



FINANCIAL AID & THE COLLEGE DECISION PROCESS

Chris George
November, 2019



College Search
Process &
Costs



Determining
your Family's
Cost

Special
Circumstances



Applying for
Financial Aid

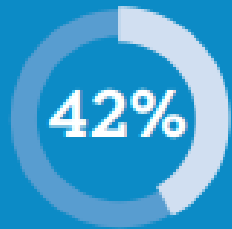


Types of
Financial Aid

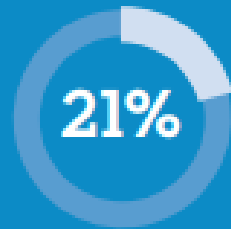


PAYING FOR COLLEGE

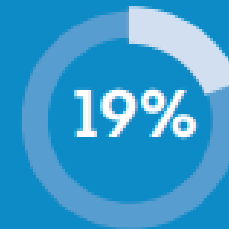
Paying-for-college jargon can leave some families confused



mistakenly believe
work-study funds are
automatically given to
the student



have the false
impression that
“free tuition” means
college is free



believe the sticker
price is the amount
they will pay

8 in 10 families feel confident about how they're paying for college



44%
of families have a
plan to pay for all
years of college

They're willing to stretch their finances to pay



75%
of students

and

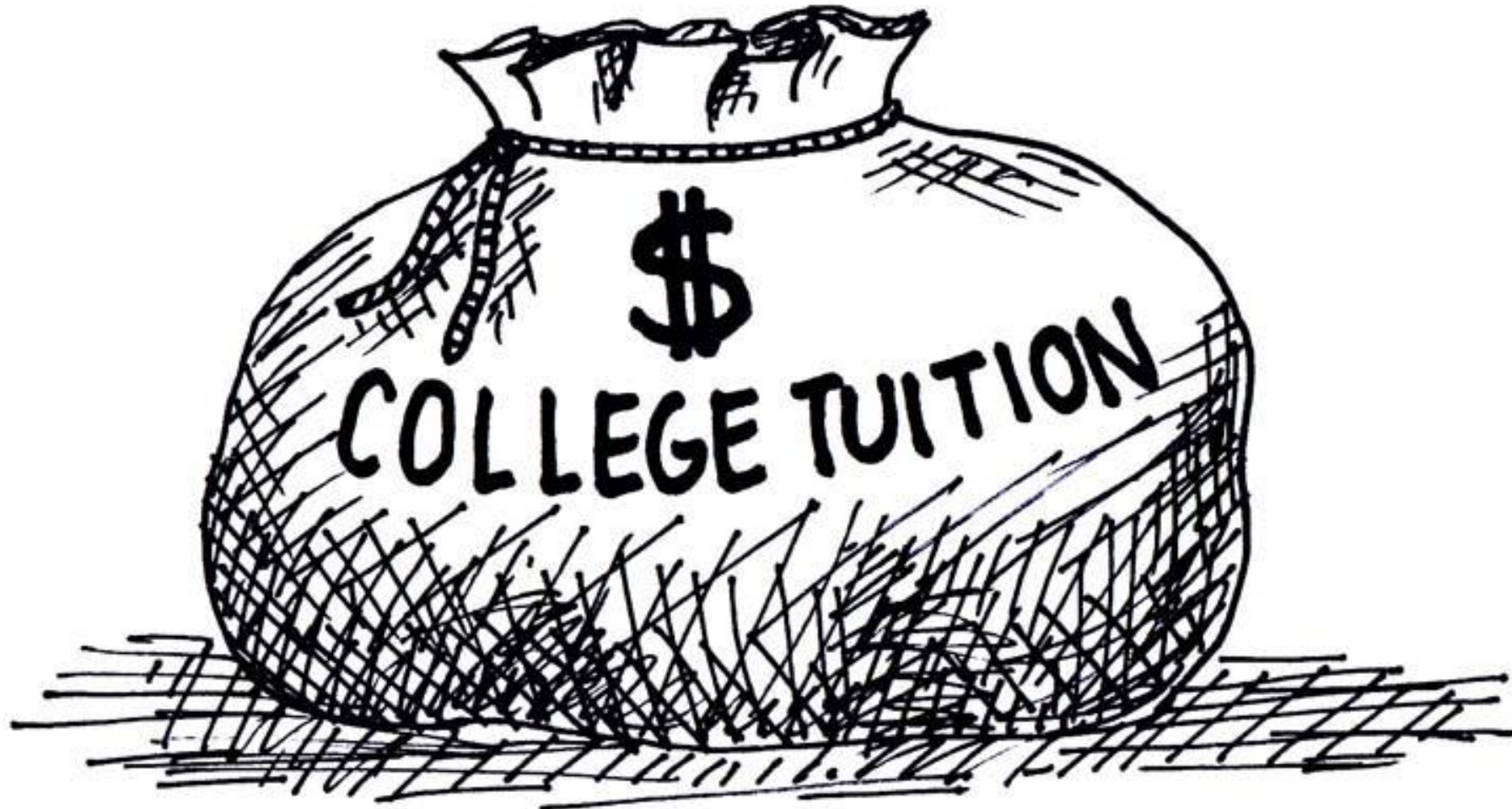


79%
of parents



92%
of parents believe
education is an investment
in their student's future

PAYING FOR COLLEGE



VALUE

On average, students apply to four schools and are accepted at three

Top considerations when picking a college to attend



77%
Cost



73%
Academics



66%
**Personal
preference**

- **7 in 10** students and parents say the price of college is a good value—either appropriately priced, a bargain, or worth every penny.

COLLEGE SEARCH PROCESS

▶ Student-Centered

- Student applies for admission
- Student applies for financial aid
- Expectation that a family contributes to their child's undergraduate educational expenses

▶ It's not a question of "if", but "when"

- 90% of schools accept more than 50% of applicants (national average is ~70%)

▶ Financial Aid arrives with or after an offer of admission

DETERMINING COSTS & AID

Cost of Attendance

▶ Direct Costs

- Tuition and Fees
- Room & Board

▶ Indirect Costs

- Books & Supplies
- Transportation
- Personal Expenses



TYPES OF FINANCIAL AID



Institutional Grants & Scholarships

- ▶ Money that does not have to be paid back!!

