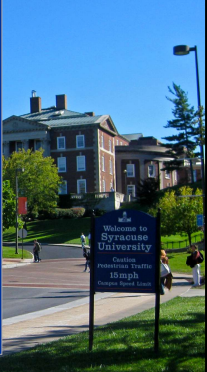


What every Financial Professional should Know about College Funding and Financial Aid

Paula Bishop, CPA Colgate University

Goals for Tonight

- Understand how colleges give out money
- Learn to narrow down colleges a family can afford
- How to pick the colleges with the best aid
- How to guide your clients on how much and how to save



2019-20 Cost of Attendance (Sticker Price)

Includes: tuition, room & board, books, personal, travel

UW	\$28,261
Georgetown	\$82,450
Santa Clara	\$76,138
Univ of Oregon	\$58,740
Chapman	\$79,112
NYU	\$85,612
Community College	\$5,000

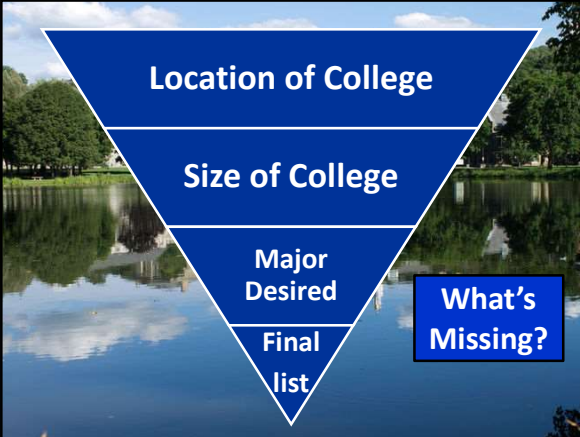
Per Year!



Scholarships and Grants
Two types of Free Money

1. Need Based = Grants
2. Merit Scholarships




Location of College

Size of College

Major Desired

Final list

What's Missing?



What can we afford?

Identify affordable colleges

Location, size, and major

Final list

Revised Order

Will we qualify for aid?

Step 1

Calculate your "Expected Family Contribution" (EFC)

To find EFC Calculator: Go to www.collegeboard.com, enter "EFC Calculator" in search field.



FAFSA Calculates EFC

Hypothetical Family

Cost of Chapman	\$75,112
Less: EFC	<u>(\$20,000)</u>
= Financial Need	\$55,112

Using EFC Calculator

Federal Methodology (FM) Results	
Parents' Contribution for Student =	\$31,819
Student's Contribution =	\$0
Total Estimated FM Contribution =	\$31,819
Institutional Methodology (IM) Results	
Parents' Contribution for Student =	\$32,281
Student's Contribution =	\$1,800
Total Estimated IM Contribution =	\$34,081

To Find: Enter "EFC Calculator" in Web Browser

Using EFC Calculator

Federal Methodology (FM) Results	
Parents' Contribution for Student =	\$38,227
Student's Contribution =	\$0
Total Estimated FM Contribution =	\$38,227
Institutional Methodology (IM) Results	
Parents' Contribution for Student =	\$31,652
Student's Contribution =	\$2,200
Total Estimated IM Contribution =	\$33,852

To Find: Enter "EFC Calculator" in Web Browser
The above based on \$150K earnings

What's my EFC?

Parent's Income	\$50K	\$100K	\$150K	\$200K
1 in college	\$4,000	\$20,000	\$38,000	\$55,000
2 in college	\$2,000	\$10,000	\$19,000	\$27,500


2 students in college discount will be eliminated 2023-2024 academic year

Parent's Income	\$50K	\$100K	\$150K	\$200K
1 or more in college	\$4,000	\$20,000	\$38,000	\$55,000
2 in college	\$2,000	\$10,000	\$19,000	\$27,500

How much aid will you receive?

Step 2

Use Net Price Calculator




Where to find NPC? Type 'Net Price Calculator' in search field of college website

Finding Net Price Calculators


Middlebury

Financial Literacy
How to Apply
Types of Aid
Education Loans
Tuition/Fees/Payment Options & Refunds
Forms / Helpful Links
MyinTuition Quick Cost Estimator
Net Price Calculator
1098-T and 1098-E
SFS Handbook



Examples of Net Price Calculator results for:

