Work-Study?](#), NerdWallet
 - [Federal Work-Study \(FWS\) Programs](#), U.S. Department of Education
 - [8 Things You Should Know About Federal Work-Study](#), U.S. Department of Education
 - [Work-Study Jobs](#), Federal Student Aid - U.S. Department of Education
 - [Federal Work-Study: Frequently Asked Questions](#), U.S. News
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FAFSA

The **Free Application for Federal Student Aid, or FAFSA**, is the way to access financial aid such as grants, work-study, or federal student loans. Completing the FAFSA is the most important step families can take toward paying for college. Completing and submitting the FAFSA form is free, and it provides students access to the largest source of financial aid to help pay for higher education.

NEW!

“Better FAFSA” - Important Updates Made to the FAFSA Process

As of the 2024-2025 school year, there is now a NEW FAFSA form, the “Better FAFSA Form”. The revamped FAFSA form expands eligibility for federal student aid and provides a **streamlined user experience**. This means that it is faster and easier to complete the form with most families completing it in **less than 15 minutes!**

Better FAFSA - What’s New?

- An estimated **7.3 million students from low-income backgrounds** will be eligible to receive Federal Pell Grants due to updates to student aid calculations.
- Applicants will be able to skip as many as 26 questions, depending on their individual circumstances. Some applicants could answer as few as 18 questions, which could take **less than 10 minutes!**
- Students can now invite contributors without an SSN to their form.
- **Fewer documents** are required for applicants to move through the application process
- **Federal tax information can now be transferred automatically** from the IRS into the FAFSA form with authorization.
- All students will be able to **access the maximum financial aid** for which they are eligible.

What You Need to Know

- **Create a StudentAid.gov account.** This is the first step in the FAFSA process. You’ll need your Social Security Number to set up an account. Get started here: [Create an Account](#).
- **Contributors need an account, too.** “Contributors” is a new term introduced with the Better FAFSA form and refers to anyone required to provide information on the form, such as your parent(s). Family members identified as contributors on the form won’t make them responsible for paying your education costs. The online form tells you who needs to be a contributor based on your answers to certain questions on the form. Contributors will need to provide the following information:
 - First and last name
 - Social Security Number (SSN)
 - Contributors who do not have a SSN can still create a StudentAid.gov account to complete their section of the FAFSA form
 - Date of birth
 - Email address (and/or mailing address)

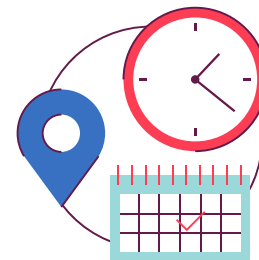
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- **Gather documents necessary to complete the form.** While the revised FAFSA form is meant to be paperwork and document “lite” there are still some documents you will need to gather in order to complete the form. Documents needed include:
 - Tax return documents
 - Required year will vary depending on the year you’re completing
 - You can now opt to have these directly imported from the IRS
 - Recommended to still have these documents on hand to answer any relevant questions
 - Records of any child support received
 - Current balances of cash, savings, and checking accounts
 - Net worth of investments, businesses, and farms
 - **Receive financial aid offer letters!** After submitting your FAFSA, you’ll receive the financial aid offer letters directly from the colleges you selected later in the spring.

Resources for FAFSA Help and Information

- [Federal Student Aid website](#), U.S. Department of Education
 - [Apply for Financial Aid / Complete the FAFSA Form](#), Federal Student Aid - U.S. Department of Education
 - [How Financial Aid Works](#), Federal Student Aid - U.S. Department of Education
 - [The Better FAFSA: What You Need to Know](#), U.S. Department of Education
 - [7 Key Changes Coming to the 2024-25 FAFSA Experience](#), Federal Student Aid - U.S. Department of Education
 - [FAFSA Checklist & Timeline for Students & Families](#), Federal Student Aid - U.S. Department of Education
 - [How to Complete the FAFSA](#), College Board
 - [Pro Tips for the 2024-25 FAFSA Form \(Better FAFSA\)](#), Federal Student Aid - U.S. Department of Education
 - **Helpful Video Playlists from Federal Student Aid, U.S. Department of Education:**
 - VIDEO PLAYLIST: [The 2024-2025 \(Revised\) FAFSA Form](#)
 - VIDEO PLAYLIST: [2024-25 \(Revised\) FAFSA FAQs](#)
 - VIDEO PLAYLIST: [Preparing for the FAFSA Form](#)
 - VIDEO PLAYLIST: [Completing the FAFSA Form](#)
 - VIDEO PLAYLIST: [Next Steps After Submitting Your FAFSA Form](#)
 - [Financial Aid 101](#), College Board
 - [Financial Aid Checklist](#), College Board
 - [Staying Eligible](#), Federal Student Aid - U.S. Department of Education
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PART-TIME ATTENDANCE

