Welcome
Paying for College
Kids Making Cents: Saving for College

https://www.cnbc.com/video/3000627931
How much savings do you think have for college?

A LOT

A LITTLE

NONE/NOT MUCH
College costs continue to rise
How much has tuition increased from 1980 to 2020?
If you take nothing else from tonight...

Have honest open discussions about college funding in your family.
Potential Conversation Topics

➢ Be honest about contributions
➢ Don’t say “We’ll make it work” unless you can pay the full bill
➢ Discuss as a family--“Top choice” vs. affordable choice
➢ Research affordable options student will be happy at
➢ Do you visit or apply to colleges out of your affordability?
➢ Getting into first choice, but can’t afford to pay. Is it worth finding a way to pay? (second mortgage, retirement, etc)
➢ Consider post bachelors education costs
➢ Consider future career path
Have you had this type of conversation yet?
How a Student goes to College Matters Much More than Where

- **WHAT**: A large study by Gallup and the Strada Education Network interviewing 100,000 American college graduates:

- **FINDINGS**: The study has NOT found that attending a highly selective private college foretells greater satisfaction in life.

- Instead, the **game changers** during the college years include:
  - establishing a deep connection with a mentor
  - taking on a sustained academic project or research
  - playing a significant part in a campus organization
  - finding leadership roles
  - building ‘social capital’, realizing that above all else, they’re in college “to widen the circle of human beings who know you and care about you”

- **What these reflect are engagement and commitment.**

[ARTICLE HERE](#)
Can We Really Measure the Quality of a College?

The problem, as Malcolm Gladwell put it in the New Yorker, is simple: “There’s no direct way to measure the quality of an institution – how well a college manages to inform, inspire, and challenge its students”

“School rankings are arcane, potentially biased (schools are actually asked to rank competing institutions), and prone to, well, jiggering. More or less, it's a popularity contest that tends to reward the schools and programs that are generally regarded as best by academics--not students, alumni or the companies that recruit from those schools”.
49.8% percent of students earn their bachelor’s degrees in 4 years.

Graduates now possess four-year graduation rates below 60%, including many competitive, flagship institutions like Texas A&M University (59%), University of Oregon (57%), University of Colorado (50%), University of Alabama (52%) and the University of Arizona (49%).
Why does it take more than 4 years?

1. Working Overtime: Quit After 25 Hours
2. The 12-Credit Fallacy: Take 15
3. Transferring: You’ll lose usually (or do so with care)
4. Major Problem: Don’t Veer Off Course (or do so with care)
5. No Social Life: Join Something

From THIS New York Times article
A few other helpful things to look for

- A structured first year experience program
- Mandatory academic advising
- Tutoring/support services for all students
- A four year graduation rate guarantee
- On Campus housing opportunities and benefits
Research shows that students who live on campus tend to:

- Complete more credit hours and have higher grade point averages
- More easily get involved and become part of the campus community
- Complete their degree at their initial institution
- Show greater gains in self-awareness, self-discipline, advocacy, motivation, maturity and self-esteem
- Express greater satisfaction with their undergraduate experience
- Be motivated by other students to perform more successfully
- Have higher rates of on-time graduation
- More easily access to campus resources (library, labs, athletic facilities, support services)
- Graduate with more debt

Some colleges report between 20-30% higher graduation rates and retention rates for students living on campus
LET'S BREAK IT DOWN
How much is the most expensive college in the United States?
(Total Cost of Attendance, room & board, fees, books and personal expenses)
$86,000 Per Year!
BUT... what exactly is “cost of attendance”

DIRECT COSTS

- Community Colleges
  - In state: $5300
    - FRCC = $4,162
  - Out of state: $9000
    - FRCC = $15,812

- 4-year In State Colleges
  - $10,500
    - CU = $13,000 ($30,400 w R/B)

- Public out of state
  - $22,700
    - CU = $40,356 ($57,702 w R/B)

- Private Colleges
  - $38,000
    - DU = $55,260 ($76,036 w R/B)
    - CC = $64,554 ($83,000 w R/B)

INDIRECT COSTS

- Books & Supplies
  - $1240
    - CU and CC = $1200

- Room & Board:
  - $8,500 – $15,000
    - CU = $16,000

- Personal: Varies
  - Transportation
  - Social activities
  - Health insurance (Can be under parent ‘til 25. $5000 through school)
  - Personal belongings (computer, etc)
  - ...And more
Always look for fine print. For example:

