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Top Ten Myths About Scholarships

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About the Author and this Talk

- Mark Kantrowitz is Publisher of Fastweb.com and FinAid.org, the two leading free web sites about planning and paying for college
- Mark is a nationally recognized expert on student financial aid and a member of the board of directors of the National Scholarship Providers Association
- Mark is the author of the bestselling book *Secrets to Winning a Scholarship*, which is available through Amazon.com in both paperback and Kindle formats

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Overview

- Only Straight-A Students Win Scholarships
- Most Scholarships are Just for Minority Students
- My Child Will Win a Free Ride with Scholarships
- I'm Not an Athlete, So I Won't Win Any Money
- Only the Poor Win Scholarships
- Only High School Seniors Can Apply for Scholarships
- Private High School Students Win More Scholarships
- \$6.6 Billion in Scholarships Went Unclaimed Last Year
- Colleges Reduce Need-Based Aid When You Win Scholarships, So Why Bother?
- Searching/Applying for Scholarships is Too Much Work

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Myth: Only "A" Students Win Scholarships

- Reality: Students with better grades are more likely to win scholarships, but B and C students do win some

Cumulative GPA on a 4.0 Scale	High School GPA		College GPA
	% Winning Scholarships	% of Scholarship Winners	% Winning Scholarships
0.0-1.9 (D- to C)	5.7%	1.3%	7.0%
2.0-2.4 (C to B-)	7.1%	6.2%	9.1%
2.5-2.9 (B- to B)	9.5%	8.1%	10.7%
3.0-3.4 (B to A-)	10.7%	30.0%	13.1%
3.5-4.0 (A- to A)	18.7%	54.4%	18.8%

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The Race Myth: Only Minorities Win

- Reality: White students win more than their fair share of scholarships, not minority students

Race	Percent of Recipients	Percent Winning	Average Award
White	71.5%	14.4%	\$2,645
Black or African American	10.5%	11.4%	\$2,962
Hispanic or Latino	8.1%	9.1%	\$2,353
Asian	4.4%	10.5%	\$3,170
American Indian or Alaska Native	1.4%	32.7%	\$3,967
More than One Race	3.4%	16.0%	\$4,891
All Minority Students	28.5%	11.2%	\$3,167


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Myth: My Child Will Win a Free Ride


- Very few students win a completely free ride
 - Of students enrolled full-time at a 4-year college
 - 0.3% get enough grants to cover the full COA
 - 1.0% get enough grants to cover 90% or more of the COA
 - 3.4% get enough grants to cover 75% or more of the COA
 - 14.3% get enough grants to cover 50% or more of the COA
 - Of students winning scholarships, more than two-thirds (69.1%) received less than \$2,500
- Scholarships are part of the plan for paying for college, but not the entire plan

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Myth: Only Athletes Win Scholarships  Paying for school just got easier


- 1.4% of students in Bachelor's degree programs received athletic scholarships in 2007-08
- The average athletic scholarship was \$7,855, a third of the total cost of attendance
- Athletic scholarships represent only 5.4% of institutional grants and 2.1% of all college grants
- Athletic scholarships enable students to attend more expensive colleges, but do not yield a significant financial advantage.
 - Total institutional grants are \$3,979 higher than for non-recipients, but the cost is \$4,560 higher


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Myth: Only the Poor Win Scholarships  Paying for school just got easier


- Reality: Middle-income students are more likely to win private scholarships than lower-income or upper-income students
- Most private scholarships are not based on financial need


Full-time Students at 4-Year Colleges	% of Students Winning Scholarships	% of Aid Applicants Winning Scholarships
AGI less than \$50,000	10.6%	11.3%
AGI \$50,000 to \$100,000	13.8%	15.6%
AGI \$100,000 or more	10.8%	14.3%

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Myth: Just for High School Seniors  Paying for school just got easier


- There are scholarships with deadlines in every month of the year
 - Deadlines peak in the fall and spring
 - Summer is the low point
- Many families wait until spring of the senior year in high school to figure out how to pay for college, missing half the deadlines for seniors
- There are many scholarships for students in lower grades, even elementary school
- Continue searching for scholarships after you have enrolled in college


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Myth: Private K-12 Students Win More  Paying for school just got easier


- Reality: Students who graduate from private high schools win more private scholarships, but not enough to compensate for the higher cost of private school tuition
 - Only about \$1,000 more in private scholarships
 - 48.5% of private-school students enroll at private non-profit colleges vs. 26.7% of public-school students


Type of High School	% Winning Scholarships	Average Scholarship	% Receiving Any Merit Aid	Average Total Merit Aid
Public	12.3%	\$2,631	27.0%	\$5,700
Private	10.0%	\$3,463	30.9%	\$6,705

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Myth: \$6.6 Billion Went Unclaimed Last Year  Paying for school just got easier

- The unclaimed aid myth is based on a 1976-77 academic year study by the National Institute of Work and Learning (NIWL)
 - NIWL estimated that \$7 billion was available from employers in employer tuition assistance, but only \$300 to \$400 million was being used
 - The myth is more than 30 years old, is based on an unsubstantiated estimate and has nothing to do with scholarships
- The only scholarships that go unclaimed can't be claimed due to restrictive eligibility criteria

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Myth: Colleges Will Cut Aid, So Why Bother?  Paying for school just got easier

- Colleges do displace private scholarships, but most colleges will try to ensure that the student gets some financial benefit
 - Private scholarships first fill the gap (unmet need)
 - Then some of the private scholarship money will be used to reduce the student's loan and work burden
- Every college has an outside scholarship policy which dictates how the college reduces need-based aid when a student wins a scholarship
 - Check the college's policy to see how your scholarship and bottom-line cost will be affected

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Myth: Searching and Applying for Scholarships is Too Much Work



- Searching for scholarships is the easy part
 - Fastweb matches your background with scholarships
 - It takes about half an hour to search the database
- Applying for scholarships is hard, but then so is applying for college admission
- It gets much easier after your first half-dozen applications, since you can reuse and adapt your previous application essays
- Some students don't like essay contests and small scholarships, making them easier to win

