UNDERSTANDING AND EXPLAINING FINANCIAL AID PACKAGES

Katy Murphy

WACAC SLC March 2017
Exploring Options at the Front End

Tools for Exploration
How to Determine "Value": Big Future

Gonzaga University
Spokane, WA

Natl. Average Retention Rate: about 67%
Natl. Average Graduation Rate: 44%
### Financial Aid Distibution

- **89% of need met**
- **100% of freshmen with need who received financial aid**
- **$26,871** Average 1st year financial aid package
- Financial aid can include grants, loans, scholarships and work-study jobs. Every student’s financial aid package varies depending on individual circumstances.

### Financial Aid Stats for All Undergraduates

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
<th>Average Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applied for need-based aid</td>
<td>63%</td>
<td>$4,374</td>
</tr>
<tr>
<td>Judged to have need</td>
<td>82%</td>
<td>$26,442</td>
</tr>
<tr>
<td>Were offered aid</td>
<td>82%</td>
<td>$5,596</td>
</tr>
<tr>
<td>Had full need met</td>
<td>74%</td>
<td>$17,584</td>
</tr>
</tbody>
</table>

**Basic criteria used to determine aid from this school:**

- This school practices need-blind admissions.
- Non need-based aid determined by: Academics
- Need-based aid determined by: Academics

**Tuition Plans Offered:**
- Tuition guarantee plan
Determine “Value””: College Scorecard

University of Redlands
Redlands, CA
3,710 undergraduate students
redlands.edu

- 4 Year
- Private
- City
- Medium

Average Annual Cost
$27,538

Graduation Rate
71%

Salary After Attending
$51,500

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Retention and Graduation Rates and Earnings After School above/below national averages

Graduation & Retention

<table>
<thead>
<tr>
<th>Graduation Rate</th>
<th>Students Who Return After Their First Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>71%</td>
<td>87%</td>
</tr>
<tr>
<td>ABOVE AVERAGE</td>
<td>ABOVE AVERAGE</td>
</tr>
</tbody>
</table>

Earnings After School

<table>
<thead>
<tr>
<th>Percentage Earning Above High School Grad</th>
<th>Salary After Attending</th>
</tr>
</thead>
<tbody>
<tr>
<td>72% of students</td>
<td>$33,500</td>
</tr>
<tr>
<td>who attend this school earned, on average, more than those with only a high school diploma.</td>
<td>$51,500</td>
</tr>
</tbody>
</table>

3/17/2017

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EFC Calculators . . . for all colleges

- www.finaid.org
- www.FAFSA4caster.ed.gov
- www.Collegeboard.com
How A Family Can Get a “Ballpark” Estimate . . . for a specific college

- Every College has a “Net Price Calculator” on the website
- They provide student information and basic information on income, assets and number in family
- Result: based on the info, an estimate of what the student might receive if he was accepted

(Things do change from year to year!)

3/17/2017
Roles of the Counselor

- Help families read financial aid awards
- Help families break out direct or billable costs from personal costs
- Help families reach an understanding of what student and parent loans mean, what work study means, and how payment plans work
Evaluating Actual FA Awards
(Possible) Roles of the Counselor

- Help students understand ramifications of choices
- Help families determine bottom-line costs at each institution
- Help families understand deadlines for sending forms and payments
- Give families information; *they make the decision!*
Help families read financial aid awards

Make sure student has all of the information from the colleges’ portals / packets

Cost of Attendance

Expected Family Contribution

Expected Student Contribution
Cost of Attendance

- Tuition and fees  *(including health insurance)*

- Room and board  *(allowances for living at home or in an apartment)*

- Books

- Transportation

- Personal Expenses
Expected Contributions

- **For parents** . . . Comes from income and asset information from the FAFSA / CSS Profile if submitted

- **For students** . . . Comes from income and asset information and a small portion from expected Summer earnings
The student’s bill includes tuition / fees and room and board if living on campus. Fees can include parking, health, technology, social, etc. The bill is paid by quarter (3 times) or by semester (2 times).
Personal Costs . . . and variance

- If living on campus . . . choice of residence and meal plans
- A car on campus?
- Cost of books and supplies
- Cost of transportation to and from campus if from a distance, how many times home?
- Personal Items: pizza and tide
- Social opportunities: trips, frats, clubs, sports
Loans, Work Study & Payment Plans
Student Loans

- **Direct Subsidized and Unsubsidized Loans**
  - limited by year in college
  - subsidized rates this coming year: 4.66%
  - unsubsidized rates this year: 4.66%
  - ten year repayment, other options
  - one time 6 month grace period

- **Federal Perkins Loans**
  - 5% interest
  - 10 year repayment
  - 9 month grace period
Student Loans

