



FINANCIAL AID AND SCHOLARSHIP GUIDE

Quick Reference Guide



THE THREE LARGEST EXPENSES

The three largest expenses most people will encounter in a lifetime are as follows:

- Purchasing A Home, Getting Married, & Paying For College!
- Just last year alone over 2.3 Million dollars went unclaimed in scholarships. Good luck with the other two. For now, let's focus on the last one because getting accepted into college is a great accomplishment and graduating is an even greater accomplishment. But before we can reach any of those pinnacles of success, we must do one important thing first. PAY FOR IT! Many students and parents believe that money for college will miraculously appear and all debt to the University will be paid in full. NOT!
- Money does not grow on trees and neither do scholarships! College has many costs not just tuition. We must be ware of the "hidden costs" of college. In this section we are going to break down the cost of college and talk about the three phases of paying for college. If your parents were diligent in saving for your education kudos to them and this section will still give you some pointers on finding additional money. If your situation is the opposite, then you need to pay for your education so pay close attention. First let's examine the cost of college.

UNDERSTANDING THE COST OF COLLEGE

Most students nor parents realize all the cost that go into college. Listed below is the tuition and fees for a state supported school in South Carolina. These figures are for one academic year.

Estimated Expenses	In State Student	Out of State Student
Tuition and Technology Fee*	\$12,688	\$33,928
Housing	\$8,654	\$8,654
Meals	\$4,254	\$4,254
Books and Supplies	\$1,226	\$1,226
TOTAL	\$26,822	\$48,062

Whew, that is a lot! What is not included is laptop, transportation, dorm room supplies, toiletries, paper, notebooks, backpack, television, refrigerator, and anything else you would need to make your space comfortable while learning away from home. Attending a private college will be even more, therefore understanding the cost and knowing what your payment options are is so important. Keep these figures in mind as you continue to read the rest of this guide. Do not forget to multiply that bottom figure by 4 to get the cost of all four years.

Now that we have looked at the tuition plus expenses, let us start the discussion by thinking about the three stages of financial awareness.

**Information Stage *Savings Stage *Panic and Pay Stage*

THERE ARE 3 STAGES OF FINANCIAL AWARENESS:

Information Stage

Gathering information on how to pay for school normally occurs around birth to 5 years old or before. I met a woman once who stated that she was saving for college for her children, even though she did not have any children at that time! She really started early but that shows you how serious she was about education. During this stage parents should be thinking about what savings vehicle to use and how much disposable income is available to invest. No matter how much the key is to start early. Even a small amount is better than nothing at all. Be sure to research 529 plans, savings account that bear a good interest rate, IRA, CD's, and stocks.

Savings Stage

When you choose a vehicle for savings, 529 plan, savings account etc. Normally occurs around 5 years old or older and start funding the vehicle. This is a great place to be. The research has been done, a method of savings has been selected and now its time to start funding the account and watching it grow.

A **529 plan**. What is a 529 plan? A 529 plan is a state supported savings plan that you put money into for educational purposes only. It's a saving account that pays out at a higher rate than a normal savings account at a bank. If you invest and put your savings here over time is will accumulate interest and grow. Your \$25 a month over time will grow with interest to \$30-\$35 over time depending on the market and different factors. One major benefit, you can-not withdraw the money. It must be for education purposes, which helps make sure you do not spend it.

Bank Savings Account

An account at your local bank that also grows with interest but at a much slower pace. \$25 over time may turn into \$26, \$28 over time. This is still a good convenient option and the advantage here is, if something happens you can withdraw this money at anytime no penalty. How Do I Enroll or start a 529 plan?

With a 529 plan manager or visit your local bank for more information.

Panic and Pay Stage

This occurs once realize you have saved no money for school and have no real plan in place regarding how to pay. This normally occurs around 11th grade when the reality of making the next step starts to set in. Do not fall victim to this stage. Learn how to advocate for yourself and talk with your parents about saving for your future. Should you decide to work a part time job, use some of those funds from 16 -18 to save for your future as well. Get in the habit of saving money and it will only benefit you in the long run.