Self-Help Aid

- ▶ Work-Study
- ▶ Direct Loans - Student

Additional Resources

- ▶ Outside Scholarships
- ▶ Parent PLUS or Private Loans

MERIT SCHOLARSHIPS

Typically Admissions Office determines eligibility for merit scholarships

- High School GPA
- ACT and/or SAT Scores
- Recommendations
- Extracurricular Activities
- Leadership
- Community Service



BE PREPARED

- ▶ Who would like to share....?
- ▶ Information you will be asked to provide:
 - Salary
 - Investments / Other real estate
 - Cash, Savings, Checking balance
 - Untaxed Income
 - Taxes Paid

FINANCIAL AID APPLICATIONS

- ▶ FAFSA – Free Application for Federal Student Aid
 - Determine eligibility for many federal, state and institutional aid programs which can include scholarships, grants, work-study and student loans
- ▶ CSS PROFILE – College Board
 - Determines eligibility for institutional financial at some private colleges and universities.
 - \$25 application fee, \$16 for each additional school
- ▶ Both applications available now!

FINANCIAL AID APPLICATIONS

Items needed to complete FAFSA? (Parent and Student)

- ▶ Federal Student Aid ID (FSA ID)
 - <https://fsaid.ed.gov/npas/index.htm>
- ▶ Social Security Numbers
- ▶ Federal Income Tax Returns (2018)
- ▶ W-2 Forms (2018)
- ▶ Untaxed Income and benefits
- ▶ Savings and Checking Balances
- ▶ Schools you are applying to
- ▶ **Want to simplify the process, use the IRS Data Retrieval Tool**

EXPECTED FAMILY CONTRIBUTION

- ▶ Amount a family can reasonably be expected to contribute
- ▶ Stays the same regardless of college
- ▶ Student and Parent contribution amounts based on:
 - Income
 - Assets
 - Allowances are given for living expenses, taxes, emergency reserves, college savings, number of children in college

DETERMINING COSTS & AID

Financial Need Formula

Cost of Attendance

- Expected Family Contribution (EFC)

Financial Need

- Need varies based on cost
- Most colleges are unable to meet 100% of financial need with scholarship and grant aid

