

Tools for Student Financial Empowerment

Speaker 1: Welcome and thank you for joining today's Tools for Student Financial Empowerment. With that, I'll turn the call over to Maisha Challenger. Maisha, please go ahead.

Maisha: Thank you so much. Good afternoon, everyone. For some of you, good morning. We are so excited that you are able to join us today. And we are excited to bring you our April Financial Aid Bootcamp. My name is Maisha Challenger and I'm an Awareness & Outreach Specialist at the U.S. Department of Education in the Office of Federal Student Aid. For those in attendance we will be hosting a two day virtual financial aid boot camp today and tomorrow. We've already had one webinar on finding the right fit using college scorecard. And our second webinar today is entitled Tools for Student Financial Empowerment.

It's important to note that our boot camp is ideal for students, parents, guidance counselors, college access professionals, college and career coaches and other members of the financial aid community. Our presenter today will be Kevin Campbell. Kevin works for the United States Department of Education and Federal Student Aid. He's assigned to the Office of Strategy and Innovation and concentrates on establishing relationships that further financial empowerment. Kevin has served with the United States Department of Education since 1994 and is attached to the Dallas, Texas regional office.

Kevin and his wife Cherie live in Arlington, Texas. A few housekeeping notes. All questions during today's presentation should be sent to the following email address. Fsaidoutreachwebinars@ed.gov. We will share that email on a slide. But once again, it's fsaidoutreachwebinar@ed.gov. At the conclusion of the webinar, we will share some questions and answers and give our presenter an opportunity to provide additional information. It is important to note that for those that are unable to join the webinar today in real time, it will be recorded and available on our Studentaid.gov site and our financial aid tool site in about one to two weeks.

We will also provide a PDF version of the PowerPoint slides. And please keep in mind some of you received an email regarding a poll, a couple of questions to fill out. So if you are available, if you still have the opportunity, please go back and fill out the poll question. Now that we've taken care of logistics, let's begin. Kevin, I will turn it over to you.

Kevin: Thank you, Maisha. Thank you very much for that introduction and thank you, everyone, for joining us today for our next session in the Financial Aid Bootcamp Tools for Student Financial Empowerment. Here's what we'll talk about today. We'll talk a little bit about FSA Student Financial Empowerment Initiative, what that's all about. We'll talk about how students should be preparing for their post high school or post-secondary experiences. We'll talk about the tools that are available from the U.S. Department of Education and sometimes from sister agencies regarding student financial empowerment. And then I want to share a couple of other tools that the Department of

Education does not provide but I like a lot and I want to share those with you toward the end of the presentation.

We'll talk about some of the other federal student aid tools and resources that are out there. We'll talk about some of the other financial aid boot camp sessions that are still yet to be presented and the boot camp survey. And we'll finish up, as Maisha said, with some questions and answers at the end. Maisha shared this email address with you a moment ago, but you might just make a note of this if you wish to submit a question or if one comes to mind while we're talking about student financial empowerment today, the email address is Fsaoutreachwebinars@ed.gov, that's Fsaoutreachwebinars@ed.gov.

So student financial empowerment might be a phrase you have not heard of before. So I thought we would start off with our official definition of what student financial empowerment is, which is a series of engagements with students, families and educators that collectively support a student's ability and confidence to make financially informed decisions toward attaining financial well-being as an adult, regardless of career or educational journey. There's a lot of words there and I wanted to hone in on what I think is the key phrase, especially as it relates to today's presentation. And that is the student's ability and confidence to make financially informed decisions.

That's what we're going to talk about today. And we're going to talk mostly about tools that are available to help students and their families and their network of supporters to obtain the information necessary to make those informed decisions. The SFP initiative is an initiative that has been launched by the Office of Federal Student Aid to achieve certain goals in this idea of providing resources to students and families to help them on this journey. Some of the objectives of the initiative are to begin early. We say here begin in the ninth grade but we partnered with some entities to start this type of work earlier than the ninth grade to support students in their journey after high school, their post-secondary experience, regardless of what that is.

It might be going to college, it might be going immediately into the workforce. It might be going to a trade school to, assist them in obtaining the training to pursue work or a combination thereof. It could involve joining the military, a variety of paths after high school. We think it's important to support a holistic approach to prepare for this post-secondary experience, not just to say, "Here is information you need to know in order to go to college," but also stick approach to prepare students for college, if that is their choice, work if that is their choice or a combination thereof.

We want to acknowledge that there's off ramps and promote ways for students to recalibrate if they find during the post-secondary experience that they wish to change their mind and come to that realization as soon as possible in that post-secondary experience so they don't go down the wrong path to long. We think customization of individual student learning is very important because we have millions of students every year that are pursuing post-secondary experiences in the United States. We don't think one cookie-cutter plan is applicable to everyone. So where it needs to be and can be customized, we support that approach.

