Investing in a College Education

Jon Urish
Beloit College
Choosing a College

*Best Fit*

- Program
- Location
- Size
- Mix of Students
- Academics
- Extracurricular
- Facilities
- Financial Considerations
Current College Costs 2010-2011

- Average Tuition, Fees, Room, Board
  - 4 Year Public: $16,000
  - 4 Year Private: $33,000

- Average personal expenses [clothing, laundry, toiletries, recreation, entertainment] = $2,000

- Books = $700 - $1,000 per year
Sticker Price

vs.

After Financial Aid/ Scholarship Price
“A Partnership”

- To the extent they are able, **parents** have primary responsibility to pay for their dependent children’s education

- **Students** also have a responsibility to contribute to their educational costs

- Families should be evaluated in their **appropriate** financial condition

- A family’s ability to pay for educational costs must be evaluated in an **equitable and consistent manner**, recognizing that **special circumstances** can and do affect its ability to pay
What is Financial Aid?

- Scholarships
- Grants
- Student Loans
- Work-Study
Financial aid is available from four major sources:

- U.S. Department of Education
- States
- Colleges and Universities
- Private Organizations
Undergraduate Aid by Source, 2009-10

Undergraduate Aid

- Federal Pell Grants ($18.2) - 14%
- Federal Work-Study ($1.0) - 1%
- Federal Loans ($56.5) - 45%
- Education Tax Credits and Deductions ($5.9) - 5%
- State Grants ($8.3) - 7%
- Institutional Grants ($24.3) - 19%
- Private and Employer Grants ($7.5) - 6%
- Federal Grant Programs other than Pell ($3.9) - 3%

$125.7 Billion

Source: The College Board, Trends in Student Aid 2009
Two Categories of Aid

- Merit-based
- Need-based
Merit Scholarships

Based on a student’s . . .

- Academics
- Talent
- Service/leadership
- Athletic ability
Need-based Aid

- Grants
- Student Loans
- Work-Study
So . . . how does the process begin?
To apply for all federal and state aid, families must complete the...

The FAFSA collects basic financial data is used to determine the student’s eligibility by calculating an “index” #

Need Money For Your Education? Start Here
WWW.FAFSA.ED.GOV
Supplemental Financial Aid Applications

- The College Scholarship Service Financial Aid PROFILE
- A College’s own application for financial aid
Overview of the FAFSA

- 2011-2012 available in January
- 7 Steps
- Submit it soon after January 1
- E-Signature
FAFSA on the Web (FOTW)

- English or Spanish
- Skip logic and online editing
- Electronic signature
- Electronic notification
- Over 17 million (99%) FOTWs processed in 2010/11
The confirmation number will contain the student’s randomly generated identification number.
# Compare School Information

The following information is a subset of data that has been obtained from the College Navigator Website, developed by the National Center for Education Statistics. Complete information for each college can be accessed by visiting [http://nces.ed.gov/collegenavigator/](http://nces.ed.gov/collegenavigator/).

<table>
<thead>
<tr>
<th>School Name</th>
<th>Address</th>
<th>City</th>
<th>Federal School Code</th>
<th>Web Site</th>
<th>School Type</th>
<th>Tuition and Fees: In-State</th>
<th>Tuition and Fees: Out-of-State</th>
<th>Graduation Rate</th>
<th>Retention Rate</th>
<th>Transfer Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>JACKSONVILLE STATE UNIVERSITY</td>
<td>700 FELHAM RD NORTH FINCLAID</td>
<td>JACKSONVILLE</td>
<td>001020</td>
<td><a href="http://www.jsu.edu">www.jsu.edu</a></td>
<td>Public-4 year or above</td>
<td>$4,992</td>
<td>$9,984</td>
<td>33%</td>
<td>70%</td>
<td>31%</td>
</tr>
<tr>
<td>ALASKA PACIFIC UNIVERSITY</td>
<td>4101 UNIVERSITY DRIVE</td>
<td>ANCHORAGE</td>
<td>001061</td>
<td><a href="http://www.alaskapacific.edu">www.alaskapacific.edu</a></td>
<td>Private not-for-profit-4 year or above</td>
<td>$24,410</td>
<td>$14,810</td>
<td>33%</td>
<td>79%</td>
<td>NA</td>
</tr>
<tr>
<td>UNIV OF ALASKA-ANCHORAGE</td>
<td>3211 PROVIDENCE AVENUE</td>
<td>ANCHORAGE</td>
<td>011462</td>
<td><a href="http://www.uaa.alaska.edu">www.uaa.alaska.edu</a></td>
<td>Public-4 year or above</td>
<td>$4,910</td>
<td>$24,570</td>
<td>22%</td>
<td>70%</td>
<td>NA</td>
</tr>
<tr>
<td>MASTER'S COLLEGE &amp; SEMINARY (THE)</td>
<td>21726 PLACERITA CYN ROAD</td>
<td>SANTA CLARITA</td>
<td>001220</td>
<td><a href="http://www.master8.edu">www.master8.edu</a></td>
<td>Private not-for-profit-4 year or above</td>
<td>$24,570</td>
<td>$13,958</td>
<td>59%</td>
<td>78%</td>
<td>14%</td>
</tr>
<tr>
<td>NATIONAL BROADCASTING SCHOOL</td>
<td>2033 HOWE AVENUE SUITE 110</td>
<td>SACRAMENTO</td>
<td>016364</td>
<td><a href="http://www.westwood.edu">www.westwood.edu</a></td>
<td>Private for-profit-4 year or above</td>
<td>$13,958</td>
<td>$13,958</td>
<td>60%</td>
<td>45%</td>
<td>NA</td>
</tr>
</tbody>
</table>

