

Saving, Planning and Paying for College

3rd Annual Latino College Fair
Fordham University – Rose Hill
November 20, 2010



Commission on Independent Colleges and Universities
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Solutions for New York's **Future**

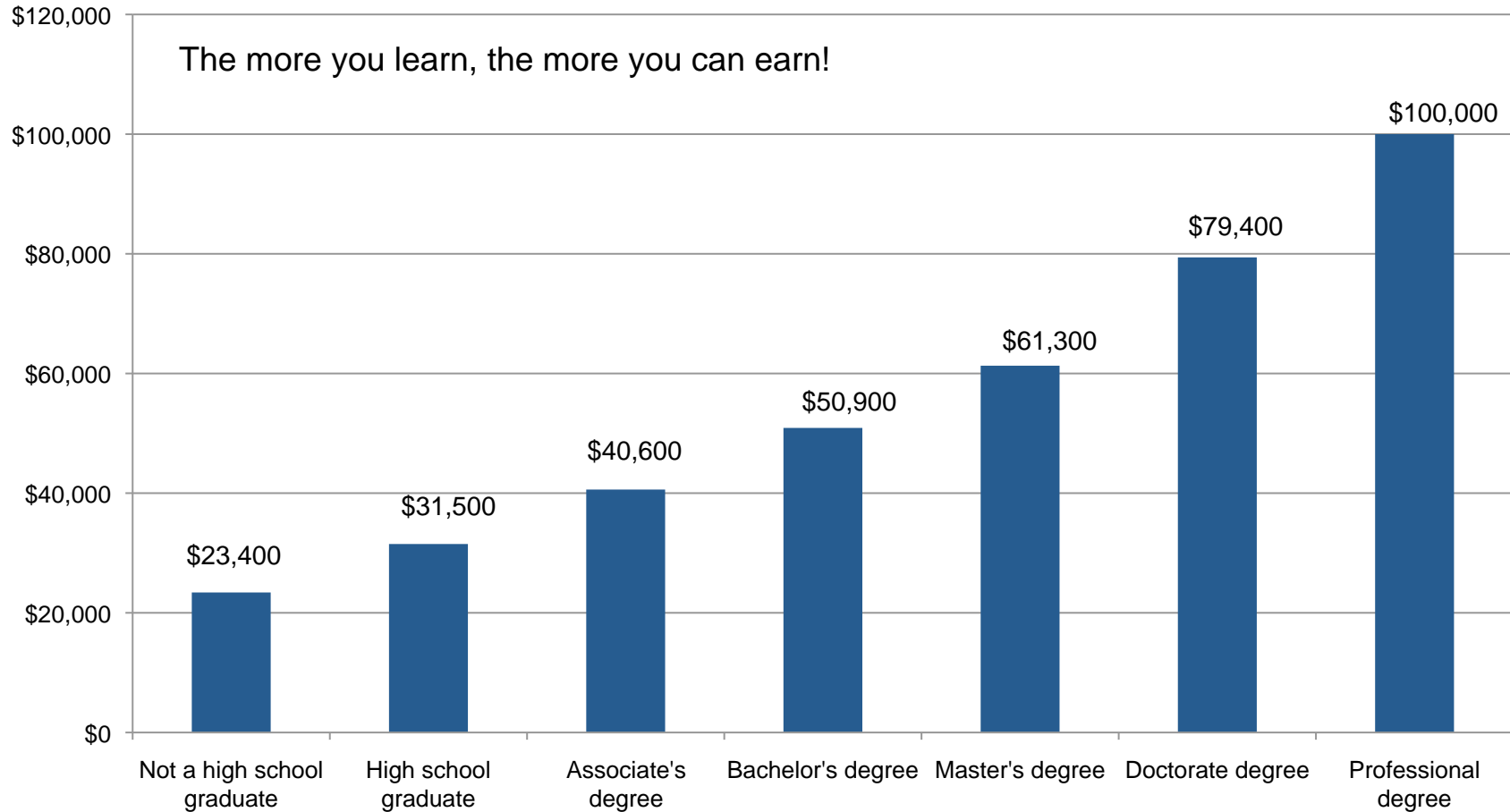
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Planning and Paying for College

- Jose Flores, Partner, LICAS - Presenter
- Nemaris Rodriguez, Assistant Director of Financial Aid at St. John's University - Translator
- Jorge Osorio Jr., Associate Director of Admissions at The College of St. Rose - Translator