We think it is important to provide proactive outreach to students from underserved communities. This could be a variety of different students, including students who might be coming from a family where this is the first generation to send students off to a post-secondary educational experience. Perhaps it's the first generation of Americans, the variety of different individuals that we want to be proactive to ensure that those students and their families have all the tools they need in order to make informed decisions.

And as I said about parents, we think this is a multi-generational strategy, it's not just a focus at students themselves, although they are very important in this whole concept. But equally important are the parents and other adults in a student's life who's supporting that student as that student pursues their post-secondary educational experience. Student financial empowerment is divided into three competencies, prepare, succeed and repay.

In those three competencies, under prepare, we think the student prepares for their post-secondary experiences. As I said a couple of times, that can involve a lot of different things, depending on the student. Could involve college, can involve career training, entering the workforce, entering the military or a variety of other pathways the student might choose to pursue. The tools that we prepare, that we provide under the prepare competency include the FSA ID, the FAFSA, the website Studentaid.gov which has a lot of information about federal student aid and the college scorecard. We'll talk about each one of these tools in more detail as we proceed through this presentation.

In the succeed competency, the student implements these informed decisions about his or her education and or his or her career. The tools that FSA provides in this particular competency include the FAFSA, include the website, Studentaid.gov. It includes FSA program funds, these are the actual federal student aid programs where funds are made available to students that are eligible in order to obtain funding to help them meet the costs of their post-secondary educational experience. FSA provides the customer focused experience. We want the customer, that is the student and often the student's family, to have the best experience possible as they proceed through this process of preparing and succeeding at their post-secondary educational experience.

And the last tool in the succeed competency is the college scorecard. In the last competency, repay, this applies to certain students, if those students during their post-secondary education chose to become a student loan borrower. If they became a borrower, when they conclude their post-secondary educational experience, they enter repayment. That means they're going to enter that period of their life where they're going to repay their student loan or student loans. And our tools at FSA that support borrowers who are entering repayment include exit counseling, which schools provide. We provide the content if schools choose to use our content and schools provide that extra counseling right before the student leaves school and enters into the repayment phase.

Student loan tools are also available on Studentaid.gov. Remember, that's the website that I said has a lot of information about federal student aid, including information about the student loan programs and different options available to the student loan

borrower as they enter repayment. And finally, FSA strives to provide a state of the art customer focused experience to assist borrowers in understanding what their loan obligations are and what their loan options are.

Now, we just talked about the three competencies, but the competency that I'm going to talk about for the rest of this presentation today is the prepare phase. Why? Because I think that's where all of you are. You're in the prepared phase where students are preparing to enter into their post high school or post-secondary experience. And the prepare phase has three columns of components. The first you see here on the left of your screen is college selection and career exploration. The second column is cost of college and financial aid packages. And the third column is Federal Student Aid.

We're going to talk about each one of these columns individually. In each of these columns, we'll talk about the tools that are available to students and their families in order to help them become more educated in this area and become more informed as they go about making the necessary decisions that must be made to advance the student along in their post-secondary experience. Here we see a lot of tools on our screen. These aren't the type of tools that we'll talk about today, but it's a metaphor. We see a lot of simple tools up there, including screwdrivers and wrenches, but we also see tools with cords, my favorite kind of tools, power tools, because a lot of these tools will be tools that you use to become empowered that allow you to make those important decisions that you're facing right now.

So our first column was college selection and career exploration. The first component there is understand career options and college possibilities. So there's a tool that students and students' families can look at and that tool is the O*NET interest profiler, a great tool that's a website. Looks like this when you go. I copied this right from the O*NET Resource Center. The O*NET interest profiler is not a Department of Education tool. It is provided by one of our sister federal agencies, the U.S. Department of Labor puts on their website this O*NET interest profile, an excellent tool for students to check out.

It's a self-assessment exploration tool. It helps the student discover what their own interest and aptitude is for specific types of work activities. Things that they would like to do, things that they would find exciting to do, things that they have an aptitude to do successfully. Availing yourself to the O*NET interest profiler helps you understand what it is that you might like to do after your post-secondary educational experience, which then will help you make choices about what that post-secondary educational experience should look like.

Your post-secondary educational experience, ideally, is crafting an avenue for you to be pursuing. That's going to make you qualified to then pursue a particular career, profession, vocation, whatever your interest is. This is a great tool. This tool is available at this URL, www.onetcenter.org/it.html. This will be in the presentation that I shared with you or you can Google the O*NET interest profiler and it will take you to this location as well.

