GUIDE TO FINANCIAL AID FOR ADULT STUDENTS

IOWA COLLEGE STUDENT AID COMMISSION

IowaCollegeAid.gov

Your Financial Aid Connection

INVEST IN YOUR FUTURE NOW!

In today's fast-paced, technology-driven world, you need to continually improve your knowledge and skills to remain competitive in the marketplace. By 2018, nearly two-thirds of all jobs in Iowa will require some type of education beyond high school[1]. Continuing your education can help give you an advantage and shows potential employers that you are someone who takes the initiative to better yourself.

WHY NOW?

It is never too late to begin your college education or finish a degree you started years ago. Every day, adults just like you are returning to school to complete a college degree, begin a new career or acquire new skills. According to the National Center for Education Statistics[2], nearly 40% of the students on college campuses are over the age of 25. You are definitely not alone or out of place.

WHAT IS STOPPING YOU?

Work schedules, families and other obligations can make it challenging to go to college, but Iowa colleges and universities have expanded programs, both on-campus and online, to fit your busy schedule and meet the job requirements of today's workplace. Many campus programs and services, such as childcare and special academic centers, are designed to meet the needs of adult students.

"Shortchange your education now and you may be short of change the rest of your life."

-Author Unknown

HIGHER EDUCATION BENEFITS

Below are a few reasons to consider when deciding whether to further your education:

- College graduates earn close to a million dollars more over an average working career than high school graduates.[3]
- Workers age 25 and older with a bachelor's degree earn on average $53,976 a year while those with a high school diploma earn on average $32,552.[3]
- The unemployment rate for high school graduates is double the rate of those with bachelor's degrees.[4]
- More than 2/3 of today's fastest growing careers require a college degree.[5]

College can fit into your busy schedule:

- Iowa has outstanding colleges and universities, many with branch or satellite campuses, where accelerated and online programs are often available.
- Many people take classes while working full time.

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[1] Georgetown University Center on Education and the Workforce, 2010 Projection of Jobs and Education Requirements through 2018.

[2] National Center for Education Statistics, Enrollment in Postsecondary Institutions, Fall 2009.

[3] U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement. Based on median and mean earnings over 40-year working career.

[4] Bureau of Labor Statistics, 2008 Current Population Survey.

[5] Bureau of Labor Statistics, 2008-2018 Employment Projections.

WHAT YOU NEED TO DO TO GET STARTED

1. Include your family.
2. Talk to your employer.
3. Seek additional services and resources.
4. Choose your career path & create a plan.
5. Decide on a college and program major.
6. Prepare to apply.
7. Investigate ways to pay.

1. INCLUDE YOUR FAMILY

SUPPORT YOUR FAMILY, AND GET YOUR FAMILY'S SUPPORT

Sometimes the decisions you make will impact others. Furthering your education could be one of those decisions, especially if you have a family. Going back to school may create lifestyle changes for you and the people around you. By planning ahead everyone can be prepared for what they can do to support you and avoid stressful situations at home. Here are a few things to consider:

- Is your family willing to help with household chores and errands?
- How easily can the schedules of family members be adjusted?
- Can you identify blocks of time when everyone knows you will be studying and shouldn't be disturbed?
- If you have small children, will you need child care assistance?
- Are you willing or able to travel to class?

Discussing these questions with your family will help you determine a schedule and program that is best for you.

"An investment in knowledge always pays the best interest."

-Benjamin Franklin

CHILD CARE ASSISTANCE

Consider these options to assist with the cost of child care while you further your education:

- Child care programs offered through the college for students, faculty and staff.
  - ⇨ Investigate options early as many programs have waiting lists.
  - ⇨ Availability and cost vary. Some programs will base the cost on your income.
- Child care assistance available through the State of Iowa for parents who meet income guidelines. Contact your local Department of Human Services Office or access http://dhs.iowa.gov/Consumers/Child_Care/CCAssistance/CCAforConsumers.html for more information.
- Child care flexible spending options that may be available through your employer.
- Contact a financial aid staff member to see if adjustments can be made to your financial aid package to help you cover the cost of child care.

2. TALK TO YOUR EMPLOYER

Your decision to continue your education may affect your current job. Open communication with your employer before you begin classes will help you build a solid plan. As you discuss your education plans with your employer, keep in mind the following:

- Will your course schedule impact your current work schedule?
- Is your employer willing to alter your work hours to accommodate course and exam schedules?
- Does your employer offer tuition reimbursement or other financial assistance to encourage employees to complete a college degree?

