

GET A JUMP START ON HIGHER EDUCATION PLANNING!

ARE YOU READY?

Learn about the steps you can take **NOW** to get a jump start on your future with higher education.

The Path to Paying for College

It's not too early to start planning!

Presenter Information

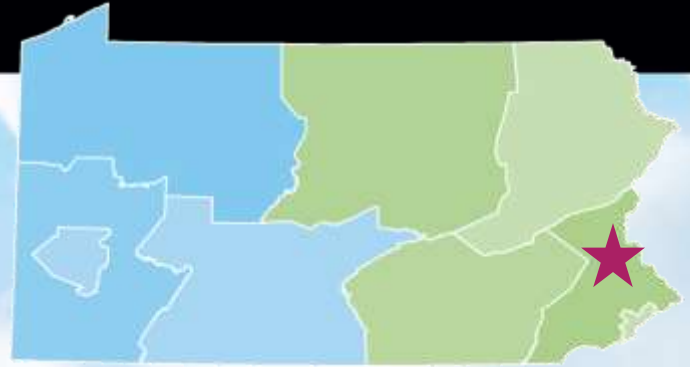
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What Is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses

Basic Principles

- Paying is the joint responsibility of the student and parent(s), to the extent possible.
- Need-based financial aid is subject to a federal formula to determine financial need.
- Not all families qualify for need-based aid.
There is no guarantee that you will get any free money to pay for higher education

Financial Aid Forms

ALL Schools Require:

- **FAFSA** (Free Application for Federal Student Aid)
 - » Required by all schools, PHEAA, and some scholarship organizations



- May need to file other forms in addition to the FAFSA for state aid and aid offered by the schools.

Know what forms are Required!

- College Scholarship Service Profile
- Created/Maintained by the College Board
- Required at **Some** Institutions & Scholarship Organizations – 400 Across the US
- Used in Addition to the FAFSA, not a Replacement
- Used to Award Need Based & Institutional Aid
- **Also** Complete the FAFSA for Federal Aid options
- CSS Profile Costs \$25.00 + \$16.00 for Additional Schools – A Waiver
May be Available for Domestic Students

<https://www.collegeboard.org/>

Where Does the Money Come From?

- Federal Government
- State Government
- School/Colleges
- Private Scholarship Sources:
 - » HS counselors
 - » Clubs and organizations
 - » Employers
 - » Internet scholarship searches

Types of Financial Aid

- **Merit Scholarships** (free money) scholarships usually based on:
 - academic ability, special talent or achievement, program of study, family or ethnic background
- **Gift Aid** (Need Based Grants/Scholarships - free money)
 - Need-Based Aid (usually based on - income, assets, other factors)
- **Self-Help** (Loans, Work-Study, Savings, etc.)

What School Costs are Considered?

- School costs include:
 - ✓ Tuition and fees
 - ✓ Room and board
 - ✓ Books and supplies
 - ✓ Transportation
 - ✓ Miscellaneous living expenses
 - ✓ Child care, if necessary



