

Paying for College



Kids Making Cents: Saving for College



<https://www.cnbc.com/video/3000627931>

Before we dive in...



- Have hard, honest conversations about financing college (use handout)
- Find safety schools in terms of affordability
- Make sure you will be happy at these safety schools

The Reality of College in the 21st Century



- College costs are growing rapidly (3.7 percent at private colleges, and 2.9 percent at public universities)
- National Student Clearinghouse Research Center found that more than a third of college students transfer and that nearly half of those do it more than once.
- Between 26% and 52% of students change their major. (Math and Science are highest)
- 36 percent of students earn their bachelor's degrees in 4 years.

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
6. Falling Behind: Three Strikes And ...

--From the New York Times article, ["6 reasons you may not graduate on time \(and what to do about it\)"](#)



LET'S BREAK IT
DOWN



3 0 1

7

Average Tuition



Average costs for one academic year:

- Community Colleges \$2800-\$4000
 out of state: around \$9000
- 4-year State Colleges \$7000-\$13,000
 CU = \$12,532
- Public out of state \$20,000-\$38,000
 CU = \$37,286
- Private Colleges \$20,000-\$68,000
 DU = \$47,520

Ask about the 4 year tuition guarantee

Other Costs



- Books & Supplies \$850 - \$2,000
CU= \$1800
- Room & Board \$8,500 - \$15,000
CU= \$13,998
- Personal/Transp. \$0 to \$2,500

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**

Cost of Attendance (COA)



- ▶ **Tuition and fees**
- ▶ **Room and board**
- ▶ **Books/supplies**
- ▶ **Transportation**
- ▶ **Personal expenses**
- ▶ **Health/Medical Insurance**

