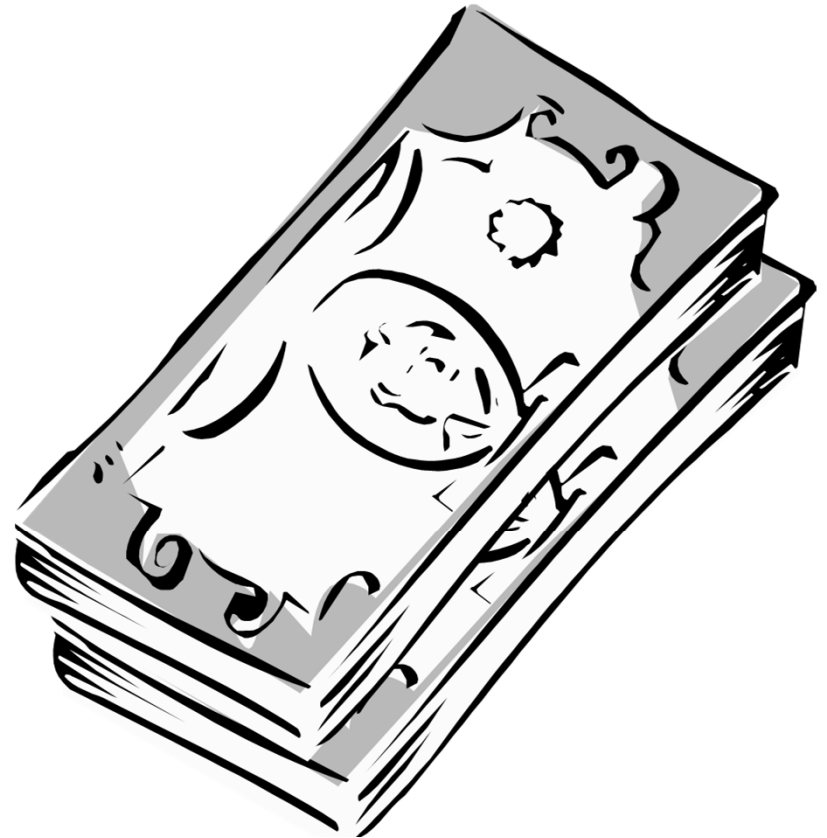


Getting Money For College™

- ◆ Financial Aid
 - Federal Grants
 - Federal Loans
 - College Scholarships
 - Work Study
- ◆ Financial Resources
 - Savings
 - Income
 - Loans

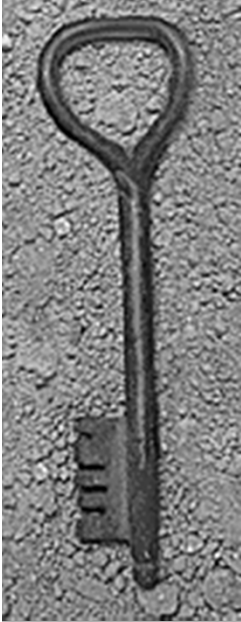


Seminar date Fall 2016



Goals for tonight ...

- ◆ Make the whole process less stressful.
- ◆ Learn how the financial aid process works.
- ◆ Learn how to get the best education
– for the smallest outlay.
- ◆ Learn how other families are doing it correctly.
- ◆ Learn what's ahead – we hate surprises.
- ◆ Other ideas ...
- ◆ Learn to print money.



How is tonight's seminar different?

- ◆ Focus is to benefit parents
- ◆ Real Situations – real solutions
- ◆ Acknowledge current economic factors
- ◆ Discuss recent changes



New Deadlines

MAY / JUNE of HS Junior Year

Request college applications and financial aid information from schools in which they have an interest.

Establish a summary sheet of deadlines for these schools.

If you are not sure if you will qualify for financial aid, begin the process by calculating your Expected

Family Contribution (EFC).

Early decision and early action candidates need to estimate income and assets for financial aid purposes.

JULY of summer between Junior Year and Senior Year

Apply for scholarships in time to meet their deadlines.

Apply for Federal Student Aid ID#s for both student and parent through the FAFSA (Free Application for Federal Student Aid) website (www.FAFSA.ed.gov).

SEPTEMBER of HS Senior Year

Collect and compile income and asset figures for you and your child that are necessary to complete the FAFSA and CSS Profile. Deadlines are around the corner.