College Pays

Median Earnings by Education Level



Source: *The College Board: Education Pays, 2007*

College is Possible

Thousands of colleges

All different types, sizes and costs

Billions of dollars in financial aid

More than 8 in 10 students receive financial aid at private, not-for-profit colleges

Free information

The more information you have, the more likely you are to go to college



Building a College Plan



Photo: Enrico Ferorelli, Bard College

Start early

Stay organized

Make it a family affair

Discuss college goals and action steps with parents, counselors, teachers, financial aid and admissions officers

Make informed decisions

Types of Colleges



4-Year Colleges and Universities

Bachelor of Arts (BA) and Bachelor of Sciences (BS) degrees



2-Year Community and Junior Colleges

Associate degrees or certificates for technical programs

Option to transfer to a 4-year college



Vocational, Technical and Business Schools

Certificate programs for specific trades or vocation

Public vs. Private Colleges

SUNY, CUNY and private not-for-profit colleges and universities

Finding the Right “Fit”

Investigate Options:

- [Online research](#)
- [College fairs](#)
- [Campus visits](#)
- [Visit](#)
www.nycolleges.org
[for more information](#)

Consider:

Academics
Campus life
Facilities and services
Location
Size
Cost

Create a “Lucky 3” List:

Reach school
Realistic school
Safety school



Keys to Successful Admission



Stay organized

Build a winning application

Academics

Extracurricular activities

Transcripts

Recommendations

Essays

Tests

Standardized Tests

Use books, online study tools and classes

TEST TYPE	ABOUT THE TEST	WHEN TO TAKE IT
PSAT/NMSQT	<ul style="list-style-type: none"> • Pre-SAT test 	10 th grade and/or fall semester of 11 th grade
PLAN	<ul style="list-style-type: none"> • Pre-ACT test 	10 th grade
SAT	<ul style="list-style-type: none"> • ~4 hour test • Critical reading, mathematical reasoning, writing 	Spring semester of 11 th grade and/or fall semester of 12 th grade
ACT	<ul style="list-style-type: none"> • ~3.5 hour test • English, math, reading, science 	Spring semester of 11 th grade and/or fall semester of 12 th grade
SAT Subject Tests	<ul style="list-style-type: none"> • ~1 hour per test • English, math, science, history, foreign language 	Spring semester of 11 th grade and/or fall semester of 12 th grade

Financial Aid

College Costs and Ways to Pay

Photo: Dan Hammerman

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Understanding College Costs

Direct

Tuition, on-campus room and board and any special fees

Indirect

Books, computer, supplies, transportation, off-campus housing and personal expenses

Average published annual tuition, fees, room and board:

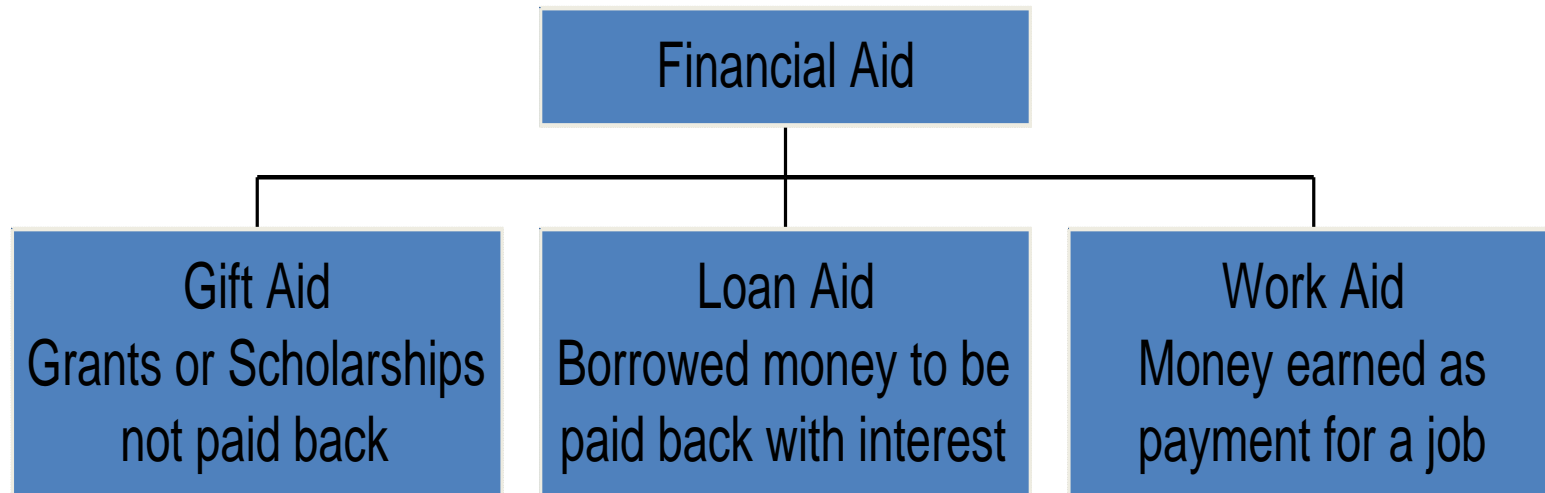
Public 4-year college: \$16,150 (\$10,080 Net)