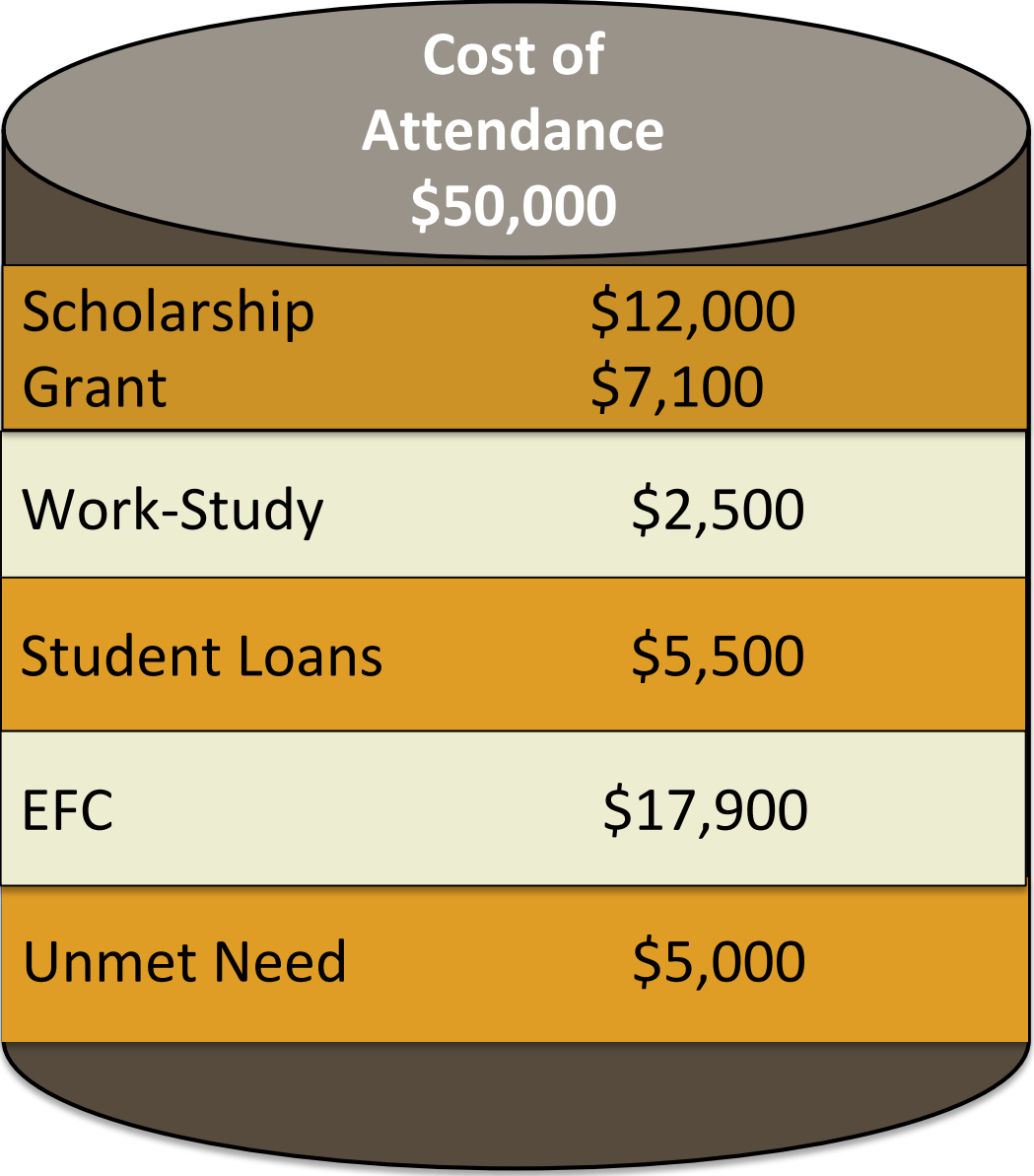
DETERMINING COSTS & AID

- ▶ Family of 4, 1 going to college, income of \$100,000 a year:
- ▶ EFC: ~ 17,900

	UW River Falls	U of MN – Twin Cities	St. Olaf College	Stanford
Cost of Attendance	\$19,228	\$28,819	\$63,280	\$74,570
Average % of Need Met	51%	76%	100%	100%
Average Net Price: \$75K - \$110K	\$18,104	\$19,558	\$20,709	\$10,928

DETERMINING YOUR COSTS

Unmet need and EFC
is the FAMILY's
responsibility



Net Price:
\$30,900

\$22,900

- ✓ Parent PLUS / Private Loans
- ✓ Multi-year investment
- ✓ Tuition increases

FINANCIAL AID APPLICATIONS

▶ Estimate of EFC?

- FAFSA4caster: <https://studentaid.ed.gov/sa/fafsa/estimate>
- Seniors – just complete the FAFSA now

▶ Want an estimate from a college?

- [MyIntuition Quick Cost Estimator](#) (50+ schools)
- Use a college's Net Price Calculator
 - <http://nces.ed.gov/collegenavigator/>
 - Search for the college
 - Look under General Information for link

LOANS - ARE THEY EVIL?