UChicago guarantees free tuition for families with incomes under $125,000 per year (with typical assets), while families earning less than $60,000 (with typical assets) will have tuition, fees, and room and board covered by financial aid. Students who are the first in their families to attend college will receive a $20,000 scholarship over four years and a guaranteed paid internship for their first summer.
Colorado College: Colorado Pledge

FAMILY INCOME
LESS THAN $60,000
NO PARENTAL CONTRIBUTION
toward direct costs of tuition, fees, housing, and meals

FAMILY INCOME
BETWEEN
$60,000 - $125,000
PARENTAL CONTRIBUTION
EQUAL TO ROOM & BOARD CHARGES

FAMILY INCOME
BETWEEN
$125,000 - $250,000
Equal to or less than the COA at State Flagship Institution
“We cover 100% of need”

Read the fine print!

Helpful info on this topic and list of colleges that cover need
When you think about paying for college, how do you feel?

DRAG YOUR DOT
What is Financial Aid?

- Scholarships
- Grants
- Loans
- Student Employment
Goals of Financial Aid

- Primary goal is to assist students in paying for college and is achieved by:
  - Evaluating family’s ability to pay educational costs
  - Distributing limited resources in an equitable manner
  - Providing balance of gift aid and self-help aid
Types of Aid

**Merit Based**
- Scholarships
- Grants

**Need Based**
- Work-study
- Loans

**Gift Aid**

**Self Help**
● Need-based
● Federal, State and Institutional
● Don’t repay - must maintain Satisfactory Academic Progress (SAP) (usually a 2.0 GPA)
● Pell Grant = up to $6,345
  ○ family usually makes less than $50,000 per year
● FAFSA required
Work Study (Through FAFSA)

- Part-time hours
- Campus & Community offices/agencies
- Minimum wage & higher
- Based on financial need
- Up to 20 hours per week
- Earnings usually paid directly to students
What might be a challenge that comes with the work study pay check being given directly to the student?
Let’s talk FAFSA

What does the “F” stand for?
FREE Application for Federal Student Aid

Required to determine eligibility for many Federal, State and institutional aid programs which can include scholarships, grants, work study and student loans.

Every family should fill out the FAFSA regardless of income
Over 2 Billion Dollars in Free College Money Goes Unclaimed Each Year

This means that of the federal government’s annual budget of $32 billion for student grants, $30 billion is claimed. Many high school graduates who didn’t complete a federal financial aid application missed their opportunity for free money for college.

More stats and info HERE
FAFSA on the Web

- Web site: www.fafsa.ed.gov
- 2023-24 FAFSA on the Web available on or after October 1, 2022
- Estimate your federal aid HERE
Complete the FAFSA® Form

Use the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid for college or graduate school.

New to the FAFSA® Process?
Completing the FAFSA form is free. Fill it out now.

Start Here

Returning User?
Correct info | Add a school
View your Student Aid Report (SAR)

Log In
Definition of Need

Cost of attendance (COA)

– Student Aid Index (SAI)

= Need
Need Varies Based on Cost

Cost of Attendance (Variable) — Expected Family Contribution (Constant) = Need (Variable)
How is an SAI Determined?

Your SAI number is factored by taking into account:

- Family size
- Parental income and assets
- Student income and assets
- Unemployment
- Social Security

More info on how EFC is calculated [HERE](#)
## 2022-23 Estimated SAI at various income levels

Family of 4; 1 child in college full time; parents are married; oldest parent is 50; student income = 0; parent & student assets = 0; College costs = $35,000

