

Transcript

Applying For Federal Student Aid

SAL KHAN: So I'm here with Sean Logan who's the Director of College Counseling at Phillips Andover Academy and Jim Ventre, am I pronouncing that right, Jim?

JIM VENTRE: Ventre, yes.

SAL KHAN: Ventre, who's the Director of Admissions and Financial Aid at Phillips Andover. What we're hoping to talk, or start talking about in this video, is really just the financial aid process and, in particular, the FAFSA. So, I guess, I should probably do that in all caps, my first question for either of you is, I guess, what is the FAFSA and what does it actually stand for?

SEAN LOGAN: Right, so the FAFSA is the Free Application for Federal Student Aid and it's really important for students to realize that "free" part of this name because there is an opportunity to get on the web and go to FAFSA dot com and somebody will happily help you with it but you need to pay for it. So the first thing we talk with students a lot about is, the FAFSA is a free form. You should not be paying for it and in the title; again, it's by the federal government. They use a rubric to sort of figure out, based on this form, how much your family should contribute to a college education.

SAL KHAN: And I get it right, it's Free Application for Federal Student Aid?

SEAN LOGAN: Student-yes, student aid.

SAL KHAN: Yeah, and just to hit the point home on what you just said, it should absolutely be free and there are places where people will charge you to kind of optimize it or fill it out for you?

SEAN LOGAN: That's correct. So the first thing, normally, normally, if you start to type in a search engine, FAFSA, a lot of times FAFSA.com pops up, and it's a legitimate site but they charge you something like \$80 or \$85 to help you fill out the form. So you want to go to fafsa.ed.gov to start this process.

SAL KHAN: [.ed.gov](https://fafsa.ed.gov), and there it will be free. And what is, when you fill out this form, in future videos we'll actually take a look at the form itself but what do you input into it and what comes out of it and who uses that information?

JIM VENTRE: I think for many students who are applying to college right now, they are accustomed to telling their story in essays and in various pieces of their application and they have to think of the FAFSA as just their family's financial story and their financial story has many variables but most importantly, the things that the FAFSA asks for are simplified as things that would be questions that students could probably answer right off the top of their head in terms of their family income and whether they own a home or whether they rent or where they live, things like that.

SAL KHAN: And, I remember filling this... we were talking about this before, I guess, clicking record, all of us were significant recipients of financial aid, of need-based financial aid, and I remember filling it out, I remember I had my mom's tax form, which I had to fill out for her, right before filling out the FAFSA, but that's essentially, I remember, at least, this was in the early 90's, kind of the inputs that I needed to be able to fill out most of the form.

SEAN LOGAN: And that's correct, yeah. One of the things that, specifically looking at and working with a lot of low-income families, one of the things to

realize is that it generally is actually a pretty simple form because there aren't a lot of things that make it complicated. There aren't trust funds, there aren't investments. There aren't, probably in a lot of times, sometimes there are homes that are owned but a lot of the times they're just renting, usually it's a paycheck that comes in and it's sort of a standard paycheck that comes in for the year. So it's actually a pretty simple form, it's just getting students to step up and do it is the real challenge.

SAL KHAN: And the reason, obviously, it's pretty obvious why they care about income. It's the total amount of money your family is making but then the reason why they care about things like home ownership and if I remember properly, they ask things about the number of siblings you have and they try to understand your family's expenses too and the whole reason is to kind of figure out their ability to pay for college.

JIM VENTRE: That's right, so at the outset, students are asked questions to fill out on their family's financial circumstances and basically what the colleges are trying to do is come to a conclusion which allows them to have a picture of what the family is up against every month, every week, what's left in the bank, so to speak, at the end of all the family operating expenses.

SAL KHAN: And so what, after you fill out the form, where does that go? This is at the department of education site but do they process it or do they just give the form to the universities? What happens after that?

SEAN LOGAN: That's a great point, Sal, I think one of the misperceptions about the FAFSA is, I'm going to submit this form to the government, basically, and then they're going to crunch all these numbers and then they're going to determine a financial aid package for my family. I think that's a really common misperception. All the FAFSA does is it looks at, again, your family's income, number of kids in the family, other assets, those sorts of things and it determines an Estimated Family Contribution. What a college does with that varies greatly and I think that's something that families need to understand. So all it is going to do is determine a number. That number might mean your family should be able to contribute

\$1,000 towards your son or daughter's education, \$5,000 or \$0, for that matter, but that's all it does.

