

# Paying for Continued Education

*Robert H. Flashman, Family Resource Management, and Megan Hempfling, Family and Consumer Sciences*

Many students might wonder, “How can I afford to continue my education beyond high school?” Families, especially in tough economic times, struggle to pay the bills, making a college diploma for their children seem difficult to attain. However, financial assistance for higher education is available for students who seek it.

## Affording the Education You Want

Various forms of continued education and training are available. They range from a four-year program at an expensive private college or university to a less expensive state university or even a community or technical college. Once you decide where you want to continue your education, you can search out the various forms of financial aid that are available, both from the educational institution itself and from outside sources.

### Scholarships

Students across Kentucky are finding scholarships for further education, and you can, too. Scholarship money and awards vary by institution and are often based on financial need, GPA, ACT/SAT score, and/or community involvement. Making good grades is important in getting financial assistance no matter where you want to go to school. Visit <http://www.fastweb.com/content/press> to see a short Today Show feature on finding free money for your education.

### Kentucky Higher Education Assistance Authority

If you are currently enrolled in high school in Kentucky, you can be helping to pay for your continued education now. The ACT and SAT examinations, high school grades and advanced placement courses can qualify students for funds.

- Advanced placement (AP) courses count for college credit at various educational institutions.

- ACT/SAT exam scores can earn awards of \$36 to \$500 for scores of 15 or more on the ACT or 710 or higher on the SAT.
- A GPA of 2.5 and higher can earn you a scholarship of between \$125 and \$500 per year in college for each year of high school. Consistently high grades during four years of high school add up to a substantial scholarship.

### Research Scholarships

Research scholarships may also be available to you. All have different requirements. Visit the following websites to gather information and apply for the scholarships that are best for you.

- [www.fastweb.com](http://www.fastweb.com)
- <http://www.kheaa.com/website/kheaa/home>
- <http://www.kheaa.com/pdf/pubs/ky/ahe/ahepublic.pdf>

There is no need to pay for scholarship searches. Nearly all information you need is available free of charge at the websites above. If you have other questions, however, check with your school guidance counselor.

### Grants

Another source of financial aid is grants. Like scholarships, most grants do not have to be repaid. However, each grant has certain qualifications. The federal government offers several options for grant funding, including the Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Pell Grant and TEACH Grant.

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- The Federal Supplemental Educational Opportunity Grant is for students with extreme financial difficulties. It allows between \$100 and \$4,000 per year.
- The Federal Pell Grant is awarded to students who have not yet earned a bachelor's or professional degree. However, programs such as those leading to teaching certifications may grant funds to students even after they have completed an undergraduate degree. Up to \$5,550 may be awarded depending on financial need, course load and your choice of school.
- The TEACH Grant may have to be repaid based on the conditions of the grant and whether certain needs and/or requirements are met or not. For instance, in order to earn this grant, you must become a full-time teacher in a school serving low-income students or in an area of great need for teachers.
- For further information on available grants, visit <http://studentaid.ed.gov/>.

Although most grants do not require repayment, funds might have to be returned if the terms are violated. Beware of the terms and agreements that each grant requires. These terms can vary greatly, so read the conditions of each grant very carefully to be certain you are meeting the requirements.

### **College Saving Funds (529 Accounts)**

Each state offers accounts for college savings, known as 529 accounts. These accounts allow individuals to determine how much to contribute and set up a plan that best suits them. You may decide for yourself what amount to contribute, possibly as low as \$15 to \$25 per pay period. Kentucky's 529 plans are called Kentucky Education Savings Plan Trusts. These accounts include options such as age-based accounts, 100 percent equity, income options and more. For more information on 529 plans, visit [www.savingforcollege.com](http://www.savingforcollege.com). Click on your state to find all available plans.

### **Tuition Waiver Programs**

Depending on the circumstances, some states offer tuition waiver programs. These programs pay a portion of the cost of continued education and may even cover the cost entirely. In Kentucky, mandatory tuition waiver programs are available including those for foster care or adopted youth, family of deceased members of public service and military programs. To see a list of all KRS tuition waivers, visit [http://www.kctcs.edu/Students/Costs\\_and\\_Financial\\_Aid/Scholarship\\_Opportunities/KRS\\_State-Mandated\\_Scholarships\\_and\\_Waivers.aspx](http://www.kctcs.edu/Students/Costs_and_Financial_Aid/Scholarship_Opportunities/KRS_State-Mandated_Scholarships_and_Waivers.aspx).

### **Student Loans**

Students should seek scholarships, grants, and alternative sources of free federal aid before taking out any amount of loans that must be repaid with interest. Loans will cost you more in the long run, and the type of loan you get can make a difference of thousands of dollars.

Some loans are private and some are federal. First, avoid taking out a private loan if you can, as these often have significantly higher interest rates. Unfortunately, with the increasing numbers of for-profit institutions and varying career paths, the opportunity for private loans has increased, along with bogus financial aid packages that may lock students into contracts with impossible repayment options.

Kentucky Attorney General Jack Conway's investigation into for-profit schools for violating the Consumer Protection Act in 2008-2009 revealed that 26 percent of students in Kentucky were borrowers and more than 40 percent of those borrowers could not repay their loans and defaulted. Be wary of accepting any financial aid, loans in particular, and always read the fine print before agreeing to the terms or you could end up repaying educational loans well into middle-age.

Although loans can be risky, there are loan programs that might be smart to use if you have no other options. For example, you might try "No-loan Policies" and loan forgiveness programs. No-loan policies offer financial aid packages that don't include any form of loans. Some schools offset the need for loans with work-study or employment programs. Policies, as well as financial aid packages, vary by state.

If you plan to work full-time in a public service position, the Public Service Loan Forgiveness Program is another option. After graduation, those who make 120 on-time payments and work in any of the required public service areas may qualify for loan forgiveness. Consult the Public Service Loan Forgiveness fact sheet at [http://studentaid.ed.gov/students/attachments/sites/eresources/LoanForgivenessv5\\_051511.pdf](http://studentaid.ed.gov/students/attachments/sites/eresources/LoanForgivenessv5_051511.pdf) for more details. For more information on jobs and employers who qualify for this program, visit <http://studentaid.ed.gov/PORTALSWebApp/students/english/PSF.jsp>.

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## **Employment Opportunities**

Begin saving money as early as possible. You might pay for school and/or a car by mowing lawns or working at a fast food job while in high school. Not only does working benefit your finances, but it also improves your skills, sense of responsibility, time-management and experience. Internships and part-time jobs provide great experience that may improve your employment opportunities later on. Just be sure that you are not sacrificing the quality of your schoolwork and peer relationships by working too many hours.

Don't base your career choices only on what you think is available but on what you enjoy and are skilled at doing. Make use of tools such as career interest inventories to help you decide which direction you want to go in life. Go to <http://www.careerpath.com/> for more information.

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