<table>
<thead>
<tr>
<th>Income</th>
<th>SAI</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200,000</td>
<td>51,283</td>
<td>Note that the higher the income level, the less likely it is that parents have no assets, so the actual SAI will be higher than indicated</td>
</tr>
<tr>
<td>$180,000</td>
<td>44,126</td>
<td></td>
</tr>
<tr>
<td>$150,000</td>
<td>33,333</td>
<td></td>
</tr>
<tr>
<td>$120,000</td>
<td>23,055</td>
<td></td>
</tr>
<tr>
<td>$100,000</td>
<td>16,205</td>
<td></td>
</tr>
<tr>
<td>$80,000</td>
<td>8794</td>
<td></td>
</tr>
<tr>
<td><strong>$71,000</strong></td>
<td><strong>6201</strong></td>
<td>(Pell grant of $692) Highest income Pell-eligible</td>
</tr>
<tr>
<td>$56,500</td>
<td>3,207</td>
<td>(Pell grant of $3,645)</td>
</tr>
<tr>
<td>$51,338</td>
<td>2,295</td>
<td>(Pell grant of $4,645) Qualify for reduced lunch</td>
</tr>
<tr>
<td>$38,500</td>
<td>0</td>
<td>(Pell grant of $6,895) Qualify for free lunch</td>
</tr>
<tr>
<td>$36,075</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>
Ways to Lower Your SAI

- Paying off debt
- Not placing savings accounts in the student's name
- Reducing assets by purchasing big ticket items before the FAFSA is filled out
- Having grandparents, instead of parents, establish 529 college savings plans
- Enrolling more family members, such as parents, in college.

From this informative article on What is a Good EFC?
A Few More Tips and Tricks to Maximize Aid

- Spend down children’s assets for college expenses ahead of parental assets. (Children’s are weighted more heavily)
- Roll custodial accounts like UTMA/UTGA accounts into 529s.
- Maximize saving in retirement accounts like 401ks and IRAs.
- Consider Roth IRAs for summer jobs.
- For parents going through a divorce, structure the divorce settlement with student aid in mind.
- Coordinate grandparent college contributions.
- File the FAFSA early
Net Price Calculator & EFC Calculators & More

- CollegeData Net Price Calculator
- MyIntuition (75 colleges)
- College Navigator (Dept. of Ed.)
- Tuition & Fees Over Time (Chronicle of Higher Ed)
- Colleges with a 4-year Tuition Guarantee
Information Needed to Fill Out the FAFSA

- Federal tax information from 2021 taxes
- W-2 Forms
- Driver’s License
- Social Security Numbers or Alien registration # if not a US Citizen. If you don’t have either of these, talk to Diane
- Savings and checking account information

For BOTH the parents and the student
Changes to the FAFSA starting this year

- Expected Family Contribution/EFC is now called the Student Aid Index/SAI
- Application Will be Much Shorter and More User Friendly
- require the parent who provides the most financial support to complete the FAFSA, instead of the custodial parent. In cases in which the support provided is 50/50, it defaults to the parent or household with the highest adjusted gross income (AGI).
- Discount for Multiple Children in College Eliminated
- Families that make less the 175% of the federal poverty level will receive the maximum Pell Grant award: $6,495

MORE HERE
Important First Step: Get an FSA ID

Get a FSA ID  https://fsaid.ed.gov

- Allows you to sign FAFSA electronically
- Student & one parent need their own
- Lifelong & used for all federal financial aid sites
IRS Data Retrieval tool

- Transfer tax data directly into FAFSA from IRS website
- Available approximately 3 weeks after filing return
- Can use retrieval tool to update if taxes are completed after FAFSA
- Cannot use retrieval tool if:
  - Married Filing Separately
  - Married and filing Head of Household
  - Filing a foreign tax return
  - Filing an Amended Tax Return
Benefits to Submitting FAFSA Earlier

- You have already done your taxes and don’t need to wait!
- You can use the IRS data retrieval tool, which easily imports your tax info. into your FAFSA and it will reduce the need for updates.
- Students will receive their financial aid packages earlier (often with offer of admission) and families will be provided with a more accurate idea of their financial aid.
- Families have more time to consider all financial options for each school as packages arrive sooner.
Important Questions

Who is my parent when I fill out my FAFSA?

Am I dependent or independent?

MORE INFO HERE

MORE INFO HERE
Special Circumstances

Doesn’t look right?
● Contact Financial Aid Office at the college ASAP!!!
● Provide documentation

Examples (based on school’s discretion):
● Recent Unemployment
● Medical expenses not covered by insurance
● Unusually high child care costs
● Private tuition from elementary/secondary schools
● Parent enrolled in degree/certificate program
● Costs incurred as result of a student’s disability
● Death or serious injury of wage-earner
Investments do include...

- 529s & education savings accounts
- Stocks, bonds, mutual funds, CDs
- UGMA/UTMA accounts (if owner)
- Trust funds
- Real estate (net worth)
Investments do not include...