Private 4-year college: \$36,990 (\$21,020 Net)

Source: The College Board: Trends in College Pricing, 2010

What is Financial Aid?

Funds provided to students and families to help pay for postsecondary educational expenses



Sources of Financial Aid

- Federal government
- States
- Private sources
- Civic organizations and churches
- Employers
- Colleges!

Aid from the Federal Government

- Federal Pell Grant \$5,550 maximum award for freshmen
- Federal Student Loans
 - Stafford Loans: \$5,500 maximum award
 - Subsidized – government pays interest 3.4% 2011-12
 - Unsubsidized – interest accrues 6.8% 2011-12
 - Perkins Loan: 5% interest rate
- Federal Work-Study – generally \$1,500 - \$2,000
- Federal Parent Loan (PLUS): 7.9 % interest – Borrow up to cost minus other student financial aid

Aid from the State



- Residency requirements
- Award aid on the basis of both merit and need
(In NYS most is need-based)
- Use information from the FAFSA
- NYS Tuition Assistance Program (TAP)
 - NYS Residents attending NYS colleges
 - This year, amounts range up to \$4,925

Aid from Private Sources

- Billions of dollars awarded each year - **\$3.3 Billion by New York's private, not-for profit colleges**
- Merit and need-based free money
- Offered by schools, foundations, businesses, charitable organizations
- Invest time in researching and applying
- Apply for as many as you qualify for
- Pay close attention to deadlines
- Use free resources and watch for scams

Saving for College

The sooner you begin, the more money you can save

DOLLARS SAVED EACH MONTH	AFTER 4 YEARS	AFTER 8 YEARS	AFTER 12 YEARS
\$25	\$1,359	\$2,995	\$5,002
\$50	\$2,718	\$5,991	\$10,005
\$75	\$4,077	\$8,986	\$15,008
\$100	\$5,436	\$11,982	\$20,010

•Source: Bankrate.com Savings Calculator, November 3, 2010
•Chart assumes a 5% interest rate compounded monthly

Savings Options

529 College Saving Plans

- Enroll in any state's plan and attend any eligible school (NYSAVES)
- Invest in professionally-managed options on your own or through a financial advisor
- Benefit from tax advantages

529 Pre-Paid Tuition Plans

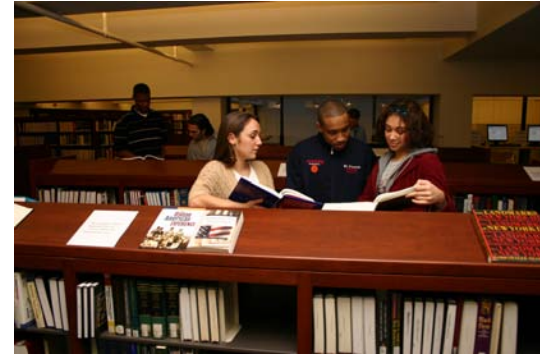
- Buy tuition credits for the future at today's prices
- Attend any participating school

Rewards Programs

- Save with everyday purchases, like groceries, gas and dining out (UPROMISE)

Student Employment

- Federal Work-Study (need-based)
- Student employment services (not need-based)
- Students work part time, usually on campus
- Wages help with smaller costs and incidentals
- (i.e., books, supplies, food and entertainment)
- Students gain work and time-management experience



Other Programs

- Higher Education Opportunity Program (HEOP, EOP, SEEK, Discovery)
- ROTC – campus based
- CSTEP – Science and Technology Entry Program

Applying for Financial Aid

- Free Application for Federal Student Aid (FAFSA)
www.fafsa.gov
- Complete starting in January of senior year; **renew annually**
- Required for all federal aid
- May be required for institution, state or private aid

