

The *Value* of Higher Education



**FINANCIAL PLANNING NIGHT
FOR PARENTS**

Higher Education *is* an Investment



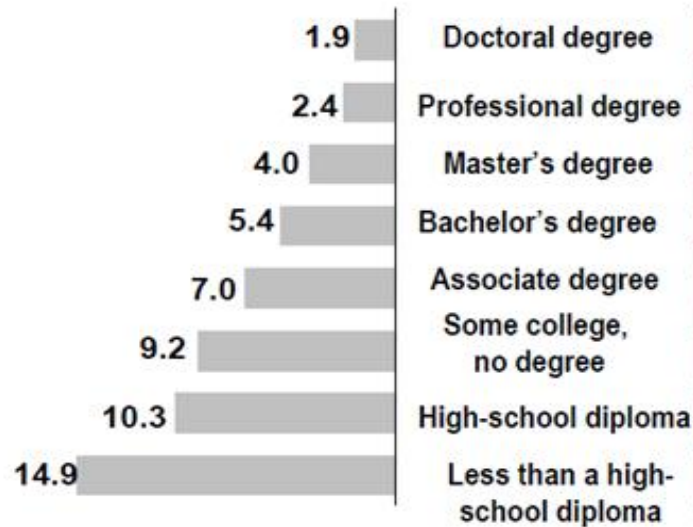
- Thank You
- Value has both short-term and long-term impact
- Tangibles v. Intangibles
- Earning power & quality of life

Value

