UNDERSTANDING AND EXPLAINING FINANCIAL AID PACKAGES

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WACAC SLC March 2017
Exploring Options at the Front End

Tools for Exploration
How to Determine “Value”: Big Future

Gonzaga University
Spokane, WA

At a Glance

Semester
- 12:1 Student-faculty ratio

Natl. Average Retention Rate: about 67%
Natl. Average Graduation Rate: 44%

Degrees Offered
- Bachelor’s
- Master’s
- Doctoral
Financial Aid Distribution

- Avg. Need-Based Loan: $4,374
- Avg. Need-Based Grants: $26,442
- Avg. "Merit" Scholarship: $5,596
- Avg. Indebtedness at Graduation: $17,584
Determine “Value”: College Scorecard

**University of Redlands**

Redlands, CA  
3,710 undergraduate students  
redlands.edu

<table>
<thead>
<tr>
<th>Year</th>
<th>Private</th>
<th>City</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**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

Graduation Rate
- 71% (3/2) ABOVE AVERAGE

Students Who Return After Their First Year
- 87% (3/2) ABOVE AVERAGE

Earnings After School

Percentage Earning Above High School Grad
- 72% of students

Salary After Attending
- $33,500 (3/2) ABOVE AVERAGE
- $51,500 (3/2) ABOVE AVERAGE

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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!)*
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
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
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
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>Line 6</th>
<th>Line 7</th>
<th>Line 8</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>&quot;direct&quot; costs (which means the bill!)</strong></td>
<td>$53,302</td>
<td>$27,825</td>
<td>$54,632</td>
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<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>
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</table>

<table>
<thead>
<tr>
<th>OUT OF POCKET EXPENSES</th>
<th>Line 9</th>
<th>Line 10</th>
<th>Line 11</th>
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<tbody>
<tr>
<td>for the &quot;bill&quot;</td>
<td>$27,702</td>
<td>$18,325</td>
<td>$16,632</td>
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<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></td>
<td></td>
<td>$6,108</td>
</tr>
<tr>
<td>approx. &quot;bill&quot; per semester</td>
<td>$13,851</td>
<td></td>
<td>$1,663</td>
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</table>

<table>
<thead>
<tr>
<th>POSSIBLE PARENT PLUS LOAN</th>
<th>Line 12</th>
<th>Line 13</th>
<th>Line 14</th>
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<tbody>
<tr>
<td>same as # 24</td>
<td>$32,589</td>
<td>$21,955</td>
<td>$19,734</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>PAYMENT PLAN</th>
<th>Line 15</th>
<th>Line 16</th>
<th>Line 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>divide #23 by 10</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.
**University of the United States (UUS)**

**Estimated Cost of Attendance**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$ XXXXX/yr</td>
</tr>
<tr>
<td>Housing and meals</td>
<td>XXXXX</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>XXXXX</td>
</tr>
<tr>
<td>Transportation</td>
<td>XXXXX</td>
</tr>
<tr>
<td>Other educational costs</td>
<td>XXXXX</td>
</tr>
</tbody>
</table>

**Total Estimated Cost of Attendance (ECA)** $ XXXXX/yr

**Grants and Scholarships**

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Grants and Scholarships (GR)</td>
<td>$ XXXXX/yr</td>
</tr>
<tr>
<td>Grants from your school</td>
<td>XXXXX</td>
</tr>
<tr>
<td>Federal Pell Grant</td>
<td>XXXXX</td>
</tr>
<tr>
<td>Grants from your state</td>
<td>XXXXX</td>
</tr>
<tr>
<td>Other scholarships you can use</td>
<td>XXXXX</td>
</tr>
</tbody>
</table>

**Total Grants and Scholarships (GR)** $ XXXXX/yr

**What will you pay for college**

**Net Costs**

Cost (of attendance minus total grants and scholarships) $ XXXXX/yr

**Options to pay net costs**

**Work options**

- Work-Study (Federal, state, or institutional) $ XXXXX/yr

**Loan options**

- Federal Perkins Loans $ XXXXX
- Federal Direct Subsidized Loan $ XXXXX
- Federal Direct Unsubsidized Loan $ XXXXX

**Other options**

- Family Contribution $ XXXXX/yr
- Parent PLUS Loan
- Non-Federal private education loan

**For more information and next steps:**

University of the United States (UUS) Financial Aid Office
123 Main Street
Anytown, ST 12345
Telephone: (123) 456-7890
E-mail: financialaid@uus.edu

**Graduation Rate**

- Percentage of full-time students who graduate within 6 years

**Loan Default Rate**

- Percentage of borrowers entering repayment and defaulting on their loan

**Median Loan Amt.**

- Median borrowing students at UUS typically borrow $XXX per month. Your borrowing may be different.

**Federal Shopping Sheet**

**Cost of Attendance**

**Grants & Schol.**

**Work Loans**
Help Families Understand

Deadlines

For committing by May 1\textsuperscript{st} 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!