Yes, it is a government website, so it is free to you. You as taxpayers of the United States are providing the funding for this resource. Another great tool, and I'm going to repeat this more than once, I'm sure, to understand your career options and your college possibilities, are your teachers and counselors. A great resource to help you understand what you need to do in order to make informed choices, make informed decisions about matching up what your career options are to where you possibly might want to go to school and what you want to study when you choose that school. Teachers and counselors are a great resource, they can share their own experiences. They can introduce you to other individuals who have the information that you're seeking.

Along those same lines is what I call [Meet-a-Pro 00:16:22] this means that you, the student, perhaps with the assistance of your teachers or the assistance of your family or both will identify individuals who are pursuing a career or profession that you have interest in. You might not have decided you want to do this for a living, but you have an interest. You want to ask some questions. Perhaps you want to be a dentist, talk to your dentist, talk to your parents' dentist, maybe you have a dentist in your family or friends at the dentist. Perhaps you want to be a plumber. Perhaps you have a plumber in your family or your parents know a plumber or plumber has come to your home, ask the plumber questions, "Do you like what you do?"

Most people you will find love to talk about what they do for a living and want to tell individuals about that job and maybe give information to you to help you decide about possible career options, which will then help you as you go about deciding where and what college to attend. Another area that we want to focus on as we better prepare ourselves to make decisions is to look at what it's going to cost to go to school compared to what one can hope to earn in a particular area that, that education is preparing for. So here we say evaluate the return on investment before enrolling.

The money that you spend on your post-secondary educational experience is an investment. You want to be sure that the investment that you make is going to generate a return when you're done with your educational experience and are now entering the workforce. Along those same lines is to compare how much you may have to borrow. Some students choose to borrow, some students have to borrow. Some students don't borrow a student loan to go to school. Each student and each student's family will find themselves in a different set of circumstances determining whether this is a necessary choice to make.

But you want to look at what the cost of the student loans that you borrow would compare with how much you can hope to earn in a profession that education is preparing you for. And it's very important to select a program that aligns with your career goals, the program at the school. Want to be sure that the program you're pursuing is definitely giving you the instruction and the qualifications necessary to then pursue that career when you're done with your post-secondary educational experience. Tools available for all these things include recent graduates.

Many schools will help a potential student like you hook up with a recent graduate of their school or particular program at their school to talk to them about what their experience was as a student. And did the information they received in their field of

study prepare them for what they're doing for a living now. Very good information for you to have as you go about making your decisions about your own future. And then Meet-a-Pro again. Here, we would identify those individuals who are doing a job that you have interest in. Again, it might not be the job that you know for sure you want to do, but something that interests you and you want to get more information about it. This is a great resource, a great tool to pursue.

And then the college scorecard is the U.S. Department of Education tool that helps you in this area as well. I want to look at the college scorecard, but just very briefly, earlier today, as part of the boot camp, we had a very in-depth one hour presentation on the college scorecard. So I don't want to spend a lot of time on this, but I do want to make you aware that the college scorecard is there, it's available on Collegescorecard.ed.gov. It's got a great search tool that helps you narrow down a large number of schools in the United States. Upwards of 7,000 schools in America participate in the federal student aid programs and the tool has a great search engine to help narrow down based on your parameters, schools that would be of interest to you and match up with your career goals.

Here on this screen we see that we could narrow this down to schools that are near you, if that's something that's important. Schools where most people graduate, schools based on the type of educational credential they offer, certificate, associate's degree or a bachelor's degree. Other search factors include where the school is located. The academic fields that the school offers. This is very important to you, you want to be sure that the school you're looking at is offering the type of academic program of study that matches what you may want to do after you leave school.

Some other search factors include what the average annual cost of the school is, very important as you go about making your investment. Also, you can search by admission criteria. That's what these SAT scores and ACT scores are. Some schools have requirements that your SAT and or ACT scores are at a certain level to be considered for admittance into that particular school. And then our final search parameters will look on here are what size the school is, what kind of school it is. Is it public, is it private? If it's private, is it a nonprofit school, is it a for profit school? And where the school is located, is it in a city, a suburb, is it in a small town? Is it in the country?

I did a sample search here based on some criteria that I chose, I particularly wanted to see the salary after completing a program of study at a certain number of schools. There's four schools that came up in my search, including a public university in my home state of Texas and three for-profit schools in the Dallas Fort Worth area of Texas. Here we see the salary for certain programs after completing that program at that school and also the average annual cost. The salaries are circled with a red circle and the average annual cost of pursuing this program at these schools is highlighted with a green arrow.