College Costs - Last 5 Years*

Public 4 Yr. Institution

Private 4 Yr. Institution

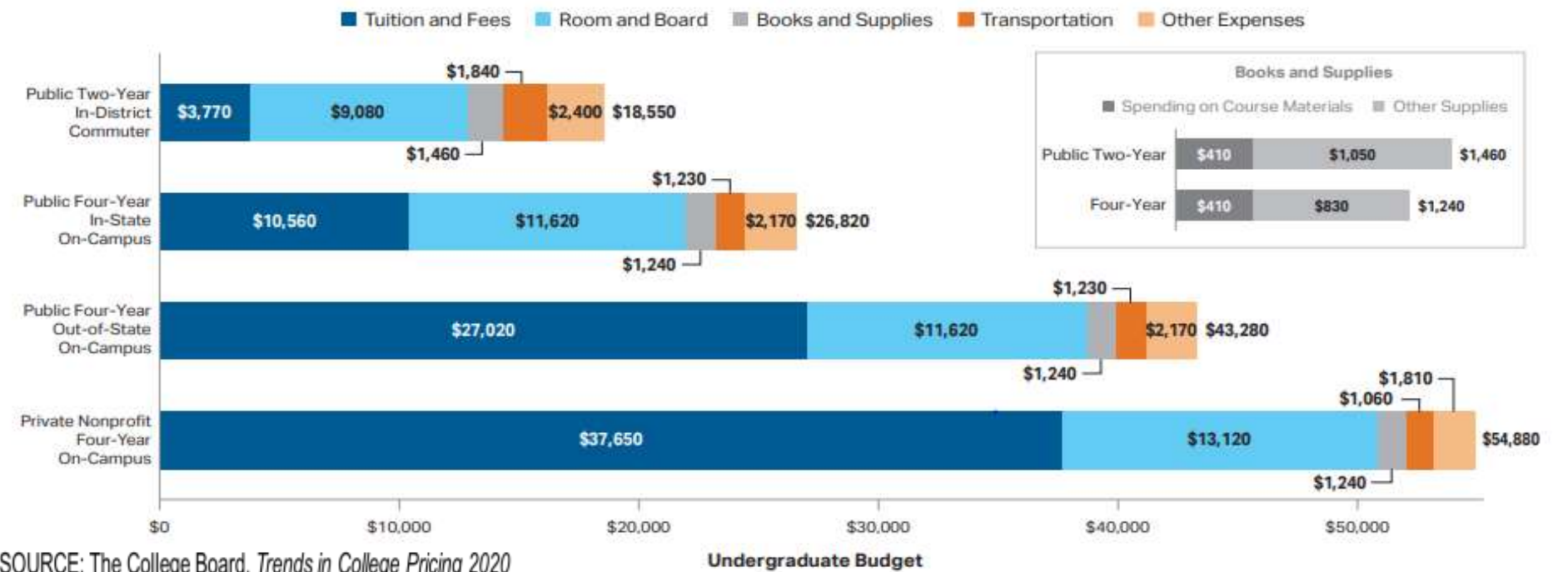
• 2015-16	\$20,660	\$46,330
• 2016-17	\$21,100	\$47,490
• 2017-18	\$21,400	\$48,380
• 2018-19	\$21,370	\$48,510
• 2019-20	\$22,180	\$50,770

*For the academic year, estimated undergraduate prices for tuition, fees room and board in 2019 dollars
SOURCE: The College Board, *Trends in College Pricing*

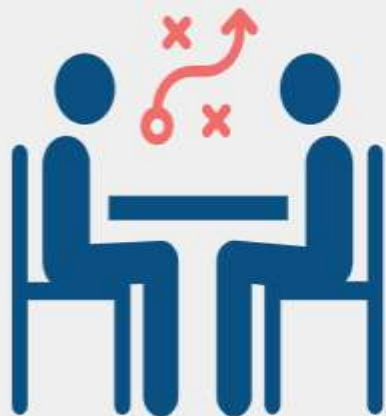
Student Budgets, 2020-21

In 2020-21, average budgets for full-time undergraduate students range from \$18,550 for public two-year in-district students and \$26,820 for public four-year in-state students to \$43,280 for public four-year out-of-state students and \$54,880 for private nonprofit four-year students.

FIGURE CP-1 Average Estimated Full-Time Undergraduate Budgets (Enrollment-Weighted) by Sector, 2020-21



The proportion of families who have a plan to pay for college is at an all-time high



52%

have a plan in academic year 2019-20

That's the highest percentage of planners in the 13 years of our study

44% had a plan in 2018-19

The vast majority of families (91%) agree higher education is an investment in the student's future

<https://www.salliemae.com/about/leading-research/how-america-pays-for-college/>

How the typical family pays for college

When it comes to paying for college, parents foot the lion's share of the bill

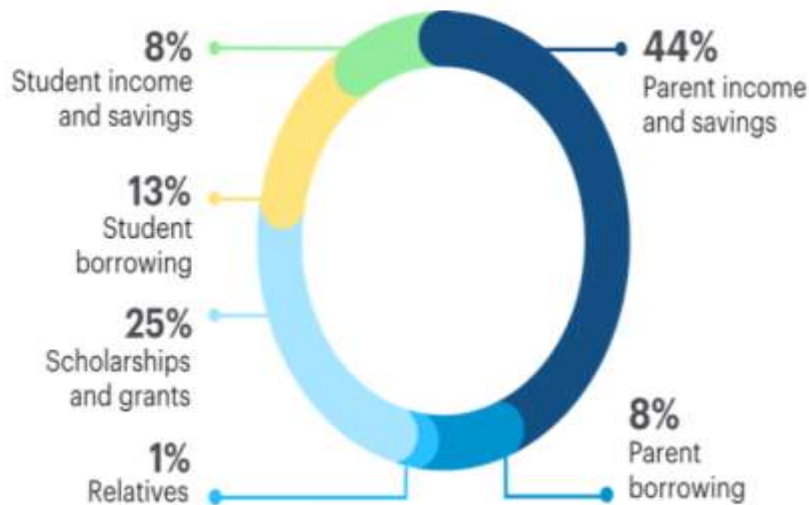
Families spent an average of

\$30,017

on college in academic year 2019-20

More than one-third (**37%**) of families used a college savings account like a 529—up from **21%** in AY 2018-19

