

## Financial Aid Myths and Realities

### **Myth #1: I can't afford college at all, let alone the college of my dreams.**

Reality: When students and parents see the tuition price, the cost of living in the dorms, and the price of textbooks they get “sticker shock.” Paying for college is the largest single investment many families make. Two out of three students get at least some financial aid to help make college more affordable (The College Board, 2016). Students can receive a combination of grants, loans, scholarships, or work-study jobs to help reduce the cost of college.

### **Myth #2: My dream college is a private school. My family can't afford the tuition.**

Reality: Don't rule out the college of your dreams just because of the cost. If a college has higher tuition and expenses, students often get more financial aid to help cover the extra cost. For example, in 2004 Harvard University began the Harvard Financial Aid Initiative. Currently, families that earn less than \$65,000 per year will not be expected to contribute to college costs (i.e., their expected family contribution is \$0).

### **Myth #3: Only students who are very poor, very smart, or uncommonly talented qualify for financial aid.**

Reality: Financial aid comes in many forms—grants and scholarships, which don't have to be repaid, and loans, which do have to be repaid. There is need-based aid for students who come from lower income families and merit-based aid for students who excel in athletics, drama, debate, instrumental music, community service, and many other areas.

### **Myth #4: The college with the lowest price will be the most affordable.**

Reality: Not necessarily! Some of the more expensive colleges have raised significant amounts of money for scholarships from their alumni and friends. As a result, they have more money to give to students in the form of scholarships, which reduces the “sticker price.” If a student qualifies for need-based aid, they may receive more financial aid at the more expensive school, thus reducing the final cost.

### **Myth #5: I can get more scholarships or financial aid for college by paying someone to search for me.**

Reality: Beware of any group or individual that guarantees a scholarship or financial aid if you pay a fee. These groups utilize high pressure tactics to get parents to pay for a service they don't need. There are many very good, free scholarship and financial aid sources.

### **Myth #6: I'm expecting to receive a lot of scholarships, so I don't need to apply for aid.**

Reality: Apply for all types of aid: scholarships, grants, work-study opportunities, and loans. If your final tab after paying tuition, fees, books, room and board, computer, etc., is completely covered by your scholarships, you can turn down the other aid. Also, in the unlikely event that you need to switch schools unexpectedly, you've already secured some aid towards your potential new school.

### **Myth #7: Only students with good grades get financial aid.**

Reality: A high grade point average will help a student get into a good school and may help with academic scholarships, but most federal financial aid programs do not take a student's grades into consideration. As long as you maintain satisfactory academic progress in college, federal financial aid will be there to help you (Office of Federal Student Aid, 2016).

### **Myth #8: I can wait until I get accepted to a college before worrying about financial aid.**

Reality: Most financial aid is distributed on a first-come, first-served basis. Planning should start junior year for what sources of financial aid you will apply to. There are some scholarships that are available to juniors, so starting early may mean more money for college.

### **Myth #9: I want to go to college, but my parents don't have the money, and I can't afford to take out loans to pay for college.**

Reality: Almost all students today can get low-interest education loans to help them pay for college, and education loans typically don't have to be paid back until a student is out of school. In the long run, the financial value of having a college degree outweighs the cost.

### **Myth #10: There is no money for college.**

Reality: Total annual financial aid available to students is approaching \$200 billion. This includes the entire spectrum of aid, such as grants, scholarships, work-study, low-interest and government-subsidized loans. However, students must apply for the different types of financial aid, meet the requirements, and meet the timelines.

### **Myth #11: My parents make too much money to qualify for any aid.**

Reality: This is the biggest myth of all and the most dangerous. There are no income limitations on aid. While a family with significant income may not be eligible for need-based aid, there are dozens of strategies available to lower the cost of college. Always submit the FAFSA to see what you qualify for. There may be family circumstances that increase your chances of getting some aid, including number of family members in college, household size, age of older parent, etc.

### **Myth #12: The process of applying for financial aid is too complicated.**

Reality: For many schools, the only step involved in applying for financial aid is to fill out the FAFSA. There are detailed instructions for every question, as well as online help.

Adapted from Neumann, S., Lopez, H. (2012). *Preparing for college*. San Diego, CA: AVID Press.