New Deadlines

NOVEMBER of HS Senior Year

Most priority deadlines for the FAFSA and CSS Profile fall in this month. Make sure the application is received in time to meet these deadlines. The Student Aid Report (SAR) should arrive anywhere from two to four weeks after the FAFSA is submitted.

DECEMBER

Early decision and early action candidates should receive a financial aid award letter along with their acceptance. Be sure to review this letter.



New Deadlines

DECEMBER through APRIL

Admission decisions and financial aid award letters arrive this month. Read the aid award letters carefully and be sure to meet deadlines for accepting awards.

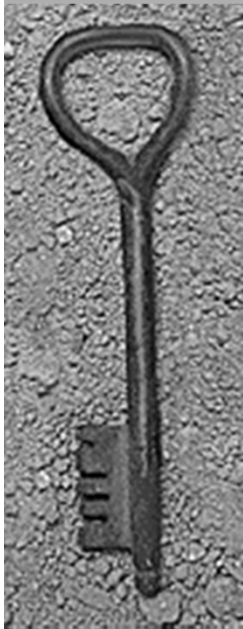
If full need has not been met, or if your family's financial circumstances have changed, consider appealing the aid award.

Your child should make a final decision, mail the enrollment form and deposit check to the final-choice college before May 1.

MAY

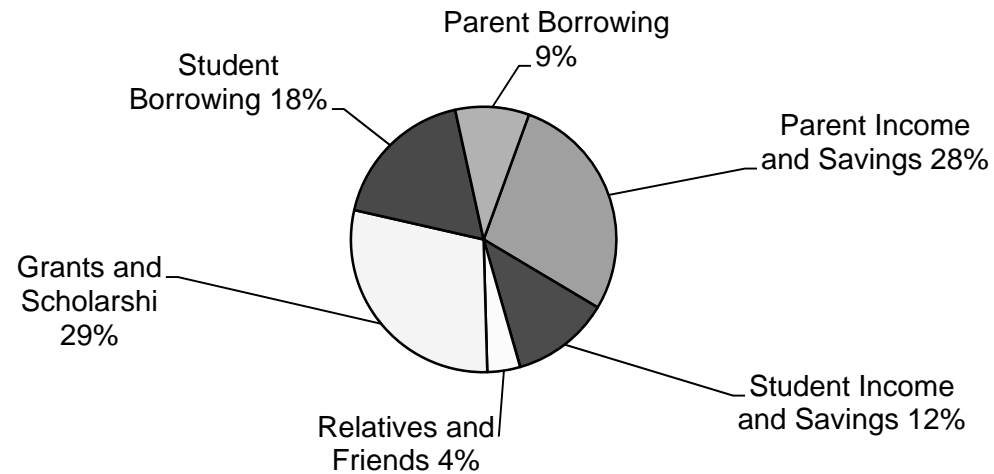
If it will be difficult for your family to pay the EFC for the semester, it's time to start pursuing alternatives, such as parent loans or private loans, to close the financial aid gap.

If student loans are part of the financial aid package, the college will send instructions about the loan application process.





What resources does the average family use to pay for college?





How high is high?

The top ten costliest four year colleges

	Tuition, Fees Room & Board
	<u>2015-16</u>
Harvey Mudd College	\$67,255
Columbia University	\$66,383
New York University	\$65,860
Sarah Lawrence College	\$65,630
University of Chicago	\$64,965
Bard College at Simons Rock	\$64,519
USC	\$64,482
Claremont McKenna College	\$64,325
Oberlin College	\$64,266
Scripps College	\$64,260



Parental Economic Concerns

- ◆ The school will raise tuition.
- ◆ Loan rates will increase.
- ◆ Scholarships/grants will be less available.
- ◆ Student loan money will be less available.
- ◆ Family income will decrease due to the loss of a job.
- ◆ Value of their home will not recover.
- ◆ Funds will not be available to complete college.



How to calculate Expected Financial Aid

- ◆ Cost of College
 - Tuition, room, board, books, computer, supplies, travel
- ◆ *Less* Expected Family Contribution
 - Four components
 - Parents' Assets, Parents' Income
 - Student's Assets, Student's Income
- ◆ *Less* Merit based scholarships
- ◆ *Equals* Expected Financial Aid



EFC and Financial Aid

	Private Univ	SUNY
Estimated Cost	\$ 45,000	\$ 25,000
Expected Family Contribution	<u>(\$ 25,000)</u>	<u>(\$ 25,000)</u>
Financial Aid	\$ 20,000	\$ 0