The key to savings is starting early. Even if you do not start early having some money saved is better than not having any money at all. Once you reach the pre-teenage years and no longer are interested in toys as Christmas and Birthday gifts, start asking for money towards your college fund. Most 529 plans come with a link which can easily be sent to others for donating.

BREAKING DOWN FINANCIAL AID

Understanding financial aid is one of the most important pieces of the college preparatory process. Paying for school is such a huge responsibility and requires a great deal of planning. Typically, there are three ways most people pay for school:

FAFSA, Loans, Grants, Scholarships, Savings,

The FAFSA or Free Application for Federal Student Aid is a very important document when referring to financial aid. All students attending college must complete this form online at <https://studentaid.gov/>. This form determines how much a student will be eligible for regarding loans and grants. The form asks several questions including income from parents, income from students and other criteria that combine to determine the student's financial situation. Upon completion of the form the student will receive a SAR Student Aid Report that details how much the student is eligible for. For additional questions about the FAFSA contact us at info@velocityeducationgroup.com or visit <http://studentaid.gov>.

What Is A Student Loan? Traditionally a student loan has been the most popular way to pay for college.

- A student loan is money that is borrowed from the federal government at a low interest rate that must be paid back 6 months after the student graduates.
- The amount of the student loan awarded will vary by classification, meaning Freshman, Sophomore, Junior, Senior.
- The amounts change every few years so one would have to consult the www.Studentloans.gov website for the latest information. The government has decided to tie both the parents and the students to the Financial Aid process. The parents are responsible for a portion of the student loan and the student is responsible for a portion of the loan.



See Below Chart (reference) studentaid.ed.gov

Year	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First-Year Undergraduate Annual Loan Limit	\$5,500-No more than \$3,500 of this amount may be in subsidized loans.	\$9,500-No more than \$3,500 of this amount may be in subsidized loans.
Second-Year Undergraduate Annual Loan Limit	\$6,500-No more than \$4,500 of this amount may be in subsidized loans.	\$10,500-No more than \$4,500 of this amount may be in subsidized loans.
Third Year and Beyond Undergraduate Annual Loan Limit	\$7,500 per year-No more than \$5,500 of this amount may be in subsidized loans.	\$12,500-No more than \$5,500 of this amount may be in subsidized loans.
Graduate or Professional Student Annual Loan Limit	Not Applicable (all graduate and professional degree students are considered independent).	\$20,500 (unsubsidized only).
Subsidized and Unsubsidized Aggregate Loan Limit	\$31,000-No more than \$23,000 of this amount may be in subsidized loans.	\$57,500 for undergraduates-No more than \$23,000 of this amount may be in subsidized loans.
Subsidized and Unsubsidized Aggregate Loan Limit	\$31,000-No more than \$23,000 of this amount may be in subsidized loans.	\$138,500 for graduate or professional students-No more than \$65,500 of this amount may be in subsidized loans. The graduate aggregate limit includes all federal loans received for undergraduate study.

2 Key Points in Determining Eligibility

The student must determine whether he or she will be classified as a dependent student or independent student. Let's discuss the terminology.

A Dependent Student

- One who is under the age of 24 years old or younger,
- Unmarried, with no children.
- If you meet these criteria you are classified by the government as a dependent student and you will need one of your parents to help you complete the financial aid paperwork. This will also determine which amount of loans you will receive.
- Federal Parent Plus Loan- is a credit-based loan that parents can borrow in addition to the Federal Stafford Loan. If the parent is denied it could make change the status of the student from dependent to independent, meaning the student could receive more money.

An Independent Student

- An Independent student is an individual who meets at least one of the following criteria:
- Over the age of 24 years old, married, has children, fully emancipated from parents, ward of the court, have deceased parents, or homeless. If any of these apply, the student will be considered independent and will not need parental information to apply for financial aid.

Grants

- Grants are free monies that you do not have to pay back. They are available from a variety of sources. The one grant that is most available to potential college students is The Pell Grant.
- The Federal Pell grant is income based and it is available in the amount of \$0-\$6495. In order to qualify for this grant, the total income for the household must be a certain amount which changes every few years and the best way to see the most current information is to visit the government website of <https://studentaid.gov>. Once a student completes the FAFSA, he or she will be considered for grants and loans.
- Additional grants may be available from your state based on different criteria such as GPA, and other state requirements.

