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## FINANCIAL AID FACTS

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On an average school day, school counselors help students with myriad issues. But according to a survey conducted by The College Board, one area where they feel ill-equipped to help is addressing college financial aid. The financial aid universe is highly complex, and misinformation abounds.

With so many responsibilities already on their plates, it's unlikely that most school counselors will ever find the bandwidth to become financial aid experts. But they can certainly point students in the right direction. With that in mind, here are 10 essential financial aid facts school counselors can impart to their students with confidence.

**1. There are two ways to complete a FAFSA – informed and uninformed.** It's not enough to complete a FAFSA correctly and submit it on time. There are concrete strategies students' families can use to reduce their expected family contribution (EFC), which will increase their eligibility for aid. It's well worth every family's time to learn what these are.

**2. EFC formulas aren't all the same.** EFC formulas vary by college and university. For example, some colleges factor in home equity; others don't. Knowing the difference before students apply for aid can make a big difference in their financial award.

**3. With test scores, a two-point difference matters.** A modest two-point increase in standardized test scores can generate \$10,000 more in scholarships. If students are dithering about retaking their SAT or ACT, this fact could be very motivating.

**4. When applying for scholarships, it pays to focus.** Many school counselors

encourage kids to apply for private scholarships, but these awards are typically minor (under \$2,000). The bulk of scholarship money comes from colleges and universities themselves; this is where students should focus the bulk of their time and effort.

**5. Academic awards aren't always final.** It is possible to appeal or even negotiate an academic award after final letters are received. For example, families can appeal when there's been a change in income, if they've incurred unexpected medical expenses or even if a similarly ranked college made a better offer.

**6. The rules are different for small-business owners.** Parents who are small-business owners have additional college-funding strategies available, such as holding their assets in business accounts to minimize their EFCs. For students whose family owns a business, exploring these ins and outs with an expert can be a game-changer.

**7. The IRS data retrieval system can save a wealth of time.** Using the IRS data retrieval system when completing the FAFSA can save headaches later. Exact spelling and wording is crucial for the system to work correctly. If used correctly, students may receive their award letters sooner and are less likely to require verification by schools.

**8. Listing a state school first on the FAFSA makes a difference.** A state school should always be listed first to see state-eligible grant money on award letters. If students do not put a state school first, they may miss out on important state aid.

**9. It's crucial to complete documents correctly.** Each university has different requirements when it

comes to completing and submitting the College Scholarship Service profile and other financial aid documents. It's crucial for students to follow each institution's requirements to receive timely award letters and be able to make a sound financial decision for college. Students could be missing out on thousands of dollars if these requirements are ignored.

**10. A financial expert makes a huge difference.** Giving uninformed or outdated financial aid advice doesn't just have a negative impact on students' families; it can place school counselors in a vulnerable position. A better alternative is to bring in a dedicated college financial aid specialist who can make detailed, accurate presentations to students and families. Look for a local expert with an established track record, one who is willing to share granular information as well as assume responsibility for the advice provided.

At the end of the day, you don't need to be a financial aid whiz to give your students truly useful information. Paying for college is the second largest investment most families ever make, so the best guidance you can provide is to point your students in the right direction.

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