The last thing I'll say about the college scorecard is there's a great one minute and 20 second video on YouTube, that I urge you to go out and watch for yourself. Again, it'll just take a minute and a half. You can go to this YouTube URL to get a little quick overview of the college scorecard and what a valuable tool it is. If you don't have the

URL handy, just go to YouTube and do a search for college scorecard and it'll take you to this great resource.

So back to our slide that's got our three columns, we've just completed a column about college selection and career exploration and talked about the tools associated with those components. And we now want to move to cost of college and aid packages. Now, the components here are that the student will understand the difference between the sticker price of a school, the net price of that school and the total cost of that school. The student would be able to interpret a financial aid offer letter from a school. A student would recognize that the total cost of college is more than just tuition. And a student would explore other options to fill his or her need. That could be scholarships or that could be work-study or other sources.

Some of the tools that the student could avail him or herself to would be the school's website. Every school is required by federal regulation to include on their school website a net price calculator. We'll talk about that in a moment. Another great tool here is the school's financial aid office. Schools have a financial aid office with individuals there with great expertise, a great willingness to help potential students as they gather information specifically about financial aid at a particular school. And then lastly, the school's website again, but here with a focus on cost of attendance.

So what is the cost of attendance? A lot of people think cost of attendance is what it cost to go to school, their tuition and fees, right? Well, not exactly. Cost of attendance includes tuition and fees, but it's not just tuition and fees. Cost of attendance includes several different components that are listed on this slide. Tuition and fees, books and supplies, room and board, transportation and personal expenses. What I've done on this slide is I've said, "What about these individual components of cost of attendance? Are these paid to the school or are they not paid to the school?" So the first one is tuition and fees, is it paid to the school? Yes, tuition is what the school charges a student to go to school and obtain the instruction that the school provides. So, yes, tuition and fees paid to the school.

Books and supplies, is that paid to the school? Sometimes yes, sometimes no. Depends on the school and it depends on the student's choice if that choice is offered. For example, where I went to college, I could buy my books and supplies from the school at the school bookstore or I could go to other bookstores that were in the local area that also provided the same books that I would need to pursue my particular program of study. So this particular component of cost of attendance could be paid to the school or not paid to the school, depending on the individual situation.

The same with room and board, sometimes students are provided housing and board by the school itself. There might be dormitories, there might be apartments, there might be other housing choices where the school is providing that housing. Sometimes schools require that students live in school-provided housing. Sometimes they provide housing and it's an option. Sometimes schools don't provide housing at all. So it will depend on the student and the school's individual set of circumstances, whether this is paid directly to the school or not. But whether or not you pay the school or not, it's still in the cost of attendance.

Cost of attendance includes things that you might not pay the school for, but pay the provider of that particular component. The books, the supplies, the room, the board. How about transportation? Rarely is transportation paid to the school. The only thing that I could think of is that sometimes schools will charge to park on the school's campus. You have to have a parking permit of some type that you must purchase. And then sometimes that part of transportation will be paid to the school. But generally the transportation component is made up of things like a bus pass, if there's a bus system in that particular area or the estimate for gasoline to put in one's car in order to move the car around and move the student to school and back home.

Sometimes schools will include the cost of transportation for the student to go home to their parents for the holidays or for occasional visits. So those things would be included in this transportation component. Typically, things not paid to the school, but included in cost of attendance. And lastly, personal items. This is items like toothpaste and toothbrushes and perhaps clothing. These are things that are usually not paid to the school. I put sometimes here because remember that school that had the bookstore, a lot of times you can buy these types of things at that bookstore and then you would be absolutely buying your toothpaste or toothbrush from the school. But typically these things are not paid to the school because the student is buying these from a pharmacy or grocery store or a Wal-Mart, a store along those lines. But all of these things are included in cost of attendance. And it's important to remember when you see that phrase, that it's including this larger sum of money made up of these different components. It's not just tuition and fees.

Now back to our column where we're looking at cost of college and aid packages. Remember we also mentioned there are school's websites and that the first focus was at the top tier, was the net price calculator. And I said that schools were required to have a net price calculator on their website and all schools do. Schools that participate in the federal student aid programs, which, as I mentioned, it's about 7,000 schools across the country. I went to a school in my home state to look at their net price calculator and I thought I would share it with you. This is the University of Texas at Austin's Net Price Calculator.

The U.S. Department of Education provides a template for a net price calculator, and some schools use that template and schools that use that template, the net price calculator will look alike. The information in the net price calculator will be different school to school. But then some schools like the University of Texas at Austin, they don't use our template. They create their own net price calculator, has all the same information, but they just do it with their own design. That's what we're looking at here. The first part of the net price calculator is where the school is asking you questions that you provide the answers to, in order for them to use the net price calculator to come up with a net price cost.