Scholarships

- Scholarships are also monies that you do not have to pay back. These funds are received from private sources as well as the schools that the students are applying to.
- All schools have two types of scholarships internal and external.
- Two Types of Scholarships are Need Based and Merit Based Internal scholarships are scholarships that the school will award on behalf of the University. External scholarships are scholarships that will be awarded from private institutions such as businesses like Coca Cola and other organizations like the YMCA.

- These scholarships are hard to come by but if you work hard and develop a scholarship plan, they can be very rewarding and help with the cost of school.



CREATING A SCHOLARSHIP PLAN

Picture this, your aunt sends you an email to apply for a scholarship and the deadline is tomorrow at midnight! You only have one day to pull together everything that the scholarship is asking for or you can not apply. The more prepared you are the better chance you have of applying for and getting scholarships no matter if they come in last minute or not. Follow the below steps and you will have everything you need to successfully apply for scholarships. One last tip before we start planning:

Plan Tip- Keep All Social Media Clean! No inappropriate pictures, images, sayings, or anything that would look unfavorable for a scholarship recipient!

STEP 1: CREATE A “CANNED ESSAY”

A “Canned Essay” is an essay 250-500 words that is already typed and ready to go that can be changed and altered depending on what the scholarship is asking for. This will allow you to NOT have to write a new essay each time you find a scholarship that you are ready to apply for. A few examples are as follows:

- Why are you applying for this scholarship?
- How have you overcome diversity?
- What are your future goals and aspirations?
- How did the environment you grew up in impact your studies and GPA?

STEP 2: ORDER TRANSCRIPTS

Many scholarships will ask that you submit an official transcript by mail or an unofficial transcript via upload. These are submitted to verify your GPA and make sure it meets the requirement of the scholarship. Once you are serious about your scholarship search and have an idea of how many you want to apply for each week, you can order your transcripts based on that. Keep 6-8 copies on hand and ready and have an unofficial copy saved on your laptop, or computer (Google Drive would be best) for easy access.

STEP 3: GATHER RECOMMENDATIONS

Most scholarships will ask you to submit a recommendation letter from a teacher, community leader, church member or mentor. Recommendations should be written by someone who knows you well and has a good reputation & character. Prominent members of the community are always good. Make sure the person knows you and can speak well on your behalf. Once you have this letter signed, make copies of it, and continue to use it with all your scholarship applications. Having 2-3 of these from different people will allow you to always be prepared when the time comes. Keep copies available and save electronically so that you can attach it when need be.

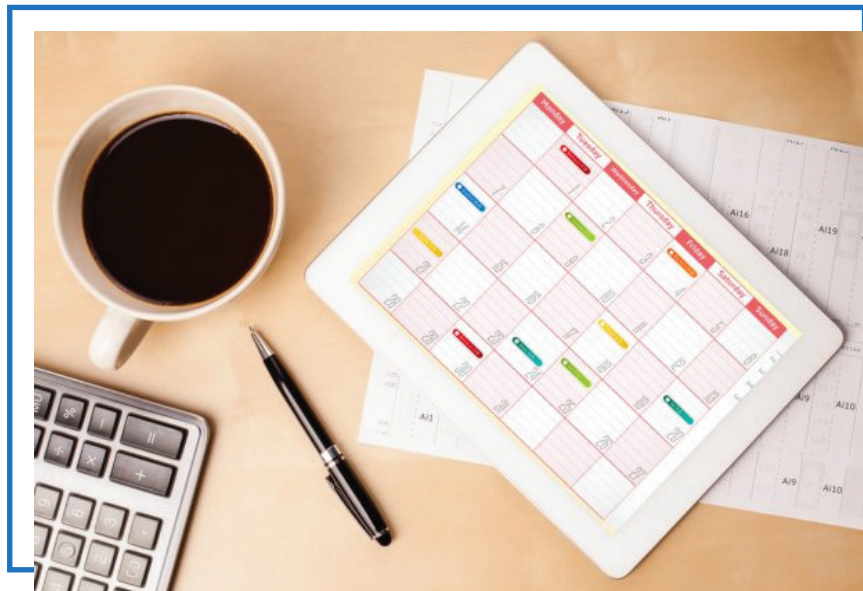
STEP 4: CREATE A SCHOLARSHIP SCHEDULE

Scholarship search can be daunting and overwhelming if you do not create a plan of attack! Most scholarships will list very specific instructions of how to apply, so its not a matter of knowing what to do when its time to apply. However, sitting down to actually apply and do scholarship search is a job within itself. The key is to identify a specific time and date each week to do scholarship search and applications. Use Double Velocity Formula below to create a scholarship schedule.