- ▶ No, but excessive borrowing is!
 - ▶ How much will your payment be?
 - Loan Balance of \$10,000
 - 4.45% interest rate
 - Standard 10 year Repayment Plan (120 payments)
- A. \$89
B. \$103
C. \$118
D. \$132
- ▶ For every \$10,000 in loan balance, you will pay ~\$103 per month for 10 years.
\$2,408 in interest

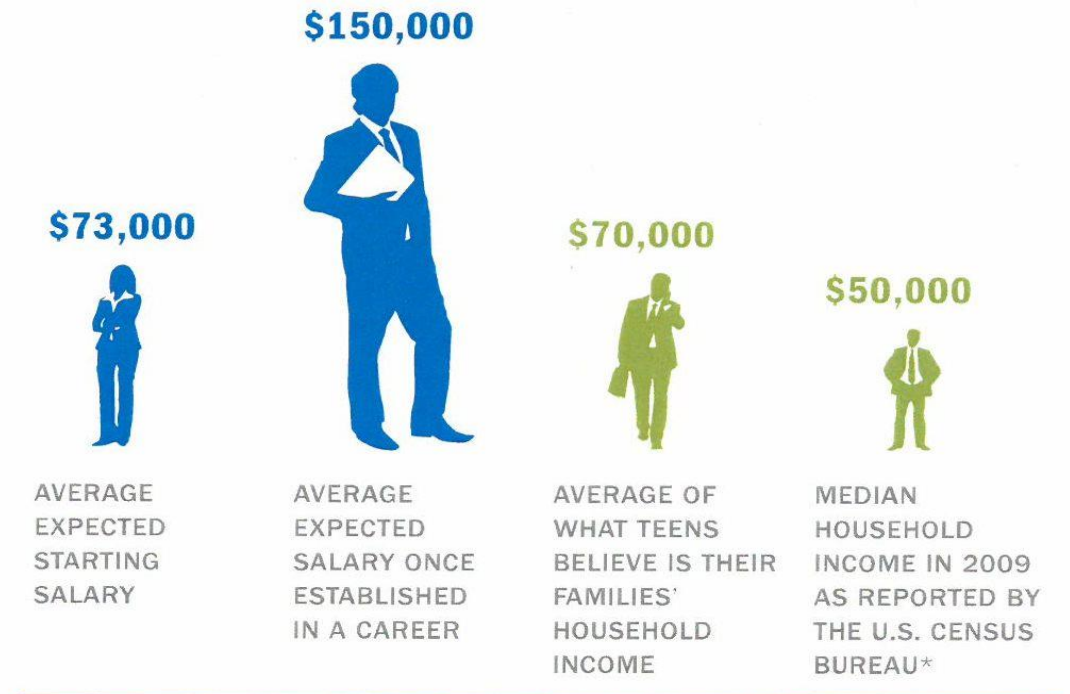


SMART BORROWING

- ▶ Don't borrow more than your first year salary
- ▶ What do teenagers think their salary will be?

MONEY BELIEFS AND EXPECTATIONS

TEEN EXPECTATIONS VS. REALITIES



**TEENAGERS EXPECT TO
EARN TRIPLE THE AVERAGE
SALARY BY THE TIME THEY
TURN 30**

Independent – UK, Feb 13 2019

SMART BORROWING

\$40–\$59K

is the expected median starting salary range for new grads

6 out of **10** families did not borrow money



TIPS ON WINNING A SCHOLARSHIP

- ▶ Use multiple **FREE** scholarship search sites
 - fastweb.com
 - bigfuture.collegeboard.org
 - scholarships.com
 - Raise.me
- ▶ Search and apply to scholarships as soon as possible
- ▶ Meet deadlines
- ▶ Tailor your application to sponsor's goals
- ▶ If you have to pay to get money, it's probably a scam

SPECIAL CIRCUMSTANCES

- ▶ Inform colleges about special circumstances that can't be documented by a financial aid application
 - Provide written explanation and documentation to financial aid office at each college.
 - Changes in income, employment status, parent marital status
 - Unusual health care expenses or dependent care expenses
 - Each college reviews information and may offer additional support.

WHERE DO I GO FROM HERE?

- ▶ Talk about what the family can afford
- ▶ Utilize Net Price Calculators
- ▶ Understand dates and deadlines for both admission and financial aid
- ▶ Investigate and apply for private scholarships
- ▶ <http://studentaid.ed.gov>

QUESTIONS ?

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