

5 COMMON FINANCIAL AID MYTHS

1. The cost of college is so high it's not even an option anymore.

FACT: In 2010-11, nearly 187,000 needy students received \$2.4 billion in financial assistance. This does not count those students receiving scholarships and loans without need-based aid. Washington is among the top three states nationally for need-based financial aid funding.

2. The financial aid application form with more than 100 questions is overly complex and families should wait to complete the FAFSA until after their taxes have been filed.

FACT: About 95 percent of students file the online Free Application for Federal Student Aid (FAFSA) at www.fafsa.gov. The simplified "skip logic" allows families to only answer questions that apply to them. Accessible information and assistance is provided by the Department of Education and other agencies. In fact, many Washington partners are engaging in FAFSA filing campaigns this fall, particularly in light of the February 1 priority deadline for College Bound students.

Although families may retrieve data from the IRS through the FAFSA on the Web, they should file early with estimated tax information and make corrections later—because many funds are distributed on a first-come, first-served basis. All students considering college should file the FAFSA, even if they feel their income may be too high to qualify for financial aid.

3. Most students graduate from college saddled with close to \$100,000 in high interest loans.

FACT: The average debt load upon graduation is about \$22,100 for Washington students. Students should borrow federal Stafford or Perkins loans wisely, based on their true budget needs less other financial aid received. The annual amount borrowed in recent years has increased. Federal loans currently charge 3.4 percent in interest for subsidized loans (for a portion of loans for needy students, interest will be waived while they are in school) and 6.8 percent in interest for unsubsidized loans (interest accrues while in school).

4. Students who are not high achieving or top athletes should not spend time searching for scholarships.

FACT: A wide range of scholarships are available to Washington students. Although scholarship application processes are competitive, many are targeted to students based on their interests, desired campus or major, or their background. Students should register on the WashBoard.org to be matched to scholarships in Washington. Of the nearly 500 scholarships listed on the WashBoard in 2011-12, only 1 out of 10 required a GPA higher than 3.0.

5. Students who work are less likely to get good grades.

FACT: Research has shown students who work less than 20 hours per week are more likely to be connected to their campus and academically successful. Federal and state work study programs provide students with valuable experiences and networking opportunities while providing funds to help cover educational expenses. Students apply for both Washington State Work Study and Federal Work Study by completing the FAFSA. If they are eligible they will be notified on their Financial Aid Award Letter.

¹ Projectionstudentdebt.org

² Pike, G., Kuh, G., & Massa-McKinley, R. (2008). First-year students' employment, engagement, and academic achievement: Untangling the relationship between work and grades. *NASPA Journal*, 45(4), 560-582.