Amount of Time + Day Of Week + Time Frame+ Number of Scholarships =Scholarship Applications

Sample Schedule: I will spend three hours, each Tuesday from 6pm-9pm, Searching and applying for five scholarships.

This formula will give the students and parents accountability and keep the family on track so that scholarship search can be done in a routine on going basis. Just applying for one here and one there is not going to be enough to do the job effectively.



STEP 5: SCHOLARSHIP SEARCH

Now that you formally understand all the components that go into scholarship search and have created a scholarship search plan now its time to execute on the most important part! The scholarship searches.

Searching for scholarships can be very frustrating. Just go to Google and type scholarship in the search box and hundreds of thousands of websites will appear. This will drive you to the point of no return and your scholarship search will end before it gets started.

SCHOLARSHIP HACKS

Don't be frustrated as you begin your scholarship search. Here are some High Velocity Hacks to help you gain momentum and become even more successful around scholarship search!

SCHOLARSHIP HACK ONE: NEED BASED VS. MERIT BASED

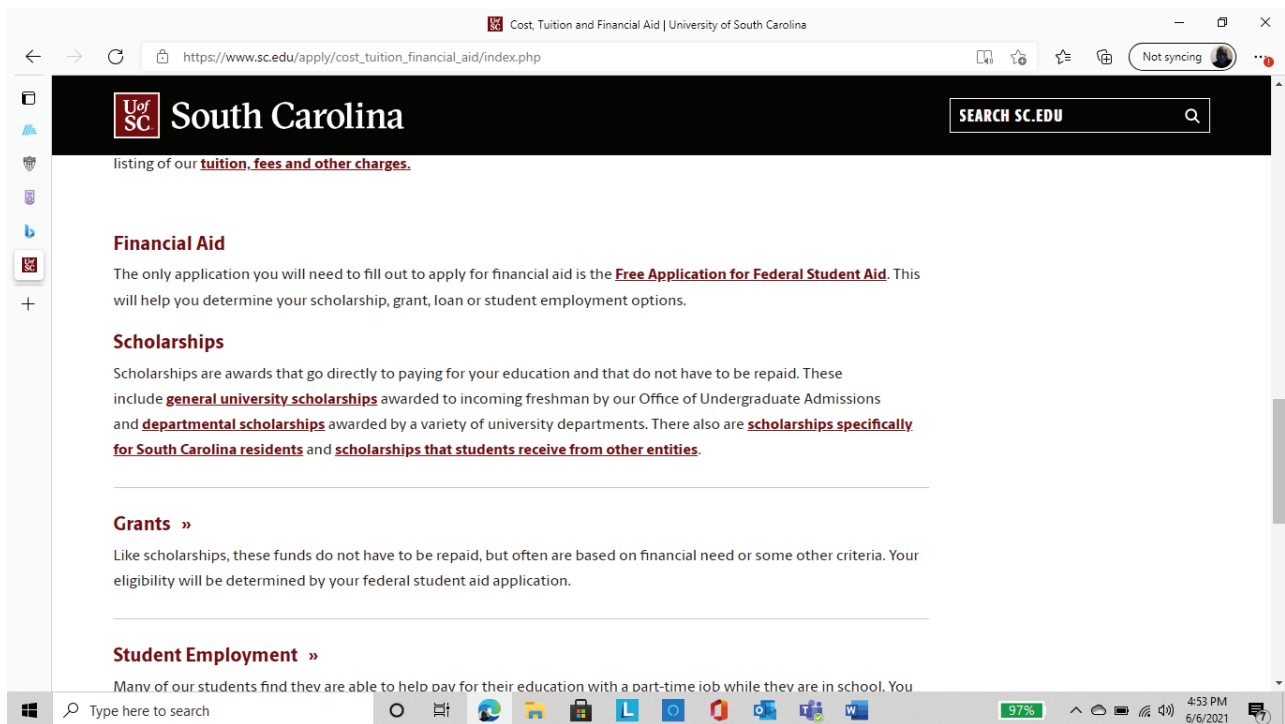
Earlier we talked about two types of scholarships. Need based and merit based. To be successful while searching decide which of these you want to approach. IF you have a strong GPA lean towards merit-based scholarships. If you have a more compelling story of beating the odds and overcoming obstacles search for need based scholarships. Dividing your search into two categories will help you target more specific scholarships versus searching the entire internet.