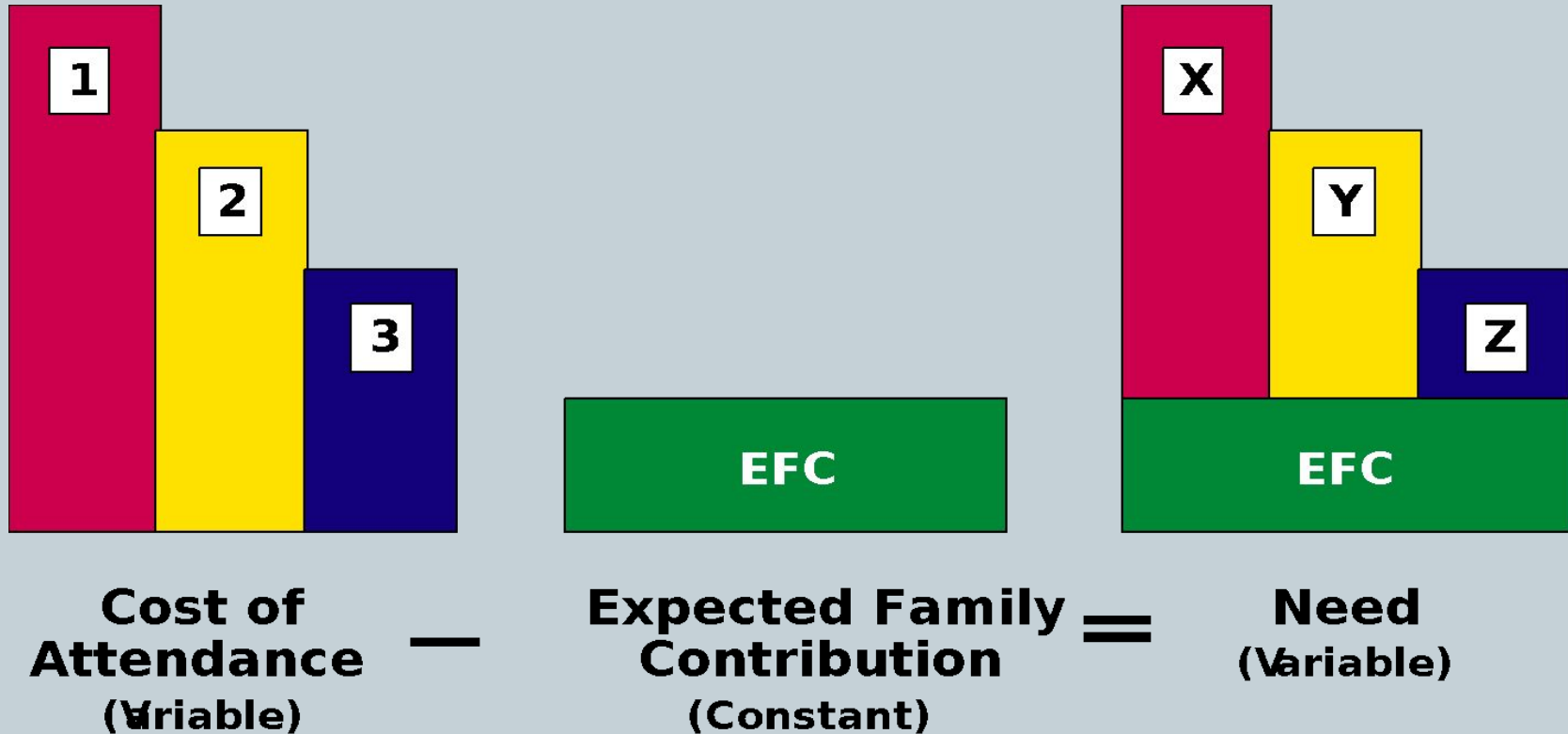
Definition of Need

Cost of attendance (COA)

– Expected family contribution
(EFC)

= Need

Need Varies Based on Cost

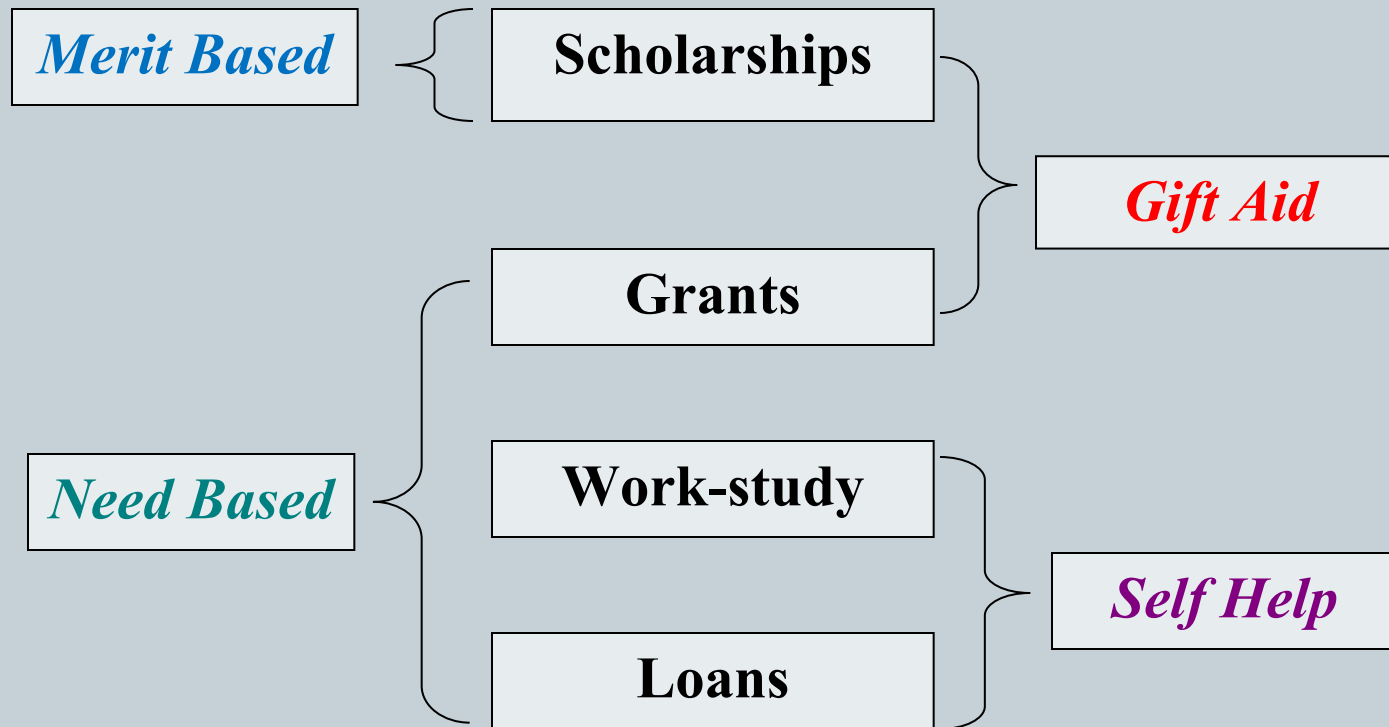


What is Financial Aid?