- The information provided above is updated quarterly and may not reflect recent changes.
- NA indicates that information is not available from College Navigator.
- The amounts for tuition and fees apply to full-time first-time degree/credit-seeking students.
- Graduation rate is the percentage of a school's first-time, first-year full-time undergraduate students who complete their program.
The College determines eligibility for financial aid by:

Cost of Attendance
- Expected Family Contribution
= Financial Need
The Financial Aid Award Letter (or “package”)

Will contain a combination of:
- scholarship, grant, loan and work-study funds

Why might “packages” be different?
- cost of attendance
- scholarship criteria and availability
- institutional philosophy and funding
- federal or state funding levels
2011-2012 Financial Aid Award Letter, sample

November 2, 2010

Scott Lewis
Student ID: 555

Dear Scott,

On behalf of the Office of Financial Aid, congratulations on your admission! To help in your decision-making process, the College is pleased to offer you the following financial assistance:

**Part 1. TYPES AND AMOUNTS**

<table>
<thead>
<tr>
<th>Source</th>
<th>Fall</th>
<th>Spring</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Scholarship</td>
<td>6,000</td>
<td>6,000</td>
<td>12,000</td>
</tr>
<tr>
<td>State of Illinois MAP Grant (set)</td>
<td>2,400</td>
<td>2,400</td>
<td>4,800</td>
</tr>
<tr>
<td>Federal Fall Grant</td>
<td>2,775</td>
<td>2,775</td>
<td>5,550</td>
</tr>
<tr>
<td>Federal ACG</td>
<td>750</td>
<td>750</td>
<td>1,500</td>
</tr>
<tr>
<td>Federal Direct Stafford Loan - subsidized</td>
<td>1,750</td>
<td>1,750</td>
<td>3,500</td>
</tr>
<tr>
<td>Federal Direct Stafford Loan - unsubsidized</td>
<td>1,000</td>
<td>1,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Federal Direct PLUS Loan</td>
<td>2,000</td>
<td>2,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Federal Work-Study</td>
<td>1,250</td>
<td>1,250</td>
<td>2,500</td>
</tr>
<tr>
<td><strong>Total Awards:</strong></td>
<td>17,025</td>
<td>17,025</td>
<td>34,050</td>
</tr>
</tbody>
</table>

**Part 2. CALCULATIONS.**

- The funds are based on your enrollment as a full-time student, with housing On Campus.
- The "direct costs" for the year which will appear on your bill will total approximately $45,000.
- With this assistance, we estimate that your "family contribution" to cover these costs will be $8,150.

**Part 3. Other Important Notes.**

The amount shown as your "family contribution" is what we believe you will pay toward regular direct costs (tuition, fees, and - if applicable - room and board) for one year. This figure does not include the cost of books (estimated at $1,000 for the year), personal expenses, or the College's health insurance (estimated at $640; this cost may be waived with proof of other insurance).

Illinois MAP Grant recipients must enroll in four or more credits each semester to receive the amount offered.

Be sure to review the Financial Aid Announcement Guide for descriptions of this assistance, the costs you should be prepared to pay, scholarship requirements, payment options, and financial aid policies of the College. Please let us know if you have questions after reviewing the Guide. We will help in any way we can.

If you decide to use any loan offered to you, we will provide application instructions in the summer.

During the summer you will receive a Statement of Account (bill) from our Office of Business Affairs, which will outline these costs, your applicable financial aid, and the exact amount you will owe for the fall semester.

*We look forward to welcoming you to campus this fall!*

cc: Parent(s)
Admission Officer:
Deadlines
Where to Look for

- At the individual ACM school
- A College’s Financial Aid Office
- The Internet
  - www.collegezone.com
  - www.finaid.org
  - www.studentaid.ed.gov
- College Web Sites
Major Issues related to $

✓ Financial aid gapping?
✓ Aggregate loan burdens for graduates?
✓ Parental involvement/support?
✓ Fiscal health of the institution?
✓ Graduation rates?
✓ Job/grad school placement?
✓ Make sure students have options and are realistic!