How the FAFSA Works

**Family submits the FAFSA soon after January 1 of student's senior year
(Renew it every year student is in school)**



**Federal government returns a Student Aid Report (SAR)
to the family and target schools**



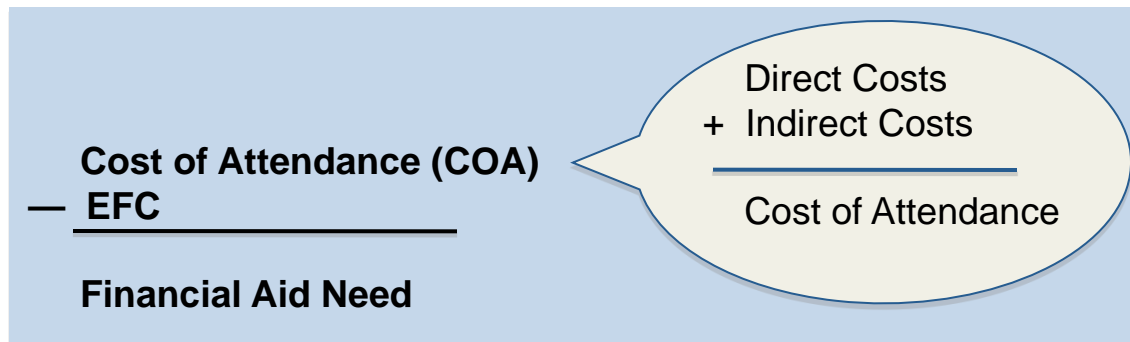
**Federal government calculates the family's
Expected Family Contribution (EFC)**

Expected Family Contribution (EFC)

Based on a number of factors

Online EFC calculators

Helps determine your financial aid eligibility:



Financial Aid Package

- Often a combination of grants/loans/work
- Each college's Financial Aid Office will estimate your eligibility for Federal/State/College Aid
- Notification is sent on paper or electronically

Comparing College Costs

Sample Packages with EFC = \$3,000

	PUBLIC	PRIVATE
Cost of attendance	\$19,000	\$39,000
EFC	-\$3,000	-\$3,000
Financial aid need	\$16,000	\$36,000
Pell grant	\$2,600	\$2,600
Work study	\$2,000	\$2,000
Scholarship(s)	\$4,000	\$27,400
NYS TAP Grant	\$500	\$500
Stafford loan	\$3,500	\$3,500
Financial aid package	\$12,600	\$36,000
Cost of attendance	\$19,000	\$39,000
Financial aid package	-\$12,600	-\$36,000
EFC	-\$3,000	-\$3,000
Unmet Need	\$3,400	\$0
Actual Family Cost (EFC + Unmet Need)	\$6,400	\$3,000

Comparing College Costs

Sample Packages with EFC = \$15,000

	PUBLIC	PRIVATE
Cost of attendance	\$19,000	\$39,000
EFC	-\$15,000	-\$15,000
Financial aid need	\$4,000	\$24,000
Pell grant	\$0	\$0
Work study	\$0	\$2,000
Scholarship(s)	\$4,000	\$18,500
NYS TAP Grant	\$0	\$0
Stafford loan	\$0	\$3,500
Financial aid package	\$4,000	\$24,000
Cost of attendance	\$19,000	\$39,000
Financial aid package	-\$4,000	-\$24,000
EFC	-\$15,000	-\$15,000
Unmet Need	\$0	\$0
Actual Family Cost (EFC + Unmet Need)	\$15,000	\$15,000

Meeting Unmet Need

- Federal Parent Loan (PLUS) - 7.9% interest rate:
 - No negative credit
 - Financial need is NOT a requirement
 - Borrow up to cost minus any other student financial aid
- Federal Unsubsidized Stafford Student Loan - 6.8% interest rate:
 - Complete a FAFSA
 - Financial need is NOT a requirement
- Private Loans
 - NYHELPS, banks and credit unions

Special Circumstances

- Cannot report on FAFSA
- Send explanation to financial aid office at each college
- College will review special circumstances
 - Request additional documentation
 - Decisions are final and cannot be appealed to U.S. Department of Education

Additional Options



Tuition Payment Plans



Explore additional loans

Federal PLUS loan
Private student loan



**Discuss changes in
circumstances with financial
aid office**

Reminders



Stay organized



Start saving and planning early



Build a winning application



Select a college that is right for you



Complete the FAFSA



Apply for scholarships

Financial Aid Panelists

- Anne Pelak, The College of New Rochelle
- Heather McDonnell, Sarah Lawrence College
- Vanessa Barrios, St. Joseph's College
- Jason Buitrago, University of Rochester