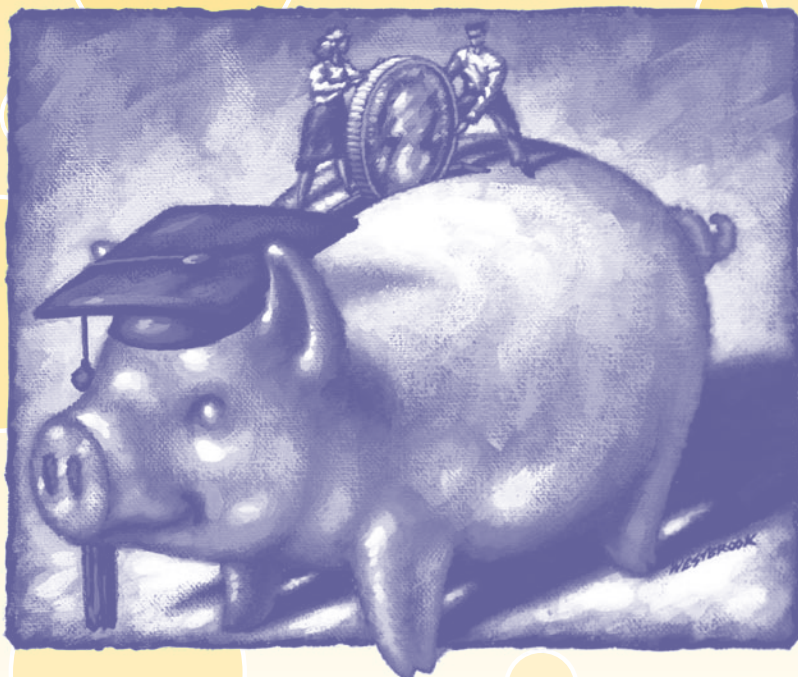


# Indiana's Guide to Paying for College

*An Introduction for  
Families and Students*



## ***Get started today:***

- See what you can do each year **p3**
- Learn about ways to save for college **p4**
- Apply for the Twenty-first Century Scholars GEAR UP program **p6**
- Understand the financial aid process **p7**



# College Is a Great Investment

College is an important investment that will pay back for a lifetime. More than two-thirds of new jobs will require postsecondary education or training — apprenticeships, military, two-year college, four-year college and beyond. Help your child realize that college can and should be in his or her future.

## ***The More Students Learn, the More They Earn***

*Earning a college degree has big benefits: A person with a bachelor's (four-year college) degree has far more career options and earns an average of almost **\$20,000 more per year** than someone with only a high school diploma.*

Source: College Board, Education Pays 2007: The Benefits of Higher Education for Individuals and Society

For many students and families, college is one of the largest investments they will ever make. Paying for college can be confusing, but there is good news: **This guide will show you the steps you can take today to help you remove financial barriers later.**

## ***What Is “College”?***

*Some people think of college as a four-year bachelor's degree, but college also includes two-year associate's degrees and apprenticeship programs — in-demand skills that lead to great jobs that pay well.*

Family resources and savings are a great way to pay for college, but many families also tap other sources, such as wages from a part-time job and financial aid (grants, scholarships, loans and work-study). In addition, even when you receive financial aid, most programs require you to pay at least a portion of college expenses.

Learn More Indiana — your college and career connection — provides even more practical advice, checklists and resources at [www.learnmoreindiana.org](http://www.learnmoreindiana.org) and 1-800-992-2076 to help with planning for college.

# Get Started Now

No matter how old your child is, there are steps you can take to start planning for how you will pay for college.

High school seniors should read *Indiana's Guide to Paying for College: Step-by-Step Tips To Help High School Seniors Apply for Financial Aid* at [www.learnmoreindiana.org](http://www.learnmoreindiana.org) or call 1-800-992-2076 to order a copy.