Federal Student Aid FAFSA



- ◆ **Free Application for Federal Student Aid**
- ◆ **<http://FSAid.ed.gov>**
- ◆ **Apply online now.**
 - Get an FSAid ID# and password for you AND your student.
- ◆ **FAFSA vs CSS Profile**



**Plan a visit to meet with the
financial aid office.**



Federal Student Aid FAFSA



- ◆ Completing the FAFSA
 - Separate sections for student and parent info
 - Based on where the student lives
 - Follow instructions very carefully
 - Set up in advance by using the worksheets
 - Review all information carefully



Unique Situations

- ◆ Divorce, separation and non-traditional family relationships
- ◆ Twins and other blessed overlaps
- ◆ Family business
- ◆ Real estate
 - Rental property / Vacation home
- ◆ Recent economic changes in the family



FAFSA- Expected Family Contribution

- ◆ Assets
- ◆ Income

Possession Matters!

- Almost 6% of the assets in the name of the parents.
- 20% of the assets in the name of the student.
- 22% - 31% of the parents' income.
- 50% of the student's income.



Will you qualify?

- ◆ Assume a family of 4, one child entering college
- ◆ Older parent is 50
- ◆ Family income is \$150,000
- ◆ Parents' included assets are \$50,000
- ◆ Student had summer job and earned \$3,000
- ◆ Student's included assets are \$10,000

- ◆ EFC is \$33,338

File the FAFSA anyway.

Nearly 30% of families that qualify for grants and low cost loans
do not apply.



EFC and Financial Aid

	Private Univ	SUNY
Estimated Cost	\$ 45,000	\$ 25,000
Expected Family Contribution	<u>(\$ 33,338)</u>	<u>(\$ 33,338)</u>
Financial Aid	\$ 11,662	\$ 0



Will you qualify?

Scenario B

- ◆ Assume a family of 4, one child entering college
- ◆ Older parent is 50
- ◆ Family income is \$50,000
- ◆ Parents' included assets are \$20,000
- ◆ Student had summer job and earned \$2,000
- ◆ Students' included assets are \$5,000

- ◆ EFC is \$0

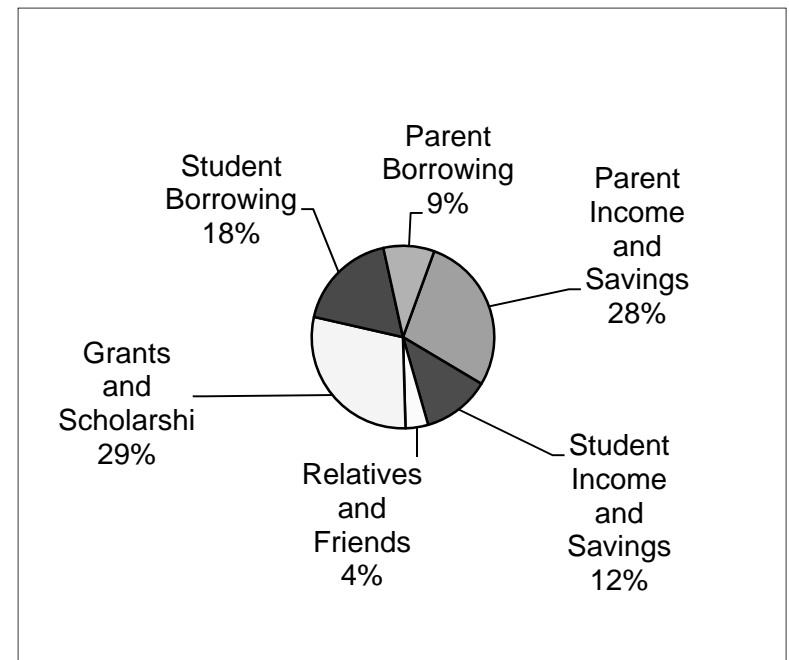


EFC and Financial Aid

	Private Univ	SUNY
Estimated Cost	\$ 45,000	\$ 25,000
Expected Family Contribution	<u>(\$ 0)</u>	<u>(\$ 0)</u>
Financial Aid	\$ 45,000	\$ 25,000

Where Does the Money Come From?