- **Scholarships**
- **Grants**
- **Loans**
- **Student Employment**

Types of Aid



Grants



- Need-based
- Federal, State and Institutional
- Don't repay - must maintain Satisfactory Academic Progress (SAP) (usually a 2.0 GPA)
- Pell Grant = up to \$6095
 - 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**
- **Earnings paid directly to students**
- **Based on financial need**
- **Up to 20 hours per week**

The Free Application for Federal Student Aid (FAFSA)



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

FACT



\$2.6B in Free College Money Went Unclaimed by 2018 Grads—High school graduates who didn't complete a federal financial aid application missed their opportunity for free money for college. The money went unclaimed by 661,000 members of the Class of 2018 who were eligible for a federal Pell Grant but didn't complete the FAFSA.

FAFSA on the Web



- Web site: www.fafsa.ed.gov
- 2019-20 FAFSA on the Web available on or after October 1, 2019
- 4Caster allows early estimating of EFC, great for HS Juniors too!

<https://studentaid.ed.gov/sa/fafsa/estimate>

Prepare for College

Types of Aid

Who Gets Aid

FAFSA®: Apply for Aid

How to Repay Your Loans

Home » FAFSA®: Apply for Aid

FAFSA®: Apply for Aid

Use the *Free Application for Federal Student Aid* (FAFSA®) form to apply for financial aid for college or grad 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 >](#)

Information Needed



- **Federal tax information from 2017 taxes**
- **W-2 Forms**
- **Driver's License**
- **Social Security Numbers (you and parent) 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

- ★ Divorced Parents > see FAFSA instructions
- ★ Unusual family circumstances talk directly with Financial Aid Officers

STEP 1: FSA ID



- Get a FSA ID
 - <https://fsaid.ed.gov>
- Allows you to sign FAFSA electronically
- Student & one parent need their own FSA ID
- Lifelong & used for all federal financial aid sites

Application Process



STEP 2

Get free information and help from a school counselor, the financial aid office at the college or career school you plan to attend, or the U.S. Department of Education at StudentAid.gov or 1-800-4-FED-AID (1-800-433-3243). Free help is available any time during the application process. You should never have to pay for help.

STEP 3

Collect the documents needed to apply, including income tax returns and W-2 forms (and other records of income). A full list of what you need is at www.fafsa.gov.

STEP 4

FAFSA opens October 1. Apply online as soon as you can at FAFSA on the Web (the faster and easier way) by going to www.fafsa.gov.

Application Process...cont'd



STEP 5

Be sure you add the colleges you are applying to to your FAFSA application
Can add 10 colleges. What if you have more???

STEP 6

Within a few days, the U.S. Department of Education will send you your Student Aid Report (SAR)—the result of your FAFSA—by e-mail with a link to your electronic SAR, or by mail if you completed a paper FAFSA. Your SAR contains the information reported on your FAFSA and usually includes your Expected Family Contribution (EFC). The EFC is a number (not a dollar amount) used to determine your eligibility for federal student aid. Review your SAR information to make sure it's correct. The school(s) you list on your FAFSA will get your SAR data electronically. Review your SAR and, if necessary, make changes or corrections following the instructions in your SAR.

Application Process...cont'd



STEP 7

The college will send you an award letter that lists how much aid you can get at that school. Contact the school's financial aid office if you have any questions about the aid being offered.

STEP 8

Review award letters from schools to compare amounts and types of aid being offered. 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. **You must decide what school you will attend by May 1st.**

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

- Who is my parent when I fill out my FAFSA?



<https://studentaid.ed.gov/sa/sites/default/files/fafsa-parent.pdf>

- Am I dependent or independent?



<https://studentaid.ed.gov/sa/sites/default/files/fafsa-dependency.pdf>

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

5. What are the most important factors in calculating the EFC?

Summary

■ Assets & Income

Owner	Assets ²	Income ³
Student	20%	50%
Parents	Up to 5.6%	22% - 47%

Source of data: savingforcollege.com

■ Additional considerations

- How many children in the family?
- How many children in college?

² Total current balance of cash, savings and checking accounts; net worth of investments, including real estate, excluding the home in which parents and student live; net worth of parent and student current businesses and/or investment firms, excluding family firms or businesses with 100 or fewer full-time or full-time equivalent employees. Net worth means current value minus debt. Source: FAFSA 7/1/13 - 6/30/14.