Year	<input checked="" type="checkbox"/>	Step
Birth to grade 5	<input type="checkbox"/>	It's never too early to start saving. Consider opening a CollegeChoice 529 Investment Plan. (See page 5.)
	<input type="checkbox"/>	Look for opportunities for your family to participate in volunteering and community service activities together. A strong history of volunteering may help your child earn scholarships for college. (See page 7.)
Grades 6 to 8	<input type="checkbox"/>	Help your child sign up for the Twenty-first Century Scholars GEAR UP program.* <b>The deadline is June 30 of the 8th grade year.</b> (See page 6.)
	<input type="checkbox"/>	Help your child sign up for extracurricular activities, and talk to people you know to find summer community service or volunteer opportunities for your child. These activities are great ways to explore careers and may help your child qualify for scholarships. (See page 7.)
Grades 9 to 11	<input type="checkbox"/>	Encourage your child to take classes toward a Core 40 with Academic Honors or Core 40 with Technical Honors diploma. Completing advanced courses will help your child prepare for college success and may make it easier to pay for college. (See page 4.)
	<input type="checkbox"/>	Begin planning for college expenses. Teach the importance of budgeting now — an important lifelong skill. (See page 5.)
	<input type="checkbox"/>	Begin to explore scholarship and financial aid options with your child. (See page 6.)
	<input type="checkbox"/>	Encourage your child to get a summer job. Your child can save a few dollars each month toward college expenses and get an early start on exploring interests and career options. (See page 4.)
Grade 12	<input type="checkbox"/>	Get <i>Indiana's Guide to Paying for College: Step-by-Step Tips To Help High School Seniors Apply for Financial Aid</i> at <a href="http://www.learnmoreindiana.org">www.learnmoreindiana.org</a> . The guide provides more detailed steps for the senior year.
	<input type="checkbox"/>	Attend College Goal Sunday ( <a href="http://www.collegegoalsunday.org">www.collegegoalsunday.org</a> ) for help completing financial aid forms.
	<input type="checkbox"/>	Make sure all required financial aid and college admission form deadlines are met. Check with colleges to see if they require special paperwork or have early deadlines. (See page 7.)
	<input type="checkbox"/>	Be sure your child's Free Application for Federal Student Aid is received by the U.S. Department of Education <b>no later than March 10.</b> (See page 7.)
	<input type="checkbox"/>	Consider opening a CollegeChoice 529 Investment Plan. Its tax benefits can help with paying next year's tuition bill. (See page 5.)

\*Sixth graders can apply for the Twenty-first Century Scholars GEAR UP program beginning in the 2008–2009 school year.

# Ways To Save Money for College

There are several options that can help you save money, especially if college is many years away:

- **Open a savings account.** One of the easiest ways to save money for college is to open a savings account. Putting even a few dollars into the account each month helps.
- **Enroll in programs such as Upromise.** When you sign up for Upromise, a portion of the money you spend on eligible purchases for groceries, gasoline, online shopping, and other items and services can be contributed to a college savings plan. Friends and family also can sign up and designate their Upromise rewards to your account. Find out more at [www.upromise.com](http://www.upromise.com).
- **Encourage your child to get a summer job.** Even a few dollars saved from a summer or part-time job can make a difference if your child invests the money in one of the options listed in this guide. Plus, part-time and summer jobs are great ways for your child to explore career interests. For help on getting a job (writing a résumé, interviewing, etc.), visit [www.learnmoreindiana.org](http://www.learnmoreindiana.org).

## Encourage Your Child To Take Advanced Courses

*Completing challenging courses in high school helps your child prepare for college-level work and may make it easier to pay for college.*

- *Earning a Core 40 diploma means your child may be eligible for additional financial aid. Students who earn this diploma, graduate high school with a grade point average (GPA) of at least 2.0 on a 4.0 scale and meet other need-based requirements can receive financial aid awards of up to 90 percent of approved tuition and regularly assessed fees if they enroll in eligible colleges. (See [www.in.gov/ssacj/](http://www.in.gov/ssacj/) for more information.)*
- *Earning an advanced diploma — Core 40 with Academic Honors or Core 40 with Technical Honors\* — means your child may be eligible for even more financial*