- ◆ Grants and Scholarships
- ◆ Savings
- ◆ Current Income
- ◆ Loans (future income)
- ◆ Tax Benefits



Grants

- ◆ Pell Grants
- ◆ Academic Competitiveness Grant
- ◆ National SMART Grant
- ◆ Supplemental Educational Opportunity Grants (SEOG)
- ◆ Merit and Athletic Scholarships
- ◆ Local Scholarships
- ◆ Employer Sponsored Scholarships
- ◆ Competitive Scholarships



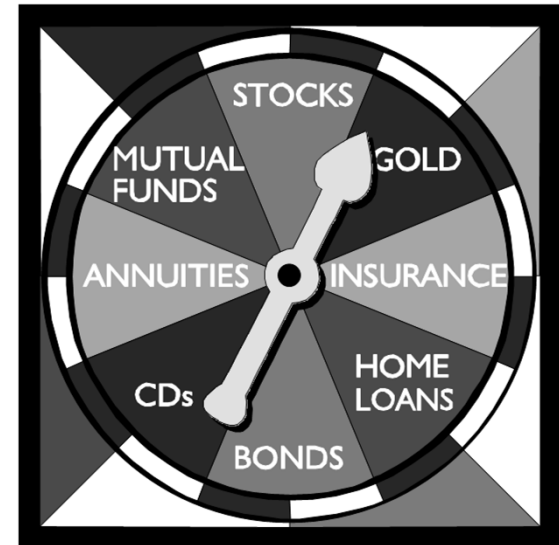


Scholarships

- ◆ Beware of guarantees from scholarship services.
- ◆ Colleges control 99% of scholarships and grants.
- ◆ The remaining 1% is mostly local.
 - Chamber of Commerce and Rotary
 - Employer, Unions and Trade Association
 - NYS Tuition Assistance Program
- ◆ Free online scholarship databases:
 - Fastweb.com; Collegenet.com; Molis.org; SchoolSoup.com

Personal Financial Resources

- ◆ Assets
 - Savings, Stocks, Bonds, Other investments, etc.
- ◆ Income
 - Monthly payment plans
- ◆ Home Equity
- ◆ Student and Parent Loans
- ◆ Tax Benefits





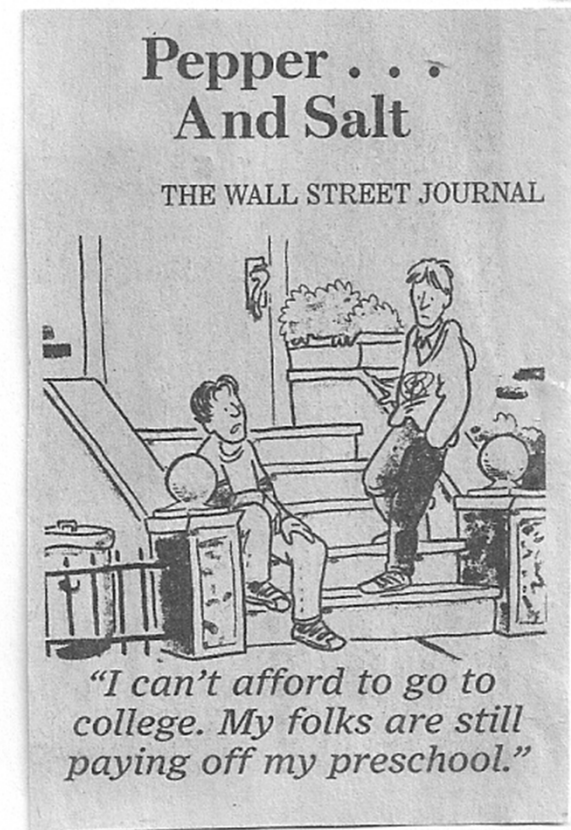
Strategies to consider

- ◆ Analyze income and cash flow.
- ◆ Analyze assets and liabilities.
- ◆ Design blends of payments and borrowings.
Families with a plan borrow half as much as those without a plan.

Your child is going to college.
What is the best way for your family to pay for it.

Federal Loans

- ◆ Perkins Loans
- ◆ Stafford Loans
- ◆ Parent Loan for Undergrad Student (PLUS)





Create your own options

- ◆ Grades, SAT/ACT Test Scores
- ◆ Resume of other significant achievements
- ◆ Apply early.
- ◆ Increase number of acceptances.
 - Safety schools (based on affordability)
 - Reach schools
- ◆ Receive financial aid that exceeds the family's need.



Keys to Success -

Get the most money
from the most sources
with the least amount of stress.