Employers are more likely to be supportive of your goals if you address them in advance. However, if you must work around a non-supportive employer, it can still be accomplished. You may need to schedule vacation and personal days to coincide with your school schedule.

Many colleges and universities offer online programs that provide flexibility for you to log in at your convenience to complete classes. IowaLearns.org provides a list of distance learning courses available from many colleges and universities in Iowa.

3. SEEK ADDITIONAL SERVICES & RESOURCES

Making a career transition or choosing a new occupation is a big decision. The state of Iowa offers many services, available at no cost, to help you with career change and transition. For more information, contact your local IowaWorks Center, or visit www.IowaWorks.org.

In addition, services specifically for dislocated workers help individuals who have lost a job through business closing, downsizing, or lay-off and are unlikely to return to their previous industry or occupation. Displaced homemakers, persons considered long-term unemployed, and those who were formerly self-employed and displaced from their business also may qualify.

Some dislocated workers may be eligible to receive intensive training services to assist in job training, upgrading work skills, or to participate in educational programs. Financial assistance also may be available while you participate in these services and may include funding for:

- Dependent and child care
- Health care needs
- Relocation assistance
- Transportation assistance
- Clothing
- Tuition assistance
- Other miscellaneous services

Locate your nearest IowaWorks Center online at:
www.IowaWorks.org

4. BUILD YOUR PLAN

CHOOSE A CAREER PATH & CREATE A PLAN.

Iowa College Aid offers a free online college and career planning system to help you discover more about yourself and possible career choices. IHaveAPlanIowa.gov provides information on careers, programs, majors and colleges based on your interests, abilities and values. Completing self assessments will help you to answer the following questions:

- What types of jobs interest me?
- What types of skills have I acquired?
- What things do I do well?
- What do I value in a work environment?

i have a plan™ IOWA

Start your career plan by completing the following steps at www.IHaveAPlanIowa.gov:

1. Create an account to start an online portfolio
2. Go to the "Career Planning" tab and complete the assessments to learn about yourself
3. Explore the suggested careers
4. Identify the career for you
5. Research the education required for your field
6. Search for colleges offering your desired program of study
7. Click on the "Financial Aid Planning" tab and use the scholarship search tool

5. SET THE STAGE

DECIDE ON A COLLEGE AND PROGRAM MAJOR

After you have identified a career path that interests you, the next step is to narrow down your list of potential colleges that offer your desired program major. The resources available at www.IHaveAPlanIowa.gov can help you research a program and find a college that suits your needs. Going back to school does not mean you have to put your life on hold. You may want to consider colleges that offer flexible programs or convenient locations such as:

- Colleges with campuses close to home
- Distant learning/online programs
- Accelerated/fast track programs
- Evening and weekend programs

Each of these options has its own advantages. Prior discussions you have had with your family and employer will help you determine what will work best for your lifestyle.

VISIT POTENTIAL COLLEGES

Plan to visit colleges in person so you can learn more about the college and programs that best fit your lifestyle. Contact the admissions office for help in setting up a campus visit. Schedule your visit ahead of time so that you don't miss out on any opportunities.

On your visit, be sure to:

- Go to a class.
- Take a tour.
- Talk to students.
- Meet advisors.
- Talk to the financial aid office.

TYPES OF DEGREES

Your chosen career path will help you determine the program that will best help you achieve your professional and educational goals. There are several different types of degrees you can attain including:

Certificates and Diplomas: Typically completed in two years or less at a community college, career/technical/business college or some four-year colleges. These programs tend to focus on a particular skill and train you for a specific career. Possible careers requiring a certificate or diploma include paralegal, cosmetologist, welder, chef, and certified nursing assistant.

Associate Degrees: Typically earned within two years at any community college or some career/technical/business colleges and four-year colleges. You may enter a technical or vocational program and earn an associate degree, or apply your degree toward a bachelor's degree at a four-year college or university. Examples of possible careers requiring an associate degree include dental hygienist, registered nurse, veterinary technician, and auto mechanic.

Bachelor's Degree: A bachelor's degree, or undergraduate degree, typically takes at least four years to complete at any four-year college or university. Careers that require a bachelor's degree include teacher, engineer, accountant, dietitian and social worker.

Advanced Degrees: After attaining a bachelor's degree, you may choose to pursue an advanced degree such as a master's, doctoral, or professional degree. Examples of professions that require an advanced degree include dentist, lawyer, veterinarian, pharmacist, psychologist, college professor, and medical doctor.