*aid. Students who earn these diplomas, graduate high school with a GPA of at least 3.0 on a 4.0 scale and meet other need-based requirements can receive financial aid awards of up to 100 percent of approved tuition and regularly assessed fees if they enroll in eligible colleges. (See [www.in.gov/ssacj/](http://www.in.gov/ssacj/) for more information.)*

- *In addition, completing any of the Core 40 diplomas can position your child to earn a federal Academic Competitiveness Grant. (See [www.studentaid.ed.gov](http://www.studentaid.ed.gov) for more information.)*
- *Completing rigorous classes in high school can help your child earn college credit before setting foot on campus. While in high school, your child may be able to take Advanced Placement (AP) exams (after*

*successfully completing the classes) or take college courses (known as dual-credit) to earn college credit. Once in college, your child may be able to take tests, such as world language placement exams or the College Board's College-Level Examination Program (CLEP), to get credit for what he or she already knows. Earning college credit through options such as these may help your child graduate from college more quickly, saving money on tuition, fees and other costs associated with paying for college. (For more information on AP and CLEP, see [www.collegeboard.com/parents/tests](http://www.collegeboard.com/parents/tests).)*

- *Some scholarships are based on students' academic performance (also known as academic merit).*

\* Core 40 with Technical Honors graduates are eligible beginning with the graduating class of 2010.

● **Take advantage of Indiana’s CollegeChoice 529 Investment Plan.** Indiana’s CollegeChoice 529 Investment Plan is a valuable investment vehicle for everyone to consider to help pay for qualified college-related expenses. It combines attractive tax benefits with flexible investment options:

- CollegeChoice accounts grow free of taxes. When used for college-related expenses like tuition and fees at colleges nationwide, withdrawals also are exempt from federal and state taxes.
- Contributions to CollegeChoice accounts are rewarded with 20 percent credits (up to \$1,000) on state taxes. For example, a typical \$5,000 deposit earns a \$1,000 Indiana state tax credit.
- Also, anyone can contribute or open an account to take advantage of the tax credit — even to help pay for an immediate college-related expense like an upcoming tuition bill.

For more information, go to [www.collegechoiceplan.com](http://www.collegechoiceplan.com).

## Teach the Importance of Budgeting

*No matter how old your child is, it’s never too soon to teach the importance of budgeting. You can use your own family’s spending plan as an example. When your child starts earning an allowance, takes a part-time job or receives money as a holiday gift, use the opportunity to help him or her create a budget.*

*In addition to being a valuable skill for a lifetime, knowing how to follow a budget will play an important role when your child starts college. Following a budget makes it easier to avoid financial problems, such as taking on too much credit card debt.*

*At its core, a budget is simply a plan of:*

- *The amount of money available to spend (income)*
- *What the money will be spent on (expenses)*

*To begin, list every source of income your child has. After calculating income, immediately take out an amount for college savings. (See page 4 for information on ways to save for college.)*

*Next, list every regular expense your child has. Depending on his or her age, this can include costs such as school lunches, car-related expenses (gas, insurance, etc.) or cell phone bills. Add these items to determine “fixed” expenses.*

*Then subtract the total fixed expenses from your student’s income. The remaining amount is what can be spent on “flexible” expenses, such as entertainment, new clothing and eating out.*

*It’s important for your child to learn to keep expenses less than income. You also should encourage your child to minimize expenses and save money for college. CDs and clothing go out of style, but a college education will last forever.*

*A variety of online resources are available to help with budgeting, including the Student Budget Calculator at [www.finaid.org/calculators/studentbudget.phtml](http://www.finaid.org/calculators/studentbudget.phtml) and the Family Budget Analyzer at [www.finaid.org/calculators/budget.phtml](http://www.finaid.org/calculators/budget.phtml).*

The **FAFSA4Caster**  
([www.fafsa4caster.ed.gov](http://www.fafsa4caster.ed.gov))  
can help you identify how much  
financial aid your child might be  
eligible for, based on your  
family’s current financial  
situation.

# Applying for Financial Aid

Even when students and families have worked hard to save money, most need extra assistance to pay for college. When your child is in high school, you should start investigating financial aid options.