SCHOLARSHIP HACK TWO: MAJOR CORPORATIONS

Take a moment and think about the products you use every day. Major corporations and community groups are great places to start looking for scholarships. Companies such as Coca Cola, Sprint, Verizon, T-Mobile, Quaker Oats, Pepsi, Nike, Rebook, Target, TJ MAXX all have scholarship programs just to name a few. Make sure the scholarship fits with your profile and always apply regardless. Many scholarships go un-awarded every year because no one applied, or the applicants did not meet the proper criteria for the scholarship. Think about the businesses, restaurants and stores you like to shop, eat, and patronize. Also do not rule out small organizations that do not have a national footprint but are more regionalized such as local grocery store chains. These are great places to start your scholarship search.

SCHOLARSHIP HACK THREE: UNIVERSITY WEBSITES

All major universities have a scholarship/financial aid section on their website. Normally they have two sets of scholarships. The University has its own set of “Internal” scholarships, which will be awarded to students who plan to attend the university. They will also have external scholarships listed as either affiliated with the school or just as an additional resource. Here is an example from The University of South Carolina. If you take your time and visit multiple university websites, you will find pages like these with many scholarships, that you do not have to surf the web looking for. Grants and other financial information may be listed as well, so even if this is not a school that you are interested in, visit as many school websites as you can and search their Financial Aid page!



SCHOLARSHIP HACK FOUR: COMMUNITY GROUPS, NON-PROFITS, AND WEBSITES

Scholarship Hack Four: Community Groups, Non-Profits, and Websites

Local community groups and non-profits have been known to give away scholarship. The goal of a community organization is to support the community and provide resources to the members of that community. Search organizations such as United Way, Urban League and United Negro College Fund to name a few. Check with your local non-profits as well even the small organizations may offer \$250-\$500 scholarships.

There are some reputable websites such as www.Fastweb.com and www.Scholarship.com which allow you to enter your information in and they will “Match” you with a list of scholarships that meet your needs. These are open to students all over the world so if you chose this route, be very diligent and stick to the plan that you have created.

SCHOLARSHIP TOOL KIT

Surprise! I am going to list a few scholarships here to help you get off to a good start.

*Disclaimer- There is no guarantee that you will be awarded a scholarship, these are popular scholarships but as I stated earlier many scholarships go unawarded every year. Good Luck

Scholarship	Award	Link
Coca-Cola	\$20,000	CLICK HERE
Prudential	\$2,500-\$5,000	CLICK HERE
SPE Milwaukee	\$125-\$250	CLICK HERE
Architects Foundation	\$5,000-\$10,000	CLICK HERE
American Legion	\$14,000-\$18,000	CLICK HERE
Do Something Org	Various Amounts	CLICK HERE
National Center Learning Disabilities	Up to \$10,000	CLICK HERE
Elks National Foundation	Various Amounts	CLICK HERE
Gates Millennium Scholars	Various Amounts	CLICK HERE
Discover Card	Various Amounts	CLICK HERE
Microsoft	Various Amounts	CLICK HERE
Burger King	Various Amounts	CLICK HERE
Tylenol	Various Amounts	CLICK HERE
Imagine America	Various Amounts	CLICK HERE
Christopher Veale Scholarship	\$2,500	CLICK HERE
Courage To Grow	\$500	CLICK HERE
Chad Smith Smalls	\$1,000	CLICK HERE
HBCU KID	\$5,000	CLICK HERE
UNCF	Various	CLICK HERE

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QUESTIONS FEEL FREE CONTACT US.**



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