

# Why You Should Fill Out the FAFSA (Even If You Think It's a Waste of Time)

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The Free Application for Federal Student Aid (known as FAFSA) for the 2019-20 school year will be available on Oct. 1. Many people assume that filling out the form would be a waste of time. Maybe they believe it's time-consuming, and they're not sure if they would qualify for aid anyway.

But this one (free) form can determine a student's eligibility for myriad grants and aid for all income levels. Also, the information you report determines eligibility for federal subsidized and unsubsidized loans, which can be very affordable alternatives to other types of loans. We attempt to demystify some areas of the FAFSA and explain some changes aimed at facilitating the process.

## **Eligible Students Leave Free Money on the Table Every Year**

According to estimates from sources like [Edvisors.com](https://www.edvisors.com) and [NerdWallet.com](https://nerdwallet.com), over 1 million students who would have been eligible for a Pell Grant never filled out the FAFSA. The maximum Pell Grant award for the 2017-18 school year was \$6,095--an amount that goes a long way toward paying a tuition bill, and, unlike a loan, a grant doesn't need to be paid back.

Of those would-be applicants, nearly 50% of those surveyed thought they would not be eligible for aid, [according to Edvisors.com](https://www.edvisors.com).

It's true that the higher your family's income is, the lower your chances of receiving this type of federal grant. According to the College Board, 80% of Pell Grant recipients (dependent students) came from families with incomes below \$40,000 in 2015-16.

But the Pell Grant isn't the only reason to fill out the FAFSA. Information submitted on it can qualify your child for other nonfederal grants--from state governments, private entities, and colleges themselves--that are available to students from higher-income households as well. Even some merit-based scholarships offered by colleges and universities require applicants to file the

FAFSA. Thus, many college planning experts recommend that students from higher-income households also fill out the FAFSA (or, if your college instructs you, the CSS/Financial Aid PROFILE form).

Students Receiving Federal, Nonfederal Grant Aid		
Income Level	% Receiving Pell Grant	% Receiving Nonfederal Grant Aid
Lowest 25%	79.4	50.9
Lower middle 25%	53.3	52.5
Upper middle 25%	5.5	41.6
Highest 25%	0.4	39.6

Source: National Center for Education Statistics. Figures apply to dependent students only.

### **Don't Assume Filling Out the FAFSA Is Too Much Trouble**

The FAFSA takes the average student around 30 minutes to fill out, according to the U.S. Department of Education's federal student aid website. Even if that's an optimistic estimate, the form costs nothing to fill out, and it could be well worth the time spent if it saves your family money.

The Department of Education has implemented some changes that have made it easier to fill out the form. For one, the window for filing the FAFSA is now three months longer than it used to be--from Oct. 1 to June 30.

Another change allows students to use prior-prior-year income, as opposed to prior-year income. This is not as complicated as it sounds, and the upshot is that you don't have to wait until your family's current-year tax returns are filed in April order to complete your FAFSA. You could submit the form for the 2019-20 academic year as early as Oct. 1, using 2017 income reported on your tax return filed in 2018. (Under previous rules, families would have to wait to submit the FAFSA until after they had filed their income taxes to get their household's prior-year income figure. Or they would submit the form with an estimated income figure, and then go back and update the form with the finalized income figure.)

Also, many users will be able to pull in their family's tax information directly from the IRS using the IRS Data Retrieval Tool. The benefit of using this tool is that data are transferred directly from the IRS and automatically populate the form, which saves time and ensures greater reporting accuracy. In addition, according to the IRS, using the tool reduces the likelihood that the school's

financial aid office will select your form for verification (wherein the student's family would be required to supply additional documentation for the information reported on the FAFSA).

**Just Do It. Every Year. Don't Wait.**

Don't procrastinate. Though it's tempting to focus on the FAFSA's June 30 deadline and think there's no rush to complete it, the FAFSA website says because many states and colleges have earlier deadlines for applying for state and institutional financial aid, it is highly recommended that you fill out the form as soon as you can to ensure that you don't miss out on any aid.

To accommodate the growing number of mobile-only Internet users, the Department of Education recently announced that it is rolling out a mobile-friendly version of fafsa.gov as well as an app to complete the FAFSA.

Lastly, remember that you need to file the FAFSA every academic year. Eligibility for student aid does not carry over from one academic year to the next. Further, variables such as your family's income level in a given year and the number of family members enrolled in college at the same time will affect the amount of aid a student is eligible to receive. (To save time, check the FAFSA renewal button, which will populate the form using information reported on previously submitted forms.)

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