What You Must Know About Paying for College

before you pay for college

Sam Feeney, Certified College Funding Specialist
Welcome! What matters to you about paying for college?

a. Paying as little as possible for college
b. Preserving your retirement plans while paying for college
c. Knowing that your child is going to the best school
d. Planning for multiple children going to college
e. Other
Your guide: Sam Feeney

- School Counselor
- Certified College Funding Specialist
- Author of *Choose the Perfect College and Hire Education*
What have you heard about paying for college?

Price of schools

Getting financial aid/scholarships

Student loans

Parent loans

Life after paying for college
How can you avoid this?
How can you get this?

- The right school...
- ... at the right price
Four factors of college selection

Sophomore year:
1. Campus Life
2. Academics
3. Experiences
4. Finances

Senior year:
1. Finances
2. Finances
3. Finances
4. School color

Which are most important to you? Why?
Your college funding plan

1. Get the most need-based aid possible
2. Get the most merit aid possible
3. Protect your retirement plans while paying for college
4. Preserve your lifestyle while paying for college
1. Get the most need-based aid possible

Understanding financial (need-based) aid
What is need-based aid?

Need-based financial aid is grants, scholarships, and loans available to students and parents based on this calculation:

$$\text{COA} - \text{EFC} = \text{Need}$$
COA-EFC=Need

Each school’s **cost of attendance** (variable by school)

- Your **expected family contribution** (set each year)

= What you **need** the financial aid office to come up with in order to attend that college.

*The need is the largest amount of need-based aid you’ll receive from a college.*
Cost of attendance

Tuition
Housing (Room)
Food (Board)
Activities
Books
Living expenses
Travel
Expected Family Contribution

Pop quiz: Your EFC is...

a. What you/your family can reasonably afford to pay for college while maintaining your current lifestyle.

b. What you can manage to pay for college if you/your family really cut corners... for four years straight.

c. What the government determines you/your family can pay, regardless of whether you actually can.
<table>
<thead>
<tr>
<th>Institution</th>
<th>COA</th>
<th>EFC</th>
<th>Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>CU Boulder</td>
<td>$30,646</td>
<td>$18,500</td>
<td>$12,146</td>
</tr>
<tr>
<td>Colorado College</td>
<td>$75,226</td>
<td>$18,500</td>
<td>$55,726</td>
</tr>
</tbody>
</table>
How does the government calculate the EFC?

**Parents**
- Income
- Age
- Non-retirement assets (including 529)

**Household**
- Number in household
- Number in college

**Student**
- Income
- Assets
### Can you reduce your EFC?

<table>
<thead>
<tr>
<th>Parents</th>
<th>Household</th>
<th>Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Income</td>
<td>● Number in household</td>
<td>● Income</td>
</tr>
<tr>
<td>● Age</td>
<td>● Number in college</td>
<td>● Assets</td>
</tr>
<tr>
<td>● Non-retirement assets (including 529)</td>
<td></td>
<td></td>
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</table>
Increasing need-based aid: Finding generous colleges
<table>
<thead>
<tr>
<th></th>
<th>Colorado College</th>
<th>CU Boulder</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEED MET %</td>
<td>95.00%</td>
<td>63.00%</td>
</tr>
<tr>
<td>GIFT AID %</td>
<td>80.00%</td>
<td>37.00%</td>
</tr>
<tr>
<td>SELF-HELP AID %</td>
<td>20.00%</td>
<td>63.00%</td>
</tr>
</tbody>
</table>
### Sticker price doesn’t always mean your price

<table>
<thead>
<tr>
<th></th>
<th>BUCKNELL UNIVERSITY</th>
<th>PENNSYLVANIA STATE UNIVERSITY-MAIN CAMPUS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ANNUAL COST OF ATTENDANCE (2019-2020)</strong></td>
<td>$71,226</td>
<td>$39,646</td>
</tr>
<tr>
<td><strong>4-YEAR COST OF ATTENDANCE</strong></td>
<td>$292,605</td>
<td>$163,214</td>
</tr>
<tr>
<td><strong>COLLEGE SCHOLARSHIPS &amp; GRANTS</strong></td>
<td>$144,965</td>
<td>$17,628</td>
</tr>
<tr>
<td><strong>4-YEAR NET COST OF ATTENDANCE</strong></td>
<td>$147,641</td>
<td>$145,587</td>
</tr>
</tbody>
</table>
How can you find generous colleges?

Create a free account at TuitionFit.org to see financial aid awards given to students just like yours.

*Seniors can upload their award letters to get even more access for free!*
1. Get the most need-based aid possible

So, *how do you get the most financial (need-based) aid possible?*

1. Reduce your EFC
2. Apply to generous schools
3. Appeal your award
2. Get the most merit aid possible

Understanding merit aid
What is merit aid?

Merit aid is grants and scholarships (free money) given to you by a college, typically based on grades, SAT/ACT, and activities.

- Top 25% of incoming freshman class
- Plays bassoon for orchestra
- Averages 18 points/game in basketball
How can you increase your merit aid?

1. Improve your scores (or your jump shot).
2. Apply to schools where you’re a more desirable candidate.
Go where you’re celebrated...

Conventional college selection:
- 3-4 “reach” schools
- 3-4 “match” schools
- 3-4 “safety” schools

Financially advantaged college selection:
- 6-8 schools that match your Campus Life, Academics, and Opportunities... and where you’re in the top 25% of the incoming class.
How can you find generous colleges?

Create a free account at TuitionFit.org to see financial aid awards given to students just like yours.

*Seniors can upload their award letters to get even more access for free!*
2. Get the most merit aid possible

So, how do you get the most merit aid possible?

1. Increase your meritoriousness
2. Apply to schools where you’re in the top 25%
3. Appeal your financial aid award
3. Protect your retirement plans while paying for college

4. Preserve your lifestyle while paying for college

Pay for college on your terms
Next steps

1. Estimate your Expected Family Contribution
2. Determine whether you can reduce it before you file the FAFSA
3. Find generous colleges using TuitionFit.org