³ Income includes the adjusted gross income from the parents' and student's Form 1040 along with certain other items representing untaxed income and benefits, e.g., untaxed portions of IRA distributions and veterans non-education benefits, such as disability. Source: FAFSA 7/1/13 - 6/30/14.

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



- We hope you get lots of grants and scholarships... and even work study!
- But if not, loans are your next option.



FACT:



7 out of 10 students who graduated in 2015 had student debt—with the average amount being just under \$30,000.

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.

Student Loans (THROUGH FAFSA)



- Money comes directly from Federal Government to the college
- 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
 - Perkins: 9 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**
- **Deferment (no interest)**

Stafford Loans

In student's name – no cosigner
No credit check/income verification
6 month grace period
1% upfront fee
Student Loans

Subsidized:

5.05% interest rate – \$3,500 1st yr.

Government pays interest while attending college

Unsubsidized:

5.05% interest rate – \$2,000 yr.

Government DOES NOT PAY INTEREST,
Interest accrues

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 -7.6%

How is interest calculated?



The amount of interest that accrues on your loan from month to month is determined by a simple daily interest formula. This formula consists of multiplying your loan balance by the number of days since the last payment times the interest rate factor.

Simple daily interest formula:

- Outstanding principal balance
x number of days since last payment
x interest rate factor
= interest amount

Interest Calculators



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

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

<https://www.calculator.net/loan-calculator.html>

and many many more!

Debt Management



- You are not obligated to accept all loans awarded
- Loan Calculator: finaid.org
- Borrow only what you need
- Consider future earnings
- Loan Entrance & Exit Interviews

CSS Profile

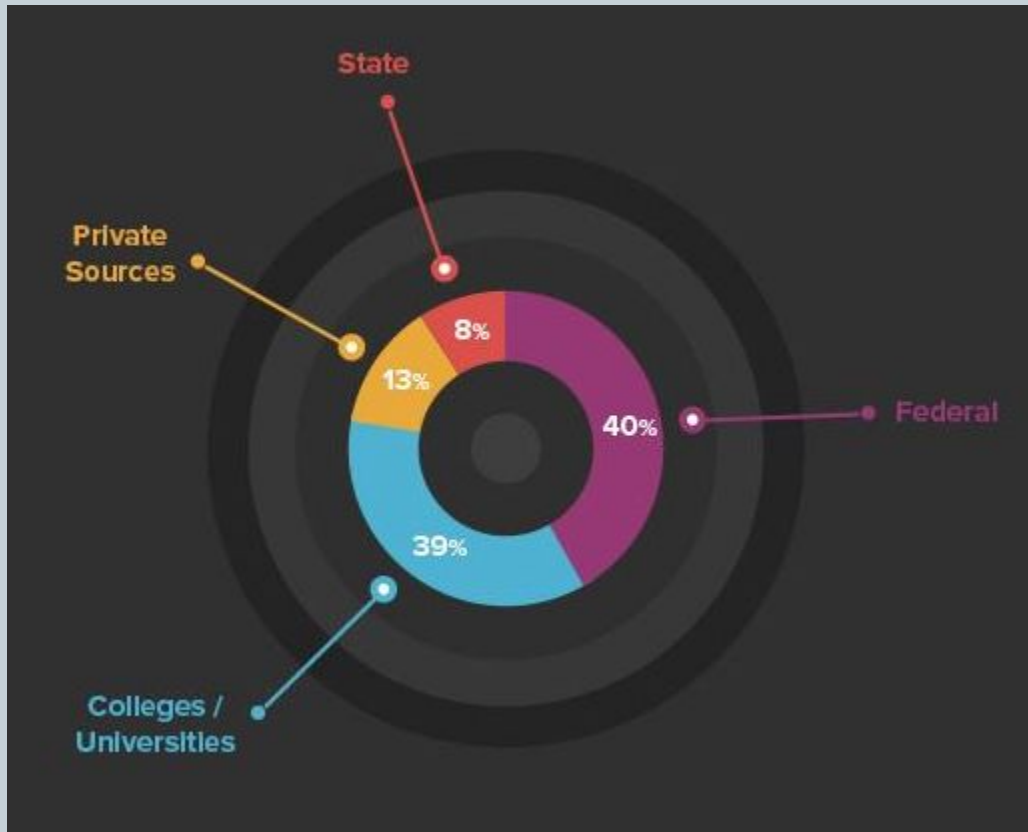


- Used for many private schools and some scholarship organizations to award Non-Federal student aid funds
- Opens Oct 1
- Only file if college/program requires
- Application fee of \$25 initial application and one report - \$16 each additional report
- Fee waivers calculated in application
- <https://cssprofile.collegeboard.org/>
- Article on CSS Profile:
[https://www.nj.com/business/index.ssf/2018/10/unlock more college financial aid by completing th.html](https://www.nj.com/business/index.ssf/2018/10/unlock_more_college_financial_aid_by_completing_th.html)



DON'T MISS
THE DEADLINE!