- UW
- Chapman
- Univ of Oregon
- Georgetown



Net Price Detective Work

Univ of WA

	UW
Tuition/fees	\$10,753
Room/Board	\$11,691
Books	\$825
Travel	\$414
Misc/Personal	\$2,265
Cost of Attendance	\$25,948
Financial Aid	
College Merit Scholarship	\$0
Need based Grant	\$0
Subsidized Loan at 0%	\$3,500
Unsub Loan at 4.53%	\$2,000
Work Study	\$0
Total Financial Aid:	\$5,500
Out of Pocket after Aid:	\$20,448

GPA 3.7 1300 SAT \$150K income

Cost (points to \$25,948)

Merit Aid & Need Based Aid = \$0 (points to \$0)

Loans (points to \$5,500)

Cost after Aid (points to \$20,448)

Chapman

	Chapman
Tuition/fees	\$54,924
Room/Board	\$16,460
Books	\$1,000
Travel	\$1,000
Misc/Personal	\$1,500
Cost of Attendance	\$74,884
Financial Aid	
College Merit Scholarship	\$18,000
Need based Grant	\$10,600
Subsidized Loan at 0%	\$3,500
Unsub Loan at 4.53%	\$2,000
Work Study	\$3,000
Total Financial Aid:	\$37,100
Out of Pocket after Aid:	\$37,784

GPA 3.7 1300 SAT \$150K income

Total Cost (points to \$74,884)

Merit and Grants (points to \$28,600)

Loans/Job (points to \$5,500)

Cost after Aid (points to \$37,784)

Univ of Oregon

	U of Oregon
Tuition/fees	\$36,615
Room/Board	\$12,400
Books	\$1,000
Travel	\$500
Misc/Personal	\$1,500
Cost of Attendance	\$52,015
Financial Aid	
College Merit Scholarship	\$7,500
Need based Grant	\$0
Subsidized Loan at 0%	\$3,500
Unsub Loan at 4.53%	\$2,000
Work Study	\$0
Total Financial Aid:	\$13,000
Out of Pocket after Aid:	\$39,015

GPA 3.7 1300 EFC \$32K \$150K income

Merit (points to \$7,500)

Loans/Job (points to \$5,500)

Cost after Aid (points to \$39,015)

Georgetown

GPA 4.0 ACT 34 \$150K income

Georgetown	
Tuition/fees	\$56,058
Room/Board	\$16,466
Books	\$1,000
Travel	\$1,500
Misc/Personal	\$1,500
Cost of Attendance	\$76,524
Financial Aid	
College Merit Scholarship	\$0
Need based Grant	\$31,278
Subsidized Loan at 0%	\$3,500
Unsub Loan at 4.53%	\$2,000
Work Study	\$3,000
Total Financial Aid:	\$39,778
Out of Pocket after Aid:	\$36,746

Full Cost

Need Award

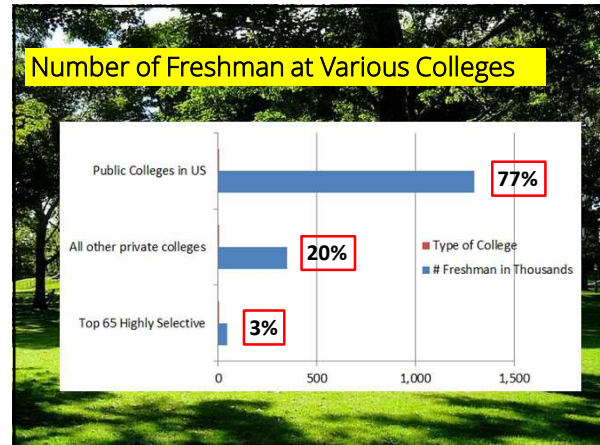
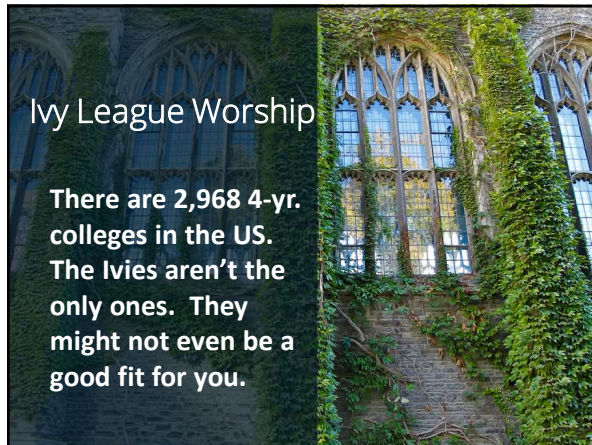
Loans