6. PREPARE TO MAKE THINGS HAPPEN

GET READY TO APPLY

The next step is to apply to the colleges you are interested in attending. Before completing college applications, you need to know the enrollment requirements for each college you are considering. You should prepare to provide documentation that you received a high school diploma or the equivalent (such as a GED), or that you completed your secondary education in a home school.

GED RESOURCES

- Many area community colleges offer this service to prospective students.
- The American Council on Education (ACE) has information about GED educational opportunities in your area on their website at www.acenet.edu.
- The Iowa Literacy Resource Center provides information about the GED process on their website at www.readiowa.org.
- The Iowa Department of Education provides GED information and forms on their website at www.educateiowa.gov.

GED DOCUMENTATION

- Contact the person in charge of GED testing where you were tested to obtain documentation of your GED credential.
- The ACE website has additional information about testing contacts and transcripts on their website at www.acenet.edu.

HIGH SCHOOL TRANSCRIPTS

- Contact your former high school to have your transcript sent to your college.
- Most colleges want an official transcript that is sealed and sent directly to the college.

COLLEGE TRANSCRIPTS

- Request copies of transcripts from other colleges where you previously earned college credit.
- Talk with an academic advisor at each college you are considering to see if any of those credits can be counted toward the requirements at their institution.

OTHER DOCUMENTATION

Some colleges and universities may require other assessments to determine the level of coursework you are ready to take in a few subject areas. The most common tests are:

The ACT: You can obtain more information about the ACT, including test dates and online registration at: www.actstudent.org.

The SAT: You can obtain more information about the SAT, including test dates and online registration at: www.collegeboard.org.

If you have already taken one of these tests, you may be able to use your results. If you did not, you may be asked to take a placement test such as the ASSET or COMPASS. Ask an admission counselor from the college what options are available to you.

COLLEGE TEST PREPARATION

Go to www.IHaveAPlanIowa.gov to find free comprehensive ACT, SAT and GRE test preparation materials! You will have access to tools and resources including:

- Tutorials
- Practice sessions
- Personal progress reports
- Vocabulary builder & much more

7. INVESTIGATE WAYS TO PAY

STEP 1: APPLY FOR ADMISSION

Request admission and financial aid information and applications from the college. Most colleges and universities have admissions applications available online. Seek out staff members and other resources dedicated to help adult students.

STEP 2: COMPLETE YOUR FAFSA

The FAFSA (Free Application for Federal Student Aid) is the universal form to apply for financial aid. A completed FAFSA determines your eligibility for state and federal grants, student loans, and other forms of student assistance. Some colleges also use the results of the FAFSA to determine eligibility for their own institution aid.

The quickest way to file the FAFSA is online at www.fafsa.gov. FAFSA on the Web is secure, easy and accurate. This web-based form includes online assistance and prompts to reduce applicant error, and can be processed faster by electronically signing the FAFSA with your Department of Education PIN. You can apply for a PIN while completing the FAFSA on the Web, or you can go to the Federal Student Aid PIN website at www.pin.ed.gov to apply.

Paper forms for mailing can be obtained through 1-800-4-FEDAID (800-433-3243) or by visiting www.fafsa.gov/options.htm.

Deadlines: Submit your completed FAFSA as soon after January 1 as possible. Check with campus financial aid officials for important filing dates.

To be given priority status for State of Iowa grants, your completed FAFSA must be received by the processing center on or before July 1 (earlier priority deadlines may exist for certain programs).

Information Needed for the FAFSA:

- Your driver's license number
- Social Security Number
- Your alien registration number (if you are not a U.S. citizen)

Gather the following for yourself and your spouse (if married):

- Most recent federal tax return, W-2 forms and records of earnings
- Records of untaxed benefits received
- Most recent bank statements and investment statements
- Business or farm records (if applicable)

STEP 3: COMPLETE THE IOWA FINANCIAL AID APPLICATION

In addition to the FAFSA, some state-administered financial aid programs also require completion of The Iowa Financial Aid Application. The application button can be accessed at www.IHaveAPlanIowa.gov.

STEP 4: APPLY FOR ADDITIONAL SCHOLARSHIPS

Continue to search for private sources of scholarships. Businesses or local branches of corporations, as well as civic and religious organizations often offer scholarships to area students.

You can also search online for scholarships. Iowa College Aid provides an online scholarship search at www.IHaveAPlanIowa.gov.

BEWARE OF POSSIBLE SCAMS

Unfortunately, there are fraudulent organizations that pose as legitimate agencies willing to help with FAFSA filing and scholarship searches. They will often guarantee you a scholarship or promise to do all the work for you for a fee.