SAL KHAN: I see, and the reason why this, exists is so that colleges would have a somewhat uniform way of looking at this and they can feel good that the data is, I guess, real?

JIM VENTRE: That's right and so one of the things in this Estimated Family Contribution is sort of the sense that the family is self-reporting where they stand and their family's circumstances financially and one of the things we want to caution about is that when you receive a sort of Estimated Family Contribution or what they call the EFC, you want to make sure that's in line with your expectations because sometimes that number can seem odd to the family when they understand where it came from and they may have made a mistake in some way on the form.

SAL KHAN: I see, but then the Estimated Family Contribution, then that gets sent to the universities that you have, usually at this point, have gotten admission to?

SEAN LOGAN: It will go to every university ahead of time. So if the student applies to seven schools, you're going to want it there well before decisions come out. There are usually very strict deadlines to get things there in time but then, usually what happens in the Admissions Office is if, Sal, if I'm reading your application in the Admissions Office and I say, "great. Sal Khan is going to be admitted." I call down to our Financial Aid Office, this is all done electronically now, but the Financial Aid Officer, what he will do is open up your electronic file and he will see the FAFSA sitting in there and then he will see that and he will say, "okay, the Kahn family should be able to pay \$1,000 towards Sal's education. We cost \$50,000. So now we're going to have to create a financial aid package for \$49,000 to make it possible for you to come here."

SAL KHAN: And so that's before you've been officially admitted?

SEAN LOGAN: It's typically when you get admitted, then the Admissions Office will say, "okay, now calculate a financial aid package."

SAL KHAN: And are these, I can imagine a lot of students would worry about this. Are these kind of separate processes or will the Admissions Officers be able to see the Estimated Family Contribution and does that have the potential to kind of affect your chances of admissions?

JIM VENTRE: Oh, absolutely. I think that colleges are mindful of the programs that they have in place to support these students and so the colleges overall mission plays a role in how they're distributing financial aid and the way they view students that they're going to support through what they uncover in the FAFSA.

SEAN LOGAN: And, Sal let me add to that. There's two important, I think, definitions here. One is institutions that are need-blind and institutions that are need-sensitive and that's an important question for students to ask as they're starting to research colleges. Typically need-blind schools mean whether or not you're applying for aid has no impact on an admissions decision and we will fund you to 100% of your demonstrated need based on the FAFSA. So that's an important one.

Need-sensitive, and this is getting to your point, there are schools, and again the great majority of schools are need-sensitive because they have limited budgets so they might take into account, at some point in the process, financial aid. If, again, if we're sort of really talking to really high-achieving, low income students right now, typically they're still going to make out very well because, even though the school might take into account need, and the student may need as much as a full ride, if they're a really top, top student, that's still somebody they're going to support and probably pay for. If you're a student that's not as strong, that's when you might get

caught in exactly what you're asking about, "oh, you need X number of dollars. You're sort of right in a range where we have a lot of choices, that may make you less attractive." So, again, the story I always tell students is the better student you are, not only the more opportunities you'll have for admission, but the better financial aid packages you'll be eligible for.

SAL KHAN: That's right and is it possible it might even go the other way where, when they look at your need and they say "wow, you know he or she comes from a family that didn't have all the resources of many of our other applicants", that that actually could be a positive when you apply?

JIM VENTRE: Oh, absolutely. I think, for example, Andover operates on a need-blind admission initiative and we're looking for students who meet the demands of our program and when you see students who may not have had all the preparation in terms of leading up to coming to Andover, it's very compelling to find students who could manage the rigor of our program and not have had that preparation and so we would be very attracted to them and want to provide a financial aid package that supports them at our school. Colleges operate the same way.

SAL KHAN: And Phillips Andover obviously is a well-recognized high school and colleges, you're saying operate in a very similar way, or many do, exactly.

JIM VENTRE: Yes they do

SEAN LOGAN: Right

SAL KHAN: Very cool. --now and after you graduate.