Where does the money come from?



Western Undergraduate Exchange



Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, and the U.S. Pacific Territories and Freely Associated States

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

www.wiche.edu/wue

College Opportunity Fund



- For all public Colorado universities
- For a few private Colorado universities
- \$85 off per credit hour
- <https://cof.college-assist.org/>





Comparing Financial Aid Packages

<http://www.finaid.org/calculators/awardletter.phtml>

What will be included on the award letter?



The award will note some combination of the following:

- Cost of Attendance
- Grants funded by Federal, State and/or School
- Scholarships funded by Federal, State and/or School
- Loans funded by Federal and/or School
- Work-study funded by Federal and/or School
- EFC – Estimated Family Contribution
- Need
- Not Eligible

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.

<https://www.collegeessayguy.com/blog/financial-aid-appeal-letter>

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?

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

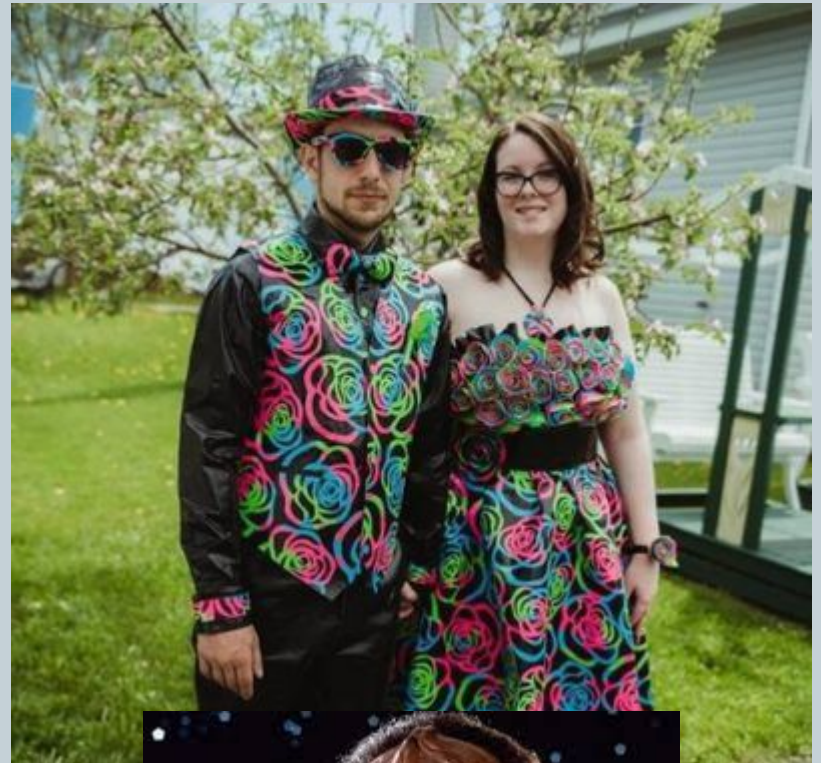
Having allergies

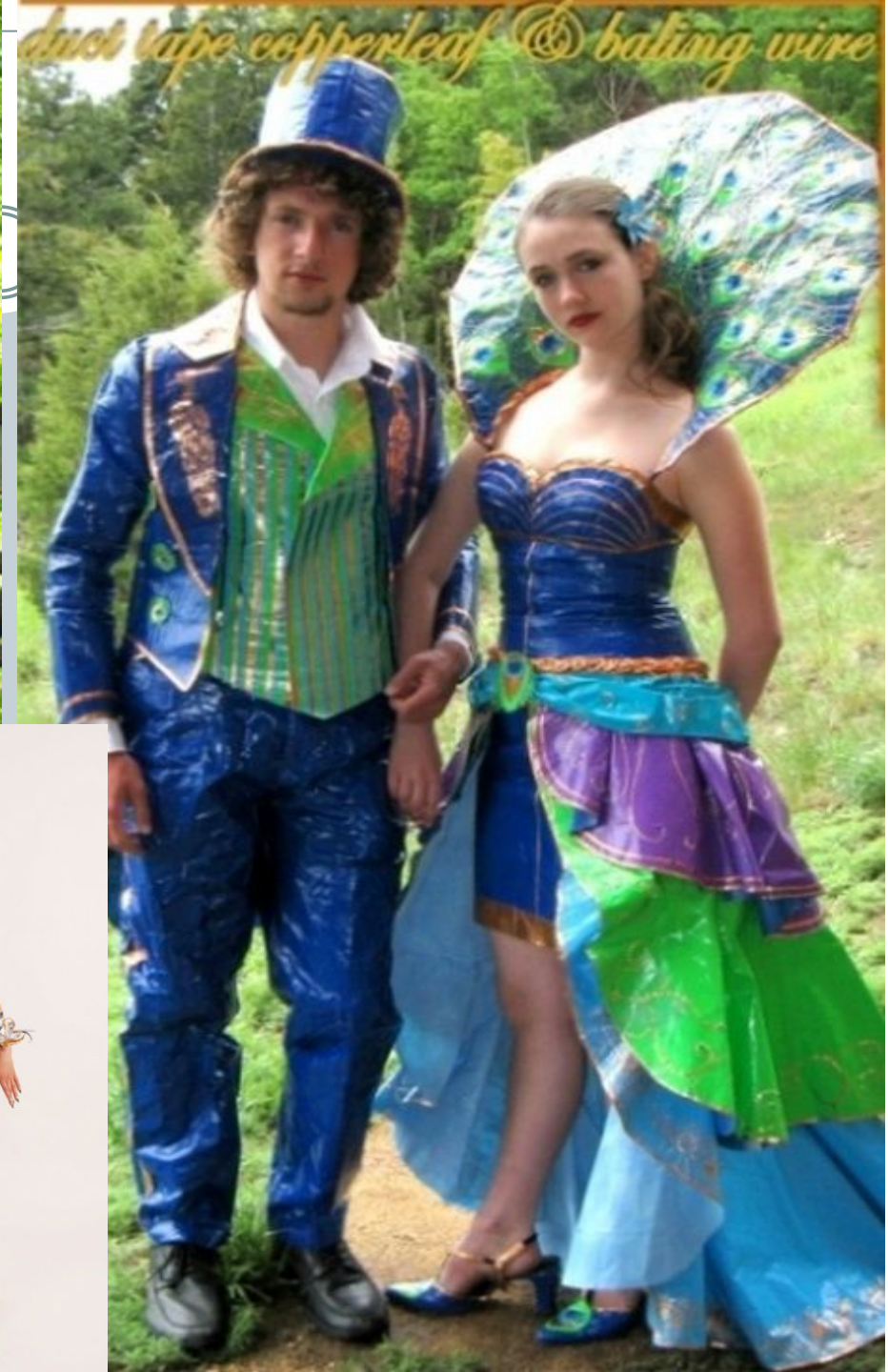
Survivor of sexual assault

Being tall ((at least 5'10" for women and at least 6'2" for men)

Skateboarding

Create a greeting card





Search Engines



[Naviance](#) and [New Vista](#)

[Fairview High School](#)

[Monarch 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](#)

Scholarship 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



- Credit through testing (CLEP, AP) through Collegeboard
- Cooperative Education and Work Colleges: Alice Lloyd College, Berea College, Blackburn College, College of the Ozarks, Ecclesia College, Sterling College, Warren Wilson College www.workcolleges.org
- Explore combination bachelor's/master's programs
- Explore In-State Schools
- Explore affordable Out of State Schools
- Two years then transfer to 4 year
- 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 on October 30th!



Application fees are waived!

<http://www.ciccollegeappmonth.org/colorado-free-application-day>



Use Smart Track



<https://collegefundingkit.com/NewVista>

- See if and how you might improve your EFC
- Estimate your financial aid package for your student's colleges based on the school's specific history, your specific finances and your student's specific grades & scores
- Identify GENEROUS Colleges
- Get timely, valuable content and reminders delivered to your inbox
- Learn about loans, grants, work study, tax benefits, and scholarships



**KEEP
CALM
AND
FILE YOUR
FAFSA**

 CollegeBoard