- Value of life insurance
- Retirement plans
- 401[k] plans, pension funds, annuities, Keogh, etc.
- Home you live in
- UGMA/UTMA accounts (if custodian)
- Small business value
- 100 employees or less, family owned & controlled
- Family farm value
Great Article

The 7 Trickiest FAFSA Questions & How to Approach Them
● We hope you get lots of grants and scholarships... and even work study!

● But if not, loans are your next option.
How Comfortable Are You Taking Out Student Loans?
FACTS ABOUT LOANS

- The average federal loan amount is $8,285.
- The average total loan amount for bachelor’s degree seekers at public institutions is $30,030.
- The outstanding Federal Loan Portfolio is over $1.56 trillion.

More info [HERE](#)
Why Get a Federal Loan?

- You don’t have to start paying back your federal student loans until you graduate or stop attending school at least half-time.
- If you get a private loan, you’ll probably have to start making payments right away.
- The interest rate on a federal student loan is almost always lower than that on a private loan—and much lower than that on a credit card!
- Students with greater financial need might qualify to have the government pay their interest while they are in school.
- You don’t need a good credit record to get a federal student loan.
- You don’t need a cosigner to get a federal student loan.
- Federal student loans offer a variety of repayment plans, including one that bases monthly payments on the borrower’s income.
- Some borrowers are able to have at least a portion of their loans forgiven if they work in certain jobs for which there is a high demand.
Federal student Loans
In student’s name – no cosigner
No credit check/income verification
6 month grace period
1% upfront fee
Student Loans

**Subsidized:**
4.99% interest rate –$3,500 1\textsuperscript{st} yr.
Government pays interest while attending college

**Unsubsidized:**
4.99% interest rate –$2,000 yr.
Government DOES NOT PAY INTEREST, Interest accrues
Federal Student Loans

- Maximum Federal Student Loan Amount (4 year): $27,000
- Loan Repayment Term: 10 years
- Current interest rate: 4.99% (Parent Plus Loan: 7.5%)
- Monthly Payment on this amount: $297

- The cap on how much students can borrow in federal loans hasn’t budged in more than a decade even as the sticker price of tuition, room and board at public universities has shot up over 30% in that time.
- Students must be enrolled at least half-time to access Federal loans
- Link: Student Loan Calculator
Student Loans (THROUGH FAFSA)

- Money comes directly from Federal Government and is usually paid directly to college. Any extra goes to student.
- Must be repaid - average 10 year term
- Low fixed interest rates
- Grace period before repayment begins (student graduates, leaves school, or drops below part-time enrollment)
  - Stafford: 6 months
- FAFSA required

SOME TERMS TO KNOW
- Promissory Note - a signed document containing a written promise to pay a stated sum to a specified person or the bearer at a specified date or on demand.
- Forbearance (pay interest)
- Deferment (possibly no interest)

Helpful Info on Loans HERE
Parent Plus Loan

- For parents of undergraduate dependent students
- In parent’s name
- Credit check approval
- Covers up to COA
- Repayment starts 6 weeks after disbursement
- Option to defer but interest accrues
- Interest rate –7.54%
- Go HERE to find out more and apply
Which type of loan do you want the most?
Interest Calculators

http://www.finaid.org/calculators/loanpayments.phtml

http://www.webmath.com/simpinterest.html

https://www.calculator.net/loan-calculator.html
Debt Management

- You are not obligated to accept all loans awarded
- Borrow only what you need
- Consider future earnings
- Loan Calculator: finaid.org
- Loan Entrance & Exit Interviews
● Used for many private schools and some scholarship organizations to award Non-Federal student aid funds
● Allows institutions to ask financial questions not on the FAFSA and to customize the questions. It is more detailed, so it may take more time to complete, but it can also result in additional financial aid.
● Opens Oct 1
● Only file if college/program requires
● Application fee of $25 initial application and one report - $16 each additional report
● Fee waivers calculated in application
● https://cssprofile.collegeboard.org/
● Article on CSS Profile HERE
Usually between Feb 1 and March 1st
(Priority Deadline)
Where do you think the most money comes from?
Federal grants: 47%