Once you've answered the questions and it's typically a very short set of questions, the net price calculator then gives you a summary of what your answers were that you entered in just to give you the overall picture of what they're going to base, the net price on. So here is the result at the University of Texas at Austin with the information that I put in, which was fictional. They're telling you what the cost of attendance is,

remember we talked about cost of attendance a moment ago, \$26,506. Then they break down their cost of attendance by each of the components that I talked about, including the things that they charge for, like tuition and fees and including the things that they don't charge for, like transportation and personal expenses. They put that together into one component here.

Then they give an estimate of the total grant aid that students who have similar answers to the questions that we looked at a moment ago gets and their estimate of the total grand aid is \$13,645. That's not a promise. They're not saying this is what we guarantee you'll get, it's an estimate based on the answers to the questions you gave. So the total cost is \$26,506. The estimated total grant aid is 13,645. Subtract that total grant and scholarship aid from the total cost of attendance and we have the net price after grants and scholarships of \$12,861. Very good tool for you to avail yourself to understand what the net price will be. It's different than the sticker price. The sticker price is what the tuition and fees are at the school and perhaps room and board if they're including that as a part of the experience at that school.

So our last component under cost of college and aid packages is to explore other options to fill need, scholarships or work-study. This includes employment. Work-study is employment, but it's also a financial aid program. It's a job that the school arranges often at the school itself, but not always. And it's going on while you're a student. But employment can be a regular job that the student obtains on their own and just is employed while they also are a student. Other options include private scholarships. Private scholarships include scholarships that are given by associations or companies or the school itself. The school itself, depending on the school's resources, is often a great source to go to, to obtain scholarship assistance.

Typically, the federal student aid programs are not scholarships. The federal student aid programs fall into the category of grants, student loans and work-study. And then lastly, the great tool here, as I've mentioned before, is the school's own financial aid office. Always a great source of information about financial aid, especially as it relates to their individual school. So back to our prepare slide, we've looked at two columns here. At our last column, the federal student aid column. Let's look at that one next. Here, we want the student to understand what the FAFSA is and what aid eligibility is.

The tools we want to look at as it relates to this particular component are the FSA ID, we'll look at that in just one moment. The FAFSA itself located at [Fafsa.gov](https://fafsa.gov) and the school's financial aid office, a tool that you can avail yourself to. The first thing I want to talk about is this FSA ID. That is available at the website Studentaid.gov. Here's a URL for Studentaid.gov specifically to take you to the part of Studentaid.gov where you can create an account for the FSA ID or another easy way is to go to Studentaid.gov and there's a search function there. Just search for FSA ID on the main page of Studentaid.gov.

The FSA ID is very important. Students each need their own FSA ID but also parents each need their own FSA ID. It is your electronic signature. It is used for a variety of things having to do with federal student aid programs, including filling out the Free Application for Federal Student Aid or the FAFSA form. That's the application you'll use to determine

your eligibility for federal student aid. FSA ID is what you'll use to sign your master promissory note if you decide to borrow a student loan. It's the identifier you'll use to apply for repayment plans when it comes time to repay your student loan, assuming you borrowed one. And it's the idea that you would use to complete required loan counseling if you're a student loan borrower. It's your electronic signature, it is yours, do not share it. Students, don't share your FSA ID with your parents. Parents, don't share your FSA ID with your student, your son or daughter.

The FSA ID is used to complete the FAFSA form. This is the screenshot of the FAFSA's website, Fafsa.gov. The FAFSA, again, stands for Free Application for Federal Student Aid. It is the application that students complete. If they're dependent students, parents also complete the FAFSA in order to determine the student's eligibility for federal student aid funds. For the 21-22 award year, which will start on July 1st of this year, July 1st, 2021, FAFSAs could have been submitted as early as October 1st, 2020. October 1st of last year or any time thereafter. For the 22-23 award year, FAFSA is going to be submitted on October 1st of 2021 or later. And for the 23-24 award year, FAFSAs can be submitted on October 1st of 2022 or later.

For the 23-24 award year, we expect the FAFSA to undergo some very dramatic modifications. It will look, we think, dramatically different than it has looked in the past. So be on the lookout for that if you complete a FAFSA for this coming year or the year after that, 21-22 or 22-23. The FAFSA will look pretty much the same and then you'll see differences as you fill up the FAFSA for 23-24.