Share of college costs paid by from each funding source



Calculating Financial Need

Schools/colleges receive financial aid information and calculate financial need

- Financial Aid Officer (FAO) “packages” student based on financial need and available funds (varies from school to school)
- Financial aid notification letter sent to student

Special Circumstances

- ✓ Recent death or disability
- ✓ Reduced income
- ✓ Recent divorce
- ✓ Unemployment
- ✓ Unreimbursed medical/dental expenses



**Contact the
school and ask
for a special
consideration
AND contact
State Grant
Division at
PHEAA**

The Process Continues

Department of Education's Central Processing System uses the information from the FAFSA to calculate and create your Need Analysis

- SAI is calculated
- Student Aid Report or Acknowledgment sent to student
- Information is sent to PHEAA. Student must complete State Grant Form (SGF). Can link to this directly from the FAFSA.
- Account Access (PHEAA) - Create an account at PHEAA.org to view PA State Grant
- Information is sent to schools/colleges listed on the FAFSA
- Once accepted - school produces Financial Aid Offers (aid packages)
- You compare Financial Aid Offers
- Determine true costs of school and make choices

Good Rule of Thumb- One-Third Rule

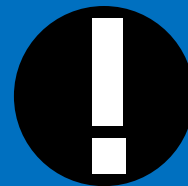
- Save 1/3 of the expected college costs
- Pay 1/3 from current income & financial aid during the college years
- Borrow 1/3 using a combination of parent & student loans

Source: www.finaid.org

Scholarship Search

Don't miss out on FREE money!

- Start early – and KEEP LOOKING
- Don't forget to continue studies!
- GOOGLE your interests
- Don't PAY for information
- Criteria varies by school
 - If you're asked to pay, it's not free money (SCAM)
- Don't disqualify yourself until IT disqualifies YOU
- Don't fear ESSAYS
- Provide what is asked
- Small scholarships ADD UP
- Activities, Athletics, Family, Hobbies, Participation, Attributes – DO YOUR RESEARCH
- **Don't miss DEADLINES**
- Write it down!



- ✓ FastWeb.com
- ✓ EducationPlanner.org
- ✓ Scholarshipamerica.org/
- ✓ Chegg.com
- ✓ FinAid.org
- ✓ Peerlift.org
- ✓ Scholarships.com
- ✓ [Scholarship Page.com](http://ScholarshipPage.com)
- ✓ DoSomething.org/Scholarships
- ✓ Colleges.Niche.com
- ✓ StudentScholarships.org
- ✓ BigFuture.Collegeboard.org
- ✓ CollegeAnswer.com
- ✓ CollegeNet.com
- ✓ Cappex.com/scholarships
- ✓ Unigo.com
- ✓ Careeronestop.org/toolkit/training/findscholarships.aspx
- ✓ MORE....

Financial Literacy Tools

- **Studentaid.gov**
- **Collegecost.ed.gov**
 - » College Scorecard
 - » College Navigator
 - » Net Price Calculator
- **MySmartBorrowing.org**
- **EducationPlanner.org**
- **Consumer Financial Protection Bureau.gov**





You Are America's Smartest Investment

The U.S. Department of Education's office of Federal Student Aid provides more than \$120 billion in financial aid to help pay for college or career school each year.

Log In

Create Account

Considering School

I'm thinking about going to college or a career school.

In School

I'm in the process of earning a degree or certificate.

Parent

I want to help my child pay for college.

