

**NET
GAIN**



Scoring points for your financial future

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Cast your net to find out about college scholarships

By Sandra Block
USA TODAY

Are you a college-bound duck enthusiast with a good set of lungs? You may qualify for the Chick and Sophie Major Memorial Duck Calling scholarship. Fascinated by fungus? The Mycological Society of America sponsors several graduate fellowships for students interested in mold and spores. Are your services in great demand at the local golf course? You may be eligible for the Chick Evans Caddie Scholarship.

The wide array of esoteric scholarships, combined with the rising cost of college tuition, has spawned a fast-growing industry: scholarship search firms. These enterprises often promise to help you unearth hidden sources of college cash, usually for a fee.

Unfortunately, some do little more than provide information you could find for free over the Internet or at your local public library. "They promise they'll do the legwork, and then they simply go into a Web site, print a list and charge students \$30," says Mario De Anda, director of scholarship programs for the Hispanic Scholarship Fund.

Worse, some are outright scams. The Federal Trade Commission, which maintains a national fraud database, says complaints about scholarship and financial aid search services rose nearly 50% in 2002 (see chart). Improved awareness of the

database may have contributed to the increase, the FTC says. But the economic downturn has also forced more families to seek financial assistance for college, creating more opportunities for fraudsters.

There are legitimate businesses that will help you navigate the financial aid maze for a fee, says David Cooper, managing director at Sallie Mae, which funds student loans. Signs that a firm isn't on the level:

► The company says that millions — or even billions — of scholarships go unclaimed every year. This is a popular myth promoted by unscrupulous search firms, De Anda says. The reality: Competition for most scholarships is fierce. The Hispanic Scholarship Fund, for example, awarded \$26 million to 7,500 students last year. But it also turned away about 6,000 qualified applicants because of lack of funds, De Anda says.

Don't be fooled by companies offering extensive lists of scholarships. Many grants are for fairly small amounts, says Mark Kantrowitz, founder of the Web site FinAid. The average scholarship is about \$2,000, he says. That will help with some expenses, but it won't pay your way through Harvard.

Some scholarships are much more generous, but only a handful of students qualify. For example, the Zolp Scholarship pays the full, four-year tuition at Loyola University in Chicago. But it's limited to Catholic students whose last name is Zolp.

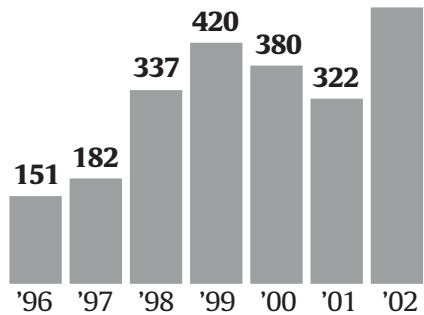
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More complain about scholarship scams

Number of complaints



Source: Federal Trade Commission

By Marcy E. Mullins, USA TODAY

► The company guarantees it will get you a scholarship. Be particularly wary of a company that claims it can get you a scholarship without first reviewing your qualifications, says Gregory Ashe, staff attorney for the FTC.

► The company asks for a credit card or bank account number to "hold" a scholarship for you. Some con artists have used this tactic to get financial information from students.

Finding the money

For most students, scholarships cover only a small percentage of total college costs, Cooper says. But that doesn't mean you shouldn't apply, especially when so much information is available for free. Good sources of information:

► The Internet. Several Internet sites, such as www.wiredscholar.com and www.fastweb.com, will let you search for scholarships, based on your personal profile.

Before plugging personal information into a search site, check its privacy policy. Some companies offer free scholarship searches to get information they can sell to online marketers, Cooper says. That's not illegal, but it can generate a lot of spam. If you can't find a privacy policy, don't use the site.

► Small colleges. While your heart may be set on the University of Michigan or Yale, cast your net wide. Many small colleges offer generous aid packages to students with good grades, Kantrowitz says.

Tyler Sanders, 20, of Gaylord, Mich., says he had never heard of Rhodes College, a tiny liberal arts school in Memphis, when he started his scholarship search four years ago. But on the advice of a family friend, he checked it out. He ended up with \$85,000 in grants and scholarships, most of it from Rhodes. He was able to avoid taking out any student loans and recently graduated with a degree in political science and history.

► Your community. Many local clubs and businesses offer scholarships to area students, Cooper says. But because these groups have limited promotional funds, you probably won't find them on the Internet. Check out your public library, community bulletin boards and other local sources, he says.

Cast your net wide to find out about college scholarships

Objectives:

Students will:

- identify signs of scholarship and financial-aid fraud.
- record data about scholarship opportunities in the community.
- complete award applications for which they are qualified.

Concepts:

- Budget and planning
- Self-reliance
- Responsibility
- Problem solving
- Resources
- Income
- Priorities
- Debt

Preparation:

- Give each student a copy of the article, “Cast your net wide to find out about college scholarships.”
- Divide students into small groups, and have them answer the discussion questions aloud.
- Ask individuals to complete the scholarship research activity.

Activity at a glance:

- Grade level: 9-12
- Subjects: personal finance, economics
- Estimated time for this activity: 45-50 minutes

Materials:

- Reading: “Cast your net wide to find out about college scholarships” (one copy per student)
- Copy of discussion questions and research table

Cast your net wide to find out about college scholarships

Discussion:

What should students be aware of as they search for scholarships and financial aid? Why do you think scholarship and financial-aid fraud have increased in the last few years? How much is the average scholarship? If you received a scholarship for this amount, what percentage of your first-year college costs would be covered? (Base your answer on the estimated costs of a private school (like Harvard), a state university or a community college.) Is the Internet a good source for scholarship information? What other resources should students consult?

Activity:

Scholarships and financial aid are most often given to students who have good grades and are involved in their school and community. These students have distinguished themselves as leaders, demonstrated special interests or have unique talents that are worthy of reward. Therefore, some thought and planning are necessary to set yourself apart from other students. First, you need to get involved in extracurricular activities like student government, debate society, the school newspaper, sports, band, Future Business Leaders of America, Skills USA–VICA, Health Occupation Students of America, DECA, Family, Career and Community Leaders of America, etc. The more active you are, the more likely you will be to develop talents and interests that demonstrate leadership abilities.

Most schools have assemblies at the end of the school year in which awards and scholarships are given to chosen students. List the awards that were given last year in your school. Next, categorize them according to either national (i.e. National Merit, ROTC, Boy Scouts of America, etc.), local (i.e. Lions, Ruritan, Elks, etc.) or collegiate (i.e. – scholarships to certain schools). Then, write the financial amount of the award, and put a star by those you believe you could qualify for. Finally, obtain the appropriate applications, and review the criteria for each.

Activity extensions:

- Go to the Sallie Mae website at www.salliemae.com/plan/finaid/index.html, and select a free application for Federal Student Aid (FASA). Complete the application to familiarize yourself with the process. If you are actively looking at colleges, submit the form and find out if you qualify for federal financial aid.
- Talk with the school counselor or librarian who is responsible for providing information to students about scholarship and financial aid information. Review the available applications, and complete any for which you are qualified.

Additional resources:

- Goodpayer.com offers a handbook entitled “Learn Now or Pay Later” that helps young adults understand the basics of credit and debt. Go to www.goodpayer.com and click on “College Students.” You will see the booklet, available in PDF format, at the top of the page.

Scholarship Research Tables

National organization scholarships	Amount

Community organization scholarships	Amount

Colleges and universities scholarships	Amount