Now back to our federal student aid column, the next components we want to look at is that we want the student to know that federal student aid, a part of the U.S. Department of Education, offers grants and loans. We want the student to recognize there are different types of loans. Where will the student do this? At Studentaid.gov, our one stop shop for everything having to do with the federal student aid programs, as well as the school's financial aid office. Those are two excellent sources of information for students to understand.

This is Studentaid.gov. Notice the four tabs here, considering school, in school, parents, and in repayment. Lots of different information at each tab. Considering school actually lines up very nicely with what we're talking about today to prepare competency of student financial empowerment. Considering schools is what you're doing as you're about to embark upon your post-secondary experience. In-school, it's really lines up with the succeed competency. And in repayment, obviously, lines up with the repay competency.

But look at the blue arrow. It's pointing out to get checklists for academic and financial preparation, lines up very nicely with preparing to embark upon post-secondary educational experiences. When you click on that, it takes you to this part of Studentaid.gov where we talked a lot about the resources available to prepare using checklists. There's a college preparation checklist that will tell you what you need to be doing to get ready to enter college. There's a college preparation to YouTube playlists and the blue arrow here is pointing at one of those YouTube videos, "What is the most surprising thing about college?"

All this at your one stop shop, Studentaid.gov. Going back to the main page of Studentaid.gov, look where it's pointing now, "Learn about grants, work-study, loans and scholarships." What we would see there if we went to that part of Studentaid.gov is a description of each of these types of financial aids. Grants, scholarships, work-study jobs. But I pointed to loans, learn about loans. Click on that and it takes you to a description of each of the type of student loans that is available, including direct subsidized loans. Subsidized means that the U.S. Department of Education subsidizes the loan by paying the interest on the loan while the student is a student at least half time in a post-secondary school.

Unsubsidized loans are student loans where the government is not subsidizing the loan and therefore the student is responsible for the interest that's accumulating on that loan while he or she is a student. And then there are direct plus. Direct plus loans, when it is for an undergraduate student is a loan that is borrowed by these students' parent. The parent is the borrower, but the funds generally created by the loan are for use to pay for the student's educational costs. If it is a graduate student, a student has already gone through their undergraduate experience, the graduate student can borrow a plus loan for him or herself, not for their child, as a parent is doing for an undergraduate student, but for him or herself.

Studentaid.gov, this website we're looking at here, a great resource, one of the most important powerful tools that you have in your toolbox as you make decisions about pursuing your post-secondary educational experience. Lastly, down at the bottom, it says, "Note that savings can limit the amount of borrowing needed." Pretty obvious, every dollar that a student can save before they go off to their post-secondary experience is a dollar that you perhaps will not have to borrow in a student loan, reducing your overall student debt that you have when you are done with your post-secondary education.

So back to our prepare slide, we've looked at all three columns, we've looked at the tools associated with each of these. College selection, cost of college and federal student aid. But there's a couple of more tools that I want to point out to you that are not U.S. Department of Education tools. The first is provided by one of our sister government agencies, the Consumer Financial Protection Bureau. They've got what they call financial literacy activities. It's at this very long URL address. Or you can Google CFPB activities. It'll take you right to them. We'll look at that site in just a second.

The second tool I want to share with you, and this is not an endorsement of Prudential, the insurance company. But it's provided by Prudential, who partnered with the U.S. Veterans Administration, which is one of our sister federal agencies. In partnership, Prudential and the VA created a financial wellness tool website that's primarily for veterans, but it's available free of charge for everyone and can be used by everyone, including parents and students and it's a great tool to get information about making informed financial decisions. So I share it with you here, it's at the Prudential.com/financial-wellness.

The first of those is that CFPB tool. Here is their URL address repeated. But again, you can Google this and just put in CFPB financial literacy activity. They've got 252 activities,

all great resources to help understand what tools there are about becoming more financially literate. And part of financial literacy involves going to college. They've got a great tool, resource there. Here I've done a sample tool where I chose the spend, the topic and I checked paying for college and it gave me 10 matches out of the 252 activities that include exploring community colleges, comparing higher education choices, learning how federal financial aid works, and seven others that we don't see on this particular screenshot.

The Prudential tools shown here, this is their site, Prudential.com financial wellness, great resources here to educate oneself about financial issues that we face in our lives, including planning for a baby, raising kids. But the one I've got the blue arrow pointed to is the one we're particularly interested here today, preparing for college, a great resource at Prudential site. Remember, Prudential partnered with the VA to make this site and made it available to all.

The thing I want to leave you with is that knowledge is power. You want to be an empowered student. Empowered students make empowered decisions. They make informed decisions. They educate themselves before they decide because those decisions are going to have great impact on you and your future. You want to start early. You cannot start too early. You want to work together. What do I mean by that? Work with your family, work with your teachers, work with your counselors, work with the school that you hope to attend.