Middle school students

## Twenty-first Century Scholars GEAR UP Program

The Twenty-first Century Scholars GEAR UP program is a great deal for Indiana students.

Indiana started the program to ensure that all Indiana families can afford a college education for their children. Income-eligible 6th\*, 7th and 8th graders who enroll in the program and fulfill a pledge of good citizenship **will receive a tuition scholarship at any participating public college or university in Indiana.** If your child attends a private or an independent institution, the state will award an amount comparable to that of a public institution. If your child attends a participating proprietary (private career) school, the state will award a tuition scholarship equal to that of Ivy Tech Community College of Indiana.

Some colleges and universities also offer Scholars additional financial support and other resources, such as tutoring and mentoring.

But first your child has to apply. **Don't wait — sign up right away. Students and their parents must complete and return the application no later than June 30 of the 8th grade year.** You can request applications for the Twenty-first Century Scholars GEAR UP program from your child's school counselor or by calling the Twenty-first Century Scholars GEAR UP program at 1-800-528-4719.

**How do I know if my child is a Scholar?** Your child would have submitted an application during 7th or 8th grade. To have qualified, your family income must meet certain income levels, and your child would have signed a good citizenship pledge. If you are unsure whether or not your child is a Scholar, please call 1-888-528-4719.

\*Sixth graders can apply beginning in the 2008–2009 school year.

**Every student should fill out the FAFSA.**

It is the only way to know how much state and federal aid, including government-backed loans, your child can receive.

It is available online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

There are four main types of financial aid:

- **Grants** — aid that does not need to be paid back, usually based on financial need.
- **Scholarships** — aid that does not need to be paid back, usually based on academic or extracurricular performance or ability.
- **Loans** — money borrowed to help cover educational costs that must be paid back.
- **Work-study** — a student employment program that provides jobs for eligible students on or off campus.

Most financial aid comes from the federal and state governments. In fact, the federal government will provide more than \$83 billion in financial aid this year, according to the U.S. Department of Education.

Because most financial aid programs are based on financial need or merit, your child can improve his or her chances for financial aid by:

- taking advanced courses in high school.
- earning a Core 40, Core 40 with Academic Honors or Core 40 with Technical Honors diploma.
- participating in athletics, community service or other volunteer activities.

Your child's school may hold a **financial aid night** to help you understand the process. Check with your child's school counselor.

See page 4 for more on advanced high school courses and diplomas.

To find out more about options for federal and state financial aid, go to [www.studentaid.ed.gov](http://www.studentaid.ed.gov) and [www.in.gov/ssaci](http://www.in.gov/ssaci).

## The Financial Aid Process

To apply for any federal or state financial aid program, you and your child need to start by filling out the Free Application for Federal Student Aid (FAFSA) after January 1 of your child's senior year of high school. (If your child plans to graduate before spring of senior year, check with a school counselor for financial aid deadlines.)

For more detailed information on applying for financial aid and filing the FAFSA, including checklists and key dates, get **Indiana's Guide to Paying for College: Step-by-Step Tips To Help High School Seniors Apply for Financial Aid** at [www.learnmoreindiana.org](http://www.learnmoreindiana.org) or 1-800-992-2076.

**Make sure your child has a Social Security number.**

He or she will need it to apply for financial aid. You can request a Social Security number for your child at [www.ssa.gov](http://www.ssa.gov) or by calling 1-800-772-1213.

## Scholarships

In addition to the programs administered by the federal and state governments, scholarships come from a variety of sources, including colleges and private organizations. Some scholarships are based on merit rather than financial need. These scholarships are awarded based on students' academic performance, athletic or artistic skill, community service, or individualized talent. Your child can increase his or her chances of earning a scholarship by taking challenging courses and earning an advanced diploma, joining a club or playing a sport, exploring the creative arts, or volunteering in school or the community.

Searching and applying for other scholarships is separate from applying for the rest of financial aid, and you can never start too soon. A number of reliable, free online scholarship search services are available. (See [www.learnmoreindiana.org](http://www.learnmoreindiana.org) for links to several sites.)

Be careful to avoid misinformation and scams when searching online, particularly when the site charges fees for performing searches. You often will get very little in return.