State grants and scholarships: 8%

Scholarships and grants from colleges: 35%

Private scholarships: 10%

MORE INFO HERE
Western Undergraduate Exchange


- Reciprocal agreement to discount non-resident tuition
- Requirements vary by institution
- Must meet and maintain specific requirements
- Must meet specific deadlines
- Dependent upon school participation and program of study

https://wuesavingsfinder.wiche.edu/
College Opportunity Fund

- For all public Colorado universities
- For a few private Colorado universities
- $104 off per credit hour
- [https://cof.college-assist.org/](https://cof.college-assist.org/)
Comparing Financial Aid Packages
Review Award Letters

- Review award letters from schools to compare amounts and types of aid being offered.
- Use Award Letter Comparison Tools
- Decide which school to attend based on a combination of (a) how well the school suits your needs and (b) its affordability after all aid is taken into account.
- Colleges must send decision letters and award letters by April 1.
- You must decide what school you will attend by May 1st.
Making an appeal

Why should you consider writing a financial aid letter request?
Because...

● you can write a financial aid appeal letter in like an hour
● it may be the fastest $2,000 (or $8,000) you ever make
● if you don’t ask, you’ll never know.

When should I make a financial aid appeal letter request?
● As soon as you can. Because when the money’s gone, it’s gone.

More info HERE
Questions to Ask
Questions to ask for your awarded grants and scholarships

- What do I have to do to keep my scholarship?
- Is there a minimum grade point average (GPA) or other condition?
- Can I expect to receive the same assistance each year I’m in college?
- What happens to my award if I win an outside scholarship?
- Can the aid be increased if my family has financial problems?
Questions to ask for loans

- Are there any fees (origination fees) that will reduce the amount I actually receive?
- Is the interest while I’m in school paid by government or deferred and added to the loan amount?
- When do I start repayment?
- How much will I owe by the time I graduate?
- How much is my monthly bill going to be when I graduate?
- Will my loan increase after my first year and if so, by how much?
- Are there any favorable repayment programs, such as deferment for graduate school, forgiveness for particular professions, or income contingent repayment?
Questions to ask about a work study job

- Do I have a guaranteed job or do I have to find one?
- How are jobs assigned?
- How many hours per week will I be expected to work?
- What is the hourly wage?
- How often will I be paid?
- Do I get paid directly, or can my student account be credited?
Scholarships

College

Outside
College Scholarship Tips

- Check college websites
- Talk with financial aid office
- Check if eligibility is connected to your college application
- More scholarships come from colleges than outside
- Pay attention to deadlines
Where can scholarships come from?
Outside Scholarships

- Individuals
- Communities
- Religious organizations
- Businesses
- Non-profits
- Ethnic and historical organizations
- Family
Scholarships for Everything

Duck tape Prom Dress
ADHD
1st generation student
Duck calling
Speaking Klingon
Having allergies
Survivor of sexual assault
Being tall  
(at least 5'10" for women and at least 6'2" for men)
Skateboarding
Create a greeting card
Search Engines (Click on links below)

Naviance

Fairview High School

Sallie Mae

Scholly

CU Boulder List: Click on the drop bar for opportunities, then click on the "External" menu item.

Scholarships.com

Collegeboard

Scholarships.com

Niche

Going Merry

MORE HERE
Scholarship Searching Tips

- Create a new email address
- Choose 1 scholarship website to sign up on
- Check college financial aid websites!!
- Create a portfolio
- Small=BIG
- Use google creatively
- Keep a spreadsheet
- Share a spreadsheet with loved ones
- REUSE
- Get good at bragging
- Create a plan/schedule
- Watch out for scams
Get Creative

- Two years then transfer to 4 year
- Explore In-State Schools
- Explore affordable Out of State Schools
- Explore combination bachelor’s/master’s programs
- Military
- Work for an employer with an education assistance program
- Apprenticeships
- Americorps
- Gap year/defer to earn money
- GRADUATE COLLEGE IN 4 YEARS!
Apply to CO Colleges October 18 -20 2022

Application fees are waived!

More info HERE and HERE

NOTE: Only application needs to be submitted, not letters of rec or transcripts.
2 important things I want you to remember

- Ensure you have colleges you can afford
- Make sure you will be happy at these schools
If you could do one of the following to de-stress right now, what would you do?

Relax
KEEP CALM AND FILE YOUR FAFSA
THANK YOU! = ?