Ask questions. Gosh, that's the most important thing. Be sure you write down the questions you want to ask and be sure you get the answers. And if you don't understand the answer, tell them you don't understand the answer and get the answer to the question you have. Important for you to have your questions answered so you can make informed decisions and be an empowered student. Thank you so much for joining us today. I'm going to turn it over to Maisha now. And Maisha's going to close this out with a few more tools for your use.

Maisha:

Thank you so much, Kevin. That was a lot of really great information to share with students who want to feel empowered. So I really appreciate the breakdown of a lot of different information that is out there. I think the thing that people have to remember is there is information, but they don't necessarily know where to go to find that information. So you've given us a really great foundation and blueprint of different places they can go to get information to help them feel empowered during their financial aid journey and looking for ways to help fund and the type of funding available for them to go to school. So thank you so much for that.

I wanted to share with you all very briefly. We're going to get into some questions a little bit later. I wanted to just share with you all some tools and resources that Kevin has kind of spoken about, but wanted to reiterate that social media is a big platform to have information for students and families. And so, Federal Student Aid has a quite a bit of social media platforms for you all to help get information. We have a Facebook page, we have a Twitter page, we have an Instagram page. This is exciting. And we have YouTube videos. So our videos will provide you all with any and everything you need to know about the financial aid journey on the front end and the back end.

So, what is the form? What do you need to fill out the form? We talked about what an FSA ID is, a signature of both the student and the parent needs. We have videos to talk about what it is if you're unsure. The financial aid process can seem daunting but financial literacy and I so appreciate Kevin talking about what that is, is financial literacy is information that you can use. And the more that you know, the better off you are in this process. Our Studentaid.gov website is our hub website for students and families. We all are still in a pandemic and everyone is trying to be as safe as possible. Education is still happening. And so a lot of people are wondering how does the pandemic or how are schools being impacted?

We have a website, /coronavirus on our Studentaid.gov page that gives you some more information. And then we have a 1-800 number, 1-800-433-3243, Monday through Friday and some hours on Saturdays and Sundays. Assistance that you have, questions that you may have. There are tons of tools that are free that are out there for you. Next slide.

And so this is our second webinar in our six webinar session for our April Financial Aid Bootcamp. I wanted to share with you all some of the additional webinars we will be hosting. We've already had a busy day. We're in the close of our second webinar. Our next webinar will literally be starting at 6:00 p.m. tonight. It's a step by step guide to your federal financial aid process. And then tomorrow, day two, we've got a great lineup of information. What's next after receiving your award letter? You heard a lot of information about what the award letter may look like, what net price is, looking at the various different aid you might receive. Well, once you get that letter, what do you need to be mindful of? We're going to talk about that tomorrow morning.

And then a step-by-step guide to your federal financial aid process will be a repeat session tomorrow. Maybe you aren't able to get to the session tonight at 6:00 p.m. We have a session tomorrow for you at 2:00 p.m. And then we'll do a repeat session of what's next after receiving your award letter tomorrow evening at 6:00 p.m. So we understand that scheduling is hard. Remember, these will all be recorded. So that's the other thing I want to remember, because we've gotten a couple of emails that people are like, "Hey, what happens if I can't make the session?" I want you to know that we are recording these bootcamp sessions. They will be available on our Studentaid.gov website and for counselors on our tool kit website. Next slide.

And then there will be a brief survey that we'd like to share with you all. So we'll make sure that you all get the correct survey that you can fill out. We'd like to get some more information from you. Moving forward, next slide.

Okay. So I'd like to get into some questions. Please you all, Fsaoutreachwebinars@ed.gov is the email address that you should use. Fsaoutreachwebinars with an S @ed.gov is the web email address you want to use to submit questions. So here is a question for you, Kevin. Someone has a question that says, "Can you spend 529 on all of the costs, the cost of attendance?" So 529 plans, can you speak a little bit to are you able to spend money that's been saved for the student to cover the cost of attendance at colleges?

Kevin: Well, those wouldn't be the Department of Education rules. Those would be IRS rules that determine what a 529 plan can be used for. But certainly the items that are paid directly to the institution would be included in what could be used, what 529 plan funds could be used for. But that's something I would have to research on the IRS' website. I can do that if we can get the contact information to get that out of the question.

Maisha: Thank you for that, Kevin. I think people wonder with their 529 funding, right, I think just in general. That's money that's supposed to help or go towards school. Is that money that can be used to help pay for the cost of school. And so, again, those 529 plans are usually by the state. Some of them are provided by an outside entity, not necessarily by us, the federal government. But those funds can be used, and again, it just depends I think, that's something where you can follow up with the financial aid office to figure out if some of those funding is available to help pay for the call. But yes, we can definitely follow back up with the individual that asked that question. I think it's important to know... Go ahead.