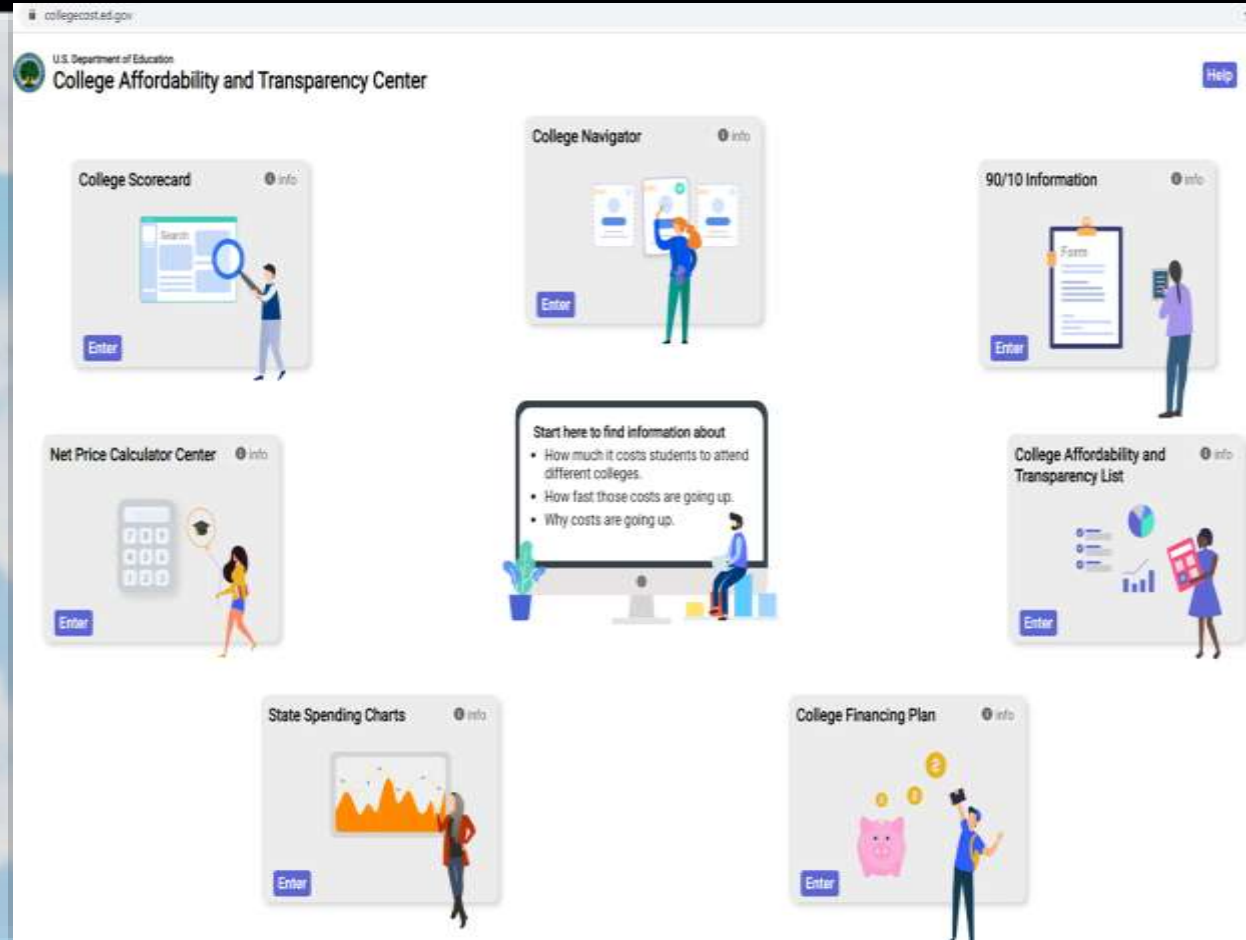
In Repayment

I have loans I need to repay.

College Affordability and Transparency Center

- Net Price Calculator Center
- College Navigator
- College Scorecard

<https://collegecost.ed.gov/>



Resources

Net Price Calculator

What does Net Price mean?

Net Price is the amount that a student pays to attend an institution in a single academic year AFTER subtracting scholarships and grants the student receives. Scholarships and grants are forms of financial aid that a student does not have to pay back

What is a Net Price Calculator?

Net price calculators are available on a college's or university's website and allow prospective students to enter information about themselves to find out what students like them paid to attend the institution in the previous year, after taking grants and scholarship aid into account.

College Navigator

Find the right school for you by entering your preferences: name of school, location, level of award, program/major, tuition, housing options, size, campus setting, etc.

College Scorecard

Search and compare colleges on their: costs, graduation & retention rates, financial aid & debt, salary after completing field of study, fields of study, student body, test scores & acceptance rates, average loan amount borrowed, default rate and more.

<https://collegecost.ed.gov/>

MySmartBorrowing.org



Check out
MySmartBorrowing.org

A free tool to calculate an affordable future.

> Let's GO!



Interactive online tool to assist students with making informed choices about postsecondary education.

How It Works

MySmartBorrowing guides students and families through four easy sections:



1

Select a Career



3

Factor in Savings



2

Select a School



4

Get Results

Online Resources

- PHEAA.org
- EducationPlanner.org
- MyNextMove.org
- MySmartBorrowing.org
- YouCanDealWithIt.com
- MyFedLoan.org
- <https://CollegeCost.ed.gov>
- <https://Bigfuture.Collegeboard.org/college-search>



Thanks & Best Wishes!

Questions?