Cost after Aid

Compare NPC's

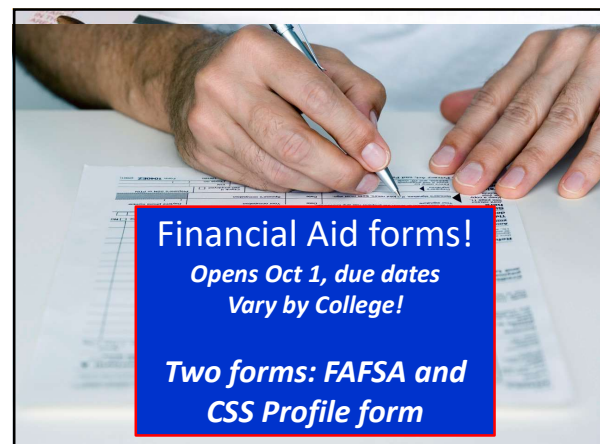
\$150K income

	UW	Chapman	U of O	Georgetown
Tuition/fees	\$11,207	\$54,924	\$36,615	\$56,058
Room/Board	\$12,800	\$16,466	\$12,400	\$16,466
Books	\$1,000	\$1,000	\$1,000	\$1,000
Travel	\$0	\$1,000	\$500	\$1,500
Misc/Personal	\$1,500	\$1,500	\$1,500	\$1,500
Cost of Attendance	\$26,507	\$74,884	\$52,015	\$76,524
Financial Aid				
College Merit Scholarship	\$0	\$18,000	\$7,500	\$0
Need based Grant	\$0	\$10,600	\$0	\$31,278
Subsidized Loan at 0%	\$3,500	\$3,500	\$3,500	\$3,500
Unsub Loan at 4.53%	\$2,000	\$2,000	\$2,000	\$2,000
Work Study	\$0	\$3,000	\$0	\$3,000
Total Financial Aid:	\$5,500	\$37,100	\$13,000	\$39,778
Out of Pocket after Aid:	\$22,400	\$37,784	\$39,015	\$36,746



Where did 60% CEO's of Major Corporations attend College?

Many Non-Elite Colleges such as:



FAFSA vs. Profile

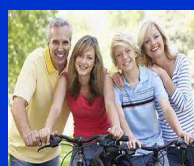
FAFSA EFC

- If divorced, only custodial parent's financial info is used
- Home equity excluded



CSS Profile EFC

- Generally looks at both parent's income/assets
- Generally looks at home equity



Sources of Scholarship

- From Colleges (98%)
- Athletic Awards (1% full rides)
- Private Scholarships (2%)

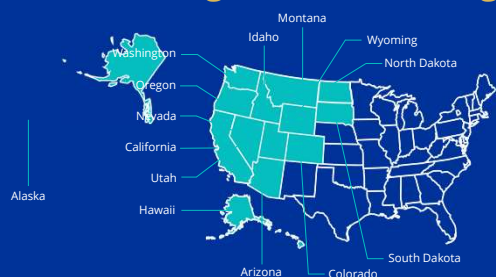
Important Factors

- GPA, SATs, ACTs
- Activities, talents, your 'hook'



Cutting Out-of-State Tuition

Western Undergraduate Exchange



WA students pay 1.5x the in-state rate at various colleges

WUE Examples

Look for honors colleges at state schools

- Colorado State
- University of New Mexico
- Montana State
- University of Hawaii
- University of Nevada
- University of Utah
- Southern Oregon University
- University of Nevada
- Northern Arizona University



Saving for College Options:

1. 529's owned by Parents
2. 529's owned by the Grandparents
3. 529's owned by student from UGMA/UTMA accounts
4. Coverdell accounts (\$2K/yr. limit)
5. Other taxable accounts
6. Gifts from relatives
7. Roth IRAs



Common Merit Awards

- Univ of Portland \$18K-\$25K
- Willamette \$16K - \$28K
- Seattle Univ \$10K - \$30K
- Lewis & Clark \$10K - \$23K
- Gonzaga \$12 - \$25K
- Pacific University \$10K - \$15K
- Linfield \$12K - \$22K
- Tulane \$12K - \$25K
- Case Western \$16K - \$30K
- Univ of Michigan, NYU \$0!!!



Parent's **Must Do's** if they want \$\$

1. Calculate your "Expected Family Contribution "EFC" at Collegeboard.com
2. Access the "Net Price Calculators" on each college's web



What can we afford?

Found affordable colleges

Location, size, and major

Got in!

Now a happy high school grad and their parents!

Questions?

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