Kevin: The direct costs are always going to be able to be paid with funds. Direct costs means those funds that you pay directly to the school.

Maisha: Exactly. Yes, definitely. Good question. I think there's so many people that don't know. They're like, "Well, I'm getting aid or I'm getting money. How can it be used to help pay for my college tuition or my college expenses? What is the process?" That goes back to that financial literacy bit we want people to remember in this process. But then we want to try to help them navigate through some of it. It can seem daunting, but I will say this. I feel like once they know and you started the first year, it gets easier. I feel like it's still part of the process, it's still necessary but I think people create this anxiety over all of the steps when...

And it's fair. We're talking about money to help you pay for education. So you want to be informed, you want to know what's necessary. But we also want people to follow the processes as best as possible so that, hopefully, once they get into a routine, they'll know what they need to do definitely.

Kevin: Exactly.

Maisha: And then we have another question. And this is kind of a scenario question, Kevin, which I'm sure you probably have heard before. "I have a son who has been independent for three years. He is still required to enter our financial aid information as well each year when he fills out the FAFSA. Is that correct?" Let me reread the scenario, "I have a son who has been independent for three years. He's still required to answer our financial aid information as well each year when he fills out the FAFSA. Is this correct?"

Kevin: Yes, I've heard that question a time or two. And the way I like to answer that is that there are three different definitions of what dependent versus independent is. There is the dictionary definition and there is the IRS, the Internal Revenue Service's definition and there is the U.S. Department of Education's definition. And we at the U.S.

Department of Education use the later. We use our definition, which is mandated by Congress. So Congress tells us what the definition for this purpose is. So independent versus dependent is based upon the responses to certain questions on the FAFSA, which we then use to determine what the student's dependency status is. And many parents are surprised and say, "But my son or my daughter is independent. They are not dependent on me to provide for their livelihood or even to provide for their education." And that's the dictionary definition.

Others will say, "I do not claim my son or daughter as a dependent on my tax form." And that's the IRS definition. But we do not use those definitions. We use the congressionally mandated definition that basically says a student is going to be dependent on his or her parents until they reach the age of 24, unless they meet a number of exceptions to that rule. Including if the student is married, including if the student has joined the armed forces, including if the student is a graduate student and there's several others, there would be many others that would determine that the student is independent.

But if the student is less than 24 and does not meet any of those exceptions, then the student is going to be classified as dependent and we would require that we have the parental financial information in order to then process the FAFSA.

Maisha: That was a great explanation. I like how you broke down, there are many definitions. People go to the well, "I claim..." They claim them so that means they're depending or they're... There's so many different categories. But like you said, Kevin, for FAFSA purposes, for Department of Education purposes, there's criteria that you must fall under to be deemed independent, which means you don't need parental information. If you don't fall under one of those categories, you could be homeless, emancipated minor or under legal guardianship, then you are considered dependent, which means you need your parental information. And I think that's where people are so surprised. But it is important to remember that the Department of Education has their rules and those are the rules that need to be followed when we talk about independent versus dependent status.

Kevin: That's exactly right.

Maisha: Thank you so much for that. Thank you so very much for that. It's 4:58, Kevin, so I think we're going to conclude our webinar today. We want to thank you so much for just a really great overview. I call it financial literacy. We talked about sticker price, we talked about total price versus net price, understanding the distinguishment between those things. Understanding the importance of the financial aid office and trying to reduce your overall student debt. We want you to be mindful of what aid is available, but also knowing knowledge is power. You said that earlier. And I think making informed decisions is really, really important when we're talking about the decisions you need to make for your future.

And I do love this, I want to end with this, ask questions, write them down. It's really important to remember that... People say there's no such thing as a stupid question, especially in this process. You want to ask questions and you do want to write them down so you can remember them and keep track of the information that you need. So,

Kevin, thank you so very much for your time today. We really do appreciate you. And for all of those that were joining, we hope you received a lot of really great impactful information for tools for student financial empowerment.

Our next webinar, as I mentioned, will be at 6:00 p.m. Eastern Time, which is literally right around the corner in an hour, Step by Step Guide to your Federal Financial Aid Process, by Fred [inaudible 00:59:49]. You don't want to miss it. Thank you all for joining us today. And hopefully we'll see you at 6:00 p.m. Take care. Bye-bye.

Kevin: Thank you all.

Speaker 1: That concludes our conference. Thank you for using event services. You may now disconnect.