



"Paying for College"

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College is one of the most expensive purchases a person can make, next to land, homes, and vehicles. Higher education can yield you more money earned in a lifetime according to *USA.gov*.

To pay for college it is important to set personal goals, research logistics, and seek out multiple income sources. An overall goal for most people would be to stay out of student loan debt. According to the U.S. Department of Education, December 2019 data indicates that borrowers in the U.S. owe 1.64 trillion of student loan debt. This amount has surpassed the amount that most Americans owe in credit card debt. The average student loan debt is \$35,397.

Paying back student loans is a financial burden and can be reduced by planning potential costs. Search for options that do not need paid back such as grants and scholarships. There are countless success stories of people who did not use student loan debt to fund their higher education. In addition to people who paid off their student loans quickly with stable jobs and self-discipline.

There are at least five considerations to consider before going to college. To begin, WHO is going to college? WHY are we attending college and WHAT is the exact purpose (major) needs to be answered *before* applying to any college. WHERE and WHEN are also factors in the process. College is extremely personalized, which involves active participation and a long-term plan. Beginning with your grades, which school to attend, a two-year community college, four-year university, public or private, or a trade school. There are many more questions to be answered. The key is to make or download a written checklist and a timeline for this goal. There are several resources for looking at various colleges and what degrees they offer. College Navigator (<https://nces.ed.gov/collegenavigator/>) helps you to identify the right college for you.

Paying for college is not one size fits all. Qualifying for scholarships, grants, and student loans will depend on your individual situation. If you do not qualify for one program, look for another. Here are several resources to assist with paying for higher education.

Begin investigating your local programs, then state, then federal programs. Hopefully, your parents or guardians started a 529 savings plan to pay for your higher education. If

not, then investigate other options. All students who are interested in financial aid for college (grants, loans, or scholarships) need to complete the free application for student aid (FAFSA) form. FAFSA is used to determine your eligibility for assistance, considering all your funding sources. Complete by the January 1st deadline to receive federal funding, as it is first come, first serve. FAFSA website: <https://studentaid.gov/>

The next place to look is at your local college, state university, or tech school. They may provide an online booklet of scholarships and grants available to students. The criteria for these will be outlined by the individual scholarship or grant. It is wise to apply for as many as possible to increase your chances of being awarded money. Get your electronic scholarship portfolio prepared with your personalized letter explaining your purpose and goals. You can personalize each letter to each grant or scholarship application. A person can also use scholarship search tools. Examples of scholarship search tools include: scholly, fastweb, scholarships.com, and many more. Choose one that does not charge a fee.

In addition to federal and state funding sources, seek out organizations, non-profits, and private companies that may provide merit-based or financial need-based grants or scholarships. Each entity will have their own application process, please ask. If you have served in the armed forces, the military may have veteran benefits available to you. The key is look at many sources and challenge yourself to put forth work to get “free” money in scholarships and grants.

Another option to pay for higher education is student loans, which can be government loans or private loans or a combination of both. Several questions need to be addressed BEFORE taking out a student loan. Have I investigated all scholarship, grant and work study opportunities? Loans will need to be re-paid. CRUNCH the numbers BEFORE taking a student loan. Student loan debt cannot be placed in bankruptcy if it is federally funded. Can I afford to pay student loans back in addition to regular living expenses? Many people find themselves in financial trouble when they do not consider the consequences of borrowing student loans. Choose wisely.