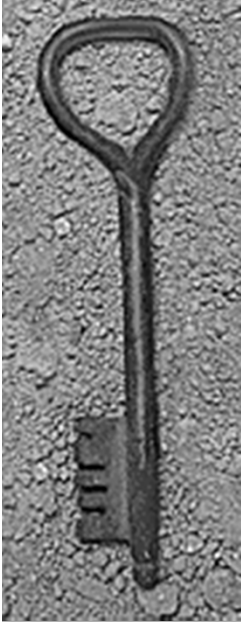
- ◆ Remain objective – set fear aside
- ◆ Construct a coordinated approach
 - Decisions will affect every member of the family.
 - Decisions will affect the family for decades.
- ◆ Make sure the financial aid forms are filed properly and deadlines are met.
- ◆ Know and explore all opportunities.
- ◆ Receive financial aid in excess of your financial need.



Consider These Strategies -

- ◆ Prepare for change in the family finances.
- ◆ Adjust your spending plan to include upcoming college costs.
- ◆ Use a blend of savings, income and borrowing.
- ◆ Use cash or margin loan to reduce consumer debt.
- ◆ Use a home equity line to consolidate consumer debt.

Most people don't plan to fail, they fail to plan!

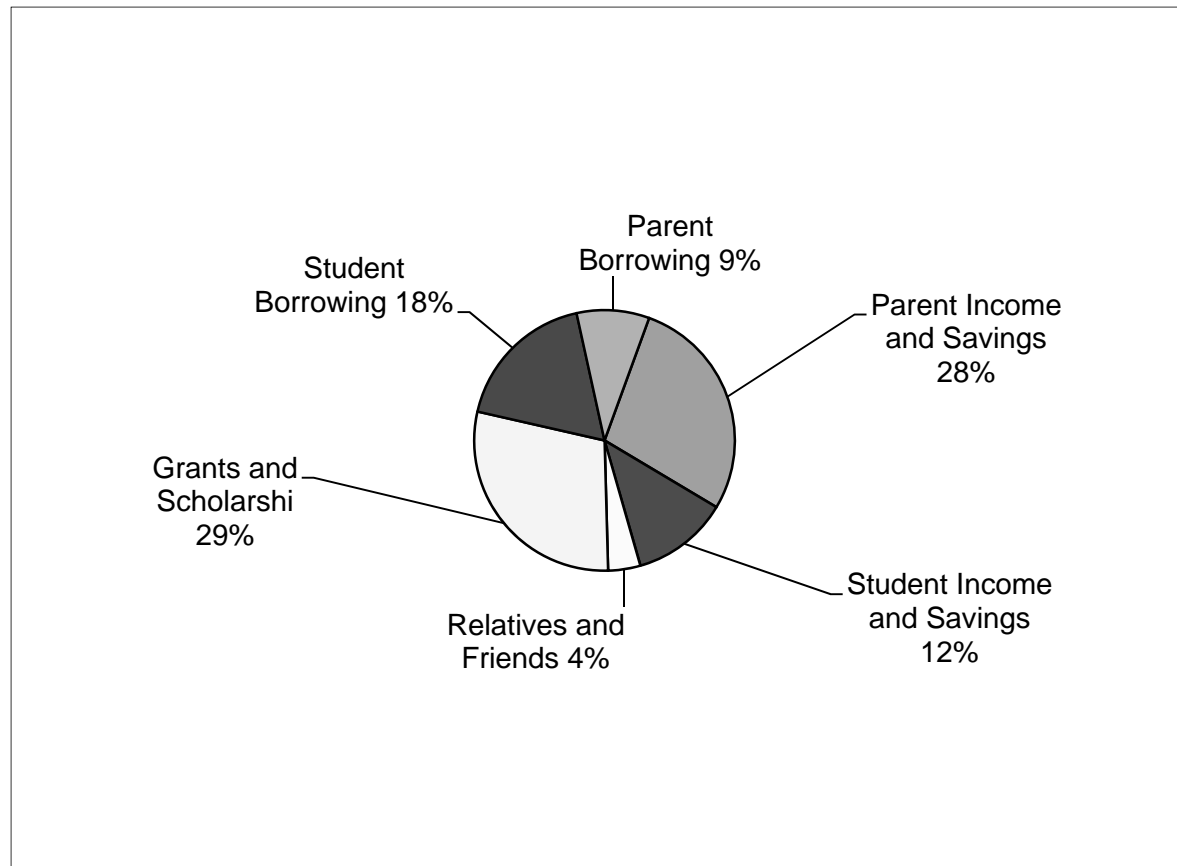


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- ◆ Other ideas ...



Create Your Own Strategy



Follow my blog at www.JoelPeckCPA.typepad.com/college

Discuss all decisions with your financial advisor.

Contact me



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