- **Alternative / Market Loans**
  - can carry lower interest rates
  - in student name . . . probably need co-signer
  - no loan fees

- **Institutional Loans**
  - awarded by some colleges, using their own money
  - will provide information on interest and repayment
Parent Loans

- **Federal PLUS Loans**
  - Amount up to cost of attendance minus student financial aid
  - Cannot have “adverse” credit report
  - 10 year repayment
  - 7.9% interest

- **Home Equity Loans / Other Borrowing**
  - Consider monthly payments

- Loan payments are made to the college for the student’s account
Work Study

- Considered Financial Aid

- More offers than jobs usually . . . secure job early

- Usually option to “pre-pay” the bill from Summer earnings and then use the work study checks for personal expenses . . . or just signed over for the bill

- Must be worked!
Payment Plans

- Offered by companies contracted by the college
- Breaks the total year bill up into 8 – 9 – or 10 payments
- Payments usually begin in June / July
- Parents send checks to the company, then the company sends money to the college . . . student bill is then credited
Help Students Understand Choices

- Grades and Academic Loads
- Housing and Meal Options
- Social Opportunities
Help Families Understand the Bottom Line

Compare costs and offers at all of the colleges to which the student has been admitted
<table>
<thead>
<tr>
<th>COSTS / EXPENSES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>tuition and fees</td>
<td>$41,392</td>
<td>$13,416</td>
<td>$43,844</td>
</tr>
<tr>
<td>room and board</td>
<td>$11,910</td>
<td>$14,409</td>
<td>$10,788</td>
</tr>
<tr>
<td><strong>total direct costs</strong></td>
<td>$53,302</td>
<td>$27,825</td>
<td>$54,632</td>
</tr>
<tr>
<td>books and supplies</td>
<td>$1,710</td>
<td>$1,419</td>
<td>$1,050</td>
</tr>
<tr>
<td>transportation</td>
<td>$900</td>
<td>$690</td>
<td></td>
</tr>
<tr>
<td>personal expenses</td>
<td>$2,277</td>
<td>$1,521</td>
<td>$2,052</td>
</tr>
<tr>
<td><strong>total cost of attendance</strong></td>
<td>$58,189</td>
<td>$31,455</td>
<td>$57,734</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OUT OF POCKET EXPENSES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>for the &quot;bill&quot;</td>
<td>$27,702</td>
<td>$18,325</td>
<td>$16,632</td>
</tr>
<tr>
<td>for total costs</td>
<td>$32,589</td>
<td>$21,955</td>
<td>$19,734</td>
</tr>
<tr>
<td>approx. &quot;bill&quot; per quarter</td>
<td>$6,108</td>
<td></td>
<td></td>
</tr>
<tr>
<td>approx. &quot;bill&quot; per semester</td>
<td>$13,851</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>POSSIBLE PARENT PLUS LOAN</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$32,589</td>
<td>$21,955</td>
<td>$19,734</td>
</tr>
<tr>
<td><strong>PAYMENT PLAN</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,770</td>
<td>$610</td>
<td>$1,663</td>
</tr>
</tbody>
</table>
When Considering the Bottom Line

- Fit of the student and the institution
- How many years to graduate?
- Retention rate . . . Frosh to soph?
- Graduation rate
- Total Loan
- Career Placement / internships etc.
### Federal Shopping Sheet

**Graduation Rate**
- Percentage of full-time students who graduate within 6 years

**Loan Default Rate**
- Percentage of borrowers who fall behind on their loan payments

**Median Loan Amount**
- Average amount borrowed by students

**Cost of Attendance**
- Estimated cost of tuition, fees, books, supplies, housing, and transportation

**Grants and Scholarships**
- Total grants and scholarships received
  - Grants from your school
  - Federal Pell Grant
  - Grants from your state
  - Other scholarships

**Net Costs**
- Cost of attendance minus aid

**Options to Pay Net Costs**
- Work-Study (Federal, state, or institutional)

**Loan Options**
- Federal Perkins Loan
- Federal Direct Subsidized Loan
- Federal Direct Unsubsidized Loan

**Other Options**
- Parent PLUS Loan

**Family Contribution**
- Financial assistance from family

For more information and next steps:
- University of the United States
- Financial Aid Office
- E-mail: financialaid@uus.edu

For loan repayment options, go to [http://www.example.com](http://www.example.com)
Help Families Understand

Deadlines

For committing by May 1st with deposits
For responding to the financial aid offer
For registering / signing up for Orientation
For submitting loan and other documents
For responding to requests for more information
For paying the bill / signing up for payment plans
Once they understand their options, THEY MAKE THE DECISION!