Filing the FAFSA and applying for financial aid is free. Never provide anyone with your bank account information. No one can guarantee you a scholarship except for the organization that offers the award. If something sounds too good to be true, it probably is. Do not pay someone to complete your FAFSA; there are free services available in Iowa. The Federal Trade Commission (FTC) advises students to be cautious of some of the more common lines in scholarship and FAFSA scams such as:

- "The scholarship is guaranteed or your money back."
- "You can't get this information anywhere else."
- "I just need your credit card or bank account number to hold this scholarship."
- "We'll do all the work."
- "The scholarship will cost some money."
- "You've been selected by a 'national foundation' to receive a scholarship" or "You're a finalist" in a contest you never entered.

STEP 4: AFTER THE FAFSA

After submitting your FAFSA, you will receive a Student Aid Report (SAR) within a few days if you filed electronically. (SAR results may take three weeks if you filed a paper FAFSA.)

Read your SAR carefully and make changes if necessary. The SAR provides a snapshot of your FAFSA data and your Expected Family Contribution (EFC). The EFC is a number that measures your financial need. It is used to determine your federal and, in some cases, state aid eligibility. Your EFC remains the same, no matter what college or university you attend.

Your SAR will be sent to each college or university you listed on your FAFSA. The financial aid office at each college or university will use your EFC to determine your financial need and will send you an award letter stating any scholarships, grants or loans for which you qualify. Evaluate your award letter carefully. Remember that scholarships and grants do not need to be repaid, but student loans do. If you have questions, call the financial aid office and ask about any terms or provisions that need clarification.

Be a careful consumer. The largest financial aid package is not always the best because it may have a greater emphasis on student loans.

Use the financial aid calculators in I Have A Plan Iowa™ to estimate your EFC, maximize your savings and compare student loan payments to your projected earnings.

www.IHaveAPlanIowa.gov

STEP 5: EVALUATE STUDENT LOAN OPTIONS

After you have applied for scholarships and grants, you may need to consider student loans as a resource to help close the gap in paying for your college education. Student loans are offered at reasonable interest rates and are an excellent resource for wise borrowers. Be a smart consumer and don't borrow more than you need.

Your award letter may contain one or more types of loans. All loans are not alike when it comes to repayment conditions and fees. Don't feel pressured to respond immediately – consider your options, ask questions, and choose the best course of action for you. But remember, a loan is borrowed money that must be repaid with interest.

STAFFORD LOANS

Federal Stafford Loans are available to undergraduate and graduate students of all income levels.

There are two types of Stafford Loans. Students may receive either one or a combination of the two types:

Subsidized Stafford Loans – for students with demonstrated financial need. The government pays the interest while you are enrolled at least half time, during your six-month grace period and periods of authorized deferment.

Unsubsidized Stafford Loans – students do not have to demonstrate financial need to qualify. You will be charged interest from the time you receive the funds until the loan is paid in full. If you do not pay the interest while you are in school, it will be capitalized (added to the principal balance of your loan).

Loan Limits - The annual Stafford Loan limits for independent students are:

First year - $ 9,500
Second year - $ 10,500
Third-fifth years - $12,500
Aggregate - $57,500 (subsidized loans many only comprise $23,000 of the total)

Graduate/Professional - $20,500/year
Aggregate - $138,500 (subsidized loans* may only comprise $65,500 of the total)

**The Budget Control Act of 2011 eliminated the interest subsidy on Stafford loans to graduate and professional students, effective for new loans made on or after July 1, 2012. Graduate and professional students may still borrow up to $20,500 annually in Stafford loans, but the borrower must pay all interest that accrues on the loans.*

Interest Rates - Stafford Loans first disbursed on or after July 1, 2006 have fixed interest rates. The rates differ based on when the loan is first disbursed, whether the loan is for an undergraduate or graduate student, and whether the loan is subsidized or not.

Loan Disb. Date	Undergraduate Subsidized Stafford Loans	Undergraduate Un-subsidized Stafford or Graduate Loans
On/after 7/1/10	4.5%	6.8%
On/after 7/1/11	3.4%	6.8%
On/after 7/1/12	6.8%	6.8%

Fees - Stafford Loans have fees which are deducted from each loan disbursement. Loans first disbursed on or after July 1, 2010 have fees deducted of 1.0% of the loan balance.

Note - Some federal student loans may be eligible for an in-school deferment if you enroll at least half-time. If you are currently repaying on an eligible student loan, contact your lender for in-school deferment information.

ALTERNATIVE FINANCING OPTIONS

If your college costs are not covered by grants, scholarships and Stafford loans you may need to look for additional financing options.

Tuition Payment Plans - Many colleges and universities offer payment plans that allow you to make tuition payments over several months.

Federal Perkins Loans - Some colleges and universities participate in this program where they receive funding from the federal government to make low interest loans to students with exceptional financial need.

Federal Grad PLUS Loans - These federal loans are specifically for students enrolled at least half time in graduate and professional programs. If you are eligible, you may borrow up to the full cost of your education, less other financial aid you receive.

Private loans - These loans should only be used as a last resort after all other federal loan options are exhausted. Private loans are designed to bridge the gap between the cost of education and other available sources of financial aid.

Private loans are not federally insured and may be more costly than Federal Stafford and PLUS Loans. Lenders who make private loans are often more selective about who may receive loans, many times requiring students to pass a credit check. The origination fees and interest rate structures vary among the different private loan programs available.

If you need a private loan or if you have additional questions, check with the college or university financial aid office.

BUDGETING
CREATE A BUDGET

Create a budget to ensure you are prepared to adjust to the financial commitment of getting an education. If leaving or changing your current employment, be sure to calculate all of the changes you may face such as loss of health insurance. Complete a budget worksheet to see where you are financially. Include all anticipated expenses to reach your goal, including dependent care, if necessary. The U.S. Department of Education provides an online budget calculator at http://www.direct.ed.gov/BudgetCalc/budget.html.

College Costs

College costs are likely to include:

- tuition and fees
- housing
- living expenses
- books and supplies
- transportation
- childcare costs
- miscellaneous expenses

Budget Needs

Tuition costs are different at every college or university. The cost also depends on the number of courses or credit hours you take each term.

Find admissions requirements, tuition rates and college profiles for Iowa colleges and universities in the college planning section at:

www.IHaveAPlanIowa.gov

HIGHER EDUCATION TAX BENEFITS

You may be eligible for federal higher education tax credits and deductions such as:

Student Loan Interest Deduction - Eligible borrowers may deduct interest paid on student loans (up to $2,500) each year.

American Opportunity Tax Credit - Eligible taxpayers may claim a credit of up to $2,500 for each eligible student within his/her first four years of college. 40% of the credit is refundable.

Lifetime Learning Tax Credit - Eligible taxpayers may claim a credit of up to $2,000 per family per tax return for all years of postsecondary education.

Tuition & Fees Deduction - Eligible taxpayers may deduct up to $4,000 paid for tuition and fees during the tax year.

RESOURCES

Career Planning

- www.IHaveAPlanIowa.gov
- U.S. Dept. of Labor – www.stats.bls.gov
- Iowa Job Bank – www.IowaJobs.org

College Planning and Financing

- www.IowaCollegeAid.gov
- www.IHaveAPlanIowa.gov
- www.EducateIowa.gov
- www.Direct.Ed.gov
- www.IowaLearns.org
- www.Regents.Iowa.gov
- www.ThinkIndependently.com
- www.IACCT.com
- www.Going2College.org
- www.KnowHow2Go.org
- www.FastWeb.com

This tax information is intended for educational purposes and should not be considered as legal or tax advice. You should consult your professional tax advisor or attorney for more information about the different higher education tax benefits and to determine your eligibility.

GRADUATE STUDENTS

If you have completed your bachelor's degree, you might be considering returning to graduate school for your master's, PhD or professional degree. Before making the decision to go to graduate school, make sure you have a clear sense of the career you want to pursue and if an advanced degree is necessary for that field.

Most graduate programs are more intense than undergraduate programs and often require more research and writing. Along with the intensity, graduate programs are specialized in a specific area of study.

Colleges can provide specific information that will help you decide which program is right for you and the steps you will need to take to be admitted to the program. Most programs will require you to take and receive a certain score on a standardized exam, such as the GRE, the GMAT, the LSAT or the MCAT to name a few. Go to www.IHaveAPlanIowa.gov to find free test preparation courses for the GRE. You also may need to supply letters of recommendation, or other supporting documentation, with your admissions application as well.

Be sure to take into account whether or not your program requires a creative component, thesis or dissertation. Programs also may require some type of career related experience such as an internship, clerkship or rotations be completed to earn your degree.

IowaCollegeAid.gov

Our Mission

We advocate for, and provide a continuum of services to support, Iowa students and families as they explore and finance educational opportunities beyond high school.

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