And be sure to go beyond online searches. Consult local businesses, organizations and foundations to see if they offer scholarships. In addition, talk to your child's school counselor and the financial aid office at the college your child wants to attend.

## Brief Overview of the Financial Aid Process

High school seniors should submit the FAFSA to the U.S. Department of Education. It must be received **after January 1 but no later than March 10** for the student to be considered for state aid. Some colleges may have earlier FAFSA deadlines for aid they award.

U.S. Department of Education sends you and the colleges designated on the FAFSA a Student Aid Report, which summarizes what was submitted on the FAFSA and the amount the government believes your family can contribute toward your child's college education.

College financial aid offices review the information from the FAFSA and determine your child's financial need and eligibility for aid programs.

Colleges send the Financial Aid Award Notification letter, indicating what kind of aid — and how much — your child is eligible to receive.

Instructions in the Financial Aid Award letter provide next steps for finalizing financial aid.

# Resources

- **Learn More Indiana**  
[www.learnmoreindiana.org](http://www.learnmoreindiana.org) • 1-800-992-2076
- **State Student Assistance Commission of Indiana**  
[www.in.gov/ssaci/](http://www.in.gov/ssaci/) • 1-888-528-4719 (toll free) or 317-232-2350
- **Twenty-first Century Scholars GEAR UP program**  
[www.scholars.in.gov](http://www.scholars.in.gov) • 1-888-528-4719
- **Federal Student Aid Information Center**  
[www.studentaid.ed.gov](http://www.studentaid.ed.gov) • 1-800-4-FED-AID (1-800-433-3243)  
or TTY: 1-800-730-8913

## Additional Resources

- ACT online: [www.act.org](http://www.act.org)
- College Answer: [www.indiana.collegeanswer.com](http://www.indiana.collegeanswer.com)
- College Board online: [www.collegeboard.com](http://www.collegeboard.com)
- College Goal Sunday: [www.collegegoalsunday.org](http://www.collegegoalsunday.org)
- FAFSA4Caster: [www.fafsa4caster.ed.gov](http://www.fafsa4caster.ed.gov)
- *FAFSA on the Web*: [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
- FinAid! The SmartStudent Guide to Financial Aid: [www.finaid.org](http://www.finaid.org)
- Indiana Secondary Market: [www.ismloans.org](http://www.ismloans.org)
- Indiana's CollegeChoice 529 Investment Plan: [www.collegechoiceplan.com](http://www.collegechoiceplan.com)
- Peterson's Education Center: [www.petersons.com](http://www.petersons.com)
- Sallie Mae: [www.salliemae.com](http://www.salliemae.com)
- Trip to College: [www.triptocollege.org](http://www.triptocollege.org)
- Upromise: [www.upromise.com](http://www.upromise.com)
- USA Funds: [www.usafunds.org](http://www.usafunds.org)

## Additional Ways To Pay for College

- **Find out whether you are eligible for tuition reimbursement.** Check with your supervisor or human resources department to see if your employer has a tuition reimbursement program. It may be able to help pay for your child's college expenses.
- **Consider college payment plans.** Most schools offer tuition payment plans that allow you to pay college bills over a period of time rather than all at once.
- **Explore tax benefits.** Consider the value of education tax credits, such as the Lifetime Learning Tax Credit and Hope Scholarship Credit. Talk to your financial adviser or visit [www.irs.gov](http://www.irs.gov) for more information.
- **Use the power of two.** Many of the classes offered at major institutions can be taken at two-year institutions for a much lower cost.
- **Help your child get credit for experience.** Some degree programs will give credit for internship and work experience.

Although Learn More Indiana believes the information in this document is accurate as of December 2007, it has not been reviewed by the U.S. Department of Education.

Learn More Indiana is a partnership of the Indiana Commission for Higher Education, the Indiana Department of Education, the Indiana Department of Workforce Development and the State Student Assistance Commission of Indiana, with additional support from Indiana's colleges and universities, USA Funds, and the Lumina Foundation for Education — all working together to provide information that supports learning.