Attending college part-time may be the best situation for you. Part-time status is defined differently from college to college, but a full-time student generally takes between 9 -12 credits per semester. There are a number of factors that could influence the decision to attend part-time such as flexibility to work, look after family, or other commitments and responsibilities.



Among these considerations is attending part-time in order to afford college. Because you'll be taking fewer credits each semester, you will pay less. Part-time attendance also allows you the flexibility to have a part-time or full-time job, which will also help you earn money to pay for college. However, in some cases, financial aid is still available to part-time students.

What You Need to Know

- **You will need to take six credits or more a semester to be eligible.** Most financial aid requires students to be enrolled in classes to earn at least six credits a semester.
- **Many federal loans are available to part-time students.** While loans are not the ideal form of financial aid, federal student loans tend to have lower interest rates and more flexible repayment options. There are three types of federal loans available to part-time students: Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans. You can learn more about these types of loans in the article [Financial Aid for Part-Time Students](#) from LendingTree.
- **You will need to complete the FAFSA.** Just like all other types of financial aid, in order to receive financial aid as a part-time student, you must complete the FAFSA each year.
- **Exhaust all other aid options before taking out private student loans.** Private student loans, offered by independent banks or credit unions, are the worst type of 'aid' to take because they come with high interest rates and restrictive repayment options. You could be repaying student loans for many years after completing your degree. All other options - grants, scholarships, work-study, federal loans - should be researched and sought after before resorting to private student loans. Try to gather as much financial aid as possible through other means.

Resources for Learning about Part-Time Attendance

- [Financial Aid for Part-Time Students](#), Student Loan Hero - LendingTree
- [4 Financial Factors in Making the Part-Time College Calculation](#), U.S. News
- [Part-Time Grant](#), Maryland Higher Education Commission (MHEC)
- [3 Money Mistakes for Part-Time Students](#), Full-Time Workers to Avoid, U.S. News
- [Full Time vs Part Time Student](#), SoFi Learn

GENERAL FINANCIAL RESOURCES

COVID-19 Aid-Specific Resources



- [StudentAidPandemic.org](https://studentaidpandemic.org)
 - Free student aid-related COVID-19 guidance for students, families, and student loan borrowers
- [Coronavirus \(COVID-19\) Web Center](#), National Association of Student Financial Aid Administrators (NASFAA)
 - This web center was created to keep NASFAA members and the financial aid community updated on pertinent news related to the coronavirus.
- [The Pandemic Has Changed How Financial Aid Offices Communicate with Students](#), National Association of Student Financial Aid Administrators (NASFAA)

General Financial Planning Resources

- [Funding Your Education](#), Federal Student Aid - U.S. Department of Education
- [College Financial Planning](#), Merrill
- [Unit: Paying for College](#), Khan Academy
- [Private or Alternative Student Loans](#), Maryland Higher Education Commission (MHEC)
- [How to Fund a College Education](#), Investopedia
- [10 Ways Parents Should Plan for College Financially](#), U.S. News
- [Financial Planning for Parents & Guardians](#), College Board
- [Create a Budget for College](#), The Balance
- [College Savings Calculator](#), College Board
- [The Expected Family Contribution \(EFC\): FAQs](#), College Board
 - [EFC Calculator](#), College Board
- [College Affordability Resources](#), College Board
- [Paying for College: Learn about Financial Aid, Scholarships and FAFSA](#), College Board
- [How to Avoid Financial Aid Scams](#), College Board
- [Financial Aid and Undocumented Students](#), Federal Student Aid - U.S. Department of Education