

FINANCING AN EDUCATION or HOW TO PAY FOR EDUCATION

By Heidi Hutchins

Education in the United States costs money. However, there are several strategies students can use to help to finance their education.

First, students should apply for scholarships. In Arizona, there are many scholarships available for Arizona students. Students don't have to be a straight-A student to qualify for many scholarships. There are scholarships available for students with wide range of backgrounds. I also tell students they should be thrilled when a scholarship has an essay requirement. *Why?* Most students won't write an essay for a scholarship, so that immediately eliminates a lot of the competition.

Yes, writing the first scholarship essay is difficult. It requires thought, time and effort. It should be carefully proofread and edited. The second scholarship essay is also a challenge. From there, however, they get easier to write and since this is the students own story, it is possible to re-use sections from previous applications. Scholarships are free money for education that does not need to be paid back! In addition, scholarship awards look great on a resume@

After scholarships, students should consider working part-time on campus to help cover expenses. This may even part of a work-study option through federal financial aid. Which is the next option. All students should complete the Free Application for Federal Student Aid (FAFSA®). Notice that the word, "Free" is right in the name. Students should never pay money to apply for scholarships or financial aid. Fill it out as soon as possible and watch for requests for verification. Many students receive request to verify information on the FAFSA and they should do so as quickly as possible. Based on the FAFSA, students may qualify for grants (which do not need to be repaid), as well as work-study opportunities and student loans.

I've heard a rule of thumb that if a student expects to earn \$40,000 a year after graduating, the maximum the student should take in student loans is \$40,000. To me, that seems like a huge amount of debt at the start of a career and I recommend students try to take less than that and only take subsidized federal students. I also strongly encourage parents not to take Parent PLUS loans.

The worst situation is when a student takes student loans and then does not graduate. At that point, the student has debt, but does not have skills or credentials to earn that high-paying job. Therefore, I stress that it is extremely important for students to commit to graduating! Students also need to communicate with their family members and get their support and understanding about the importance of graduating. Once a student takes student loans, those have to be repaid. I encourage my students to talk to their family members about the fact that they will need to graduate to be able to pay back those loans. If something happens in the family while the student is in college, it is important for the student to let the family know she/he will provide as much support as possible while still continuing in college full-time and graduating on time.

While attending a college or university, make sure you are taking the classes required for your degree and staying on track to graduate. Taking more than 4 years to graduate costs time and money.

Finally, look for ways to save money while in college. Living with parents and attending a local college or university can save tens of thousands of dollars over four years.

For students who aren't sure what they want to do or don't want to commit to graduating with a 4-year degree, consider exploring career options and starting with classes at a community college. The lower tuition makes it more likely students can minimize or avoid student loans.

I also encourage students to explore community college transfer programs such as the Associate in Business (ABUS) degree in Business. There are many pathways from community college to a university.

- In summary, my advice to students is:
 - Apply for as many scholarships as possible (including those with essay requirements)
- Fill out the FAFSA as soon as possible on or after October 1st for the following fall
- Look for ways to earn money and minimize living costs while in college
- Minimize the amount of student loans and try to only accept subsidized federal loans
- Be sure to graduate

GateWay Community College offers affordable tuition and university transfer degrees that allow students to complete the first two years at lower community college rates and then transfer to a university to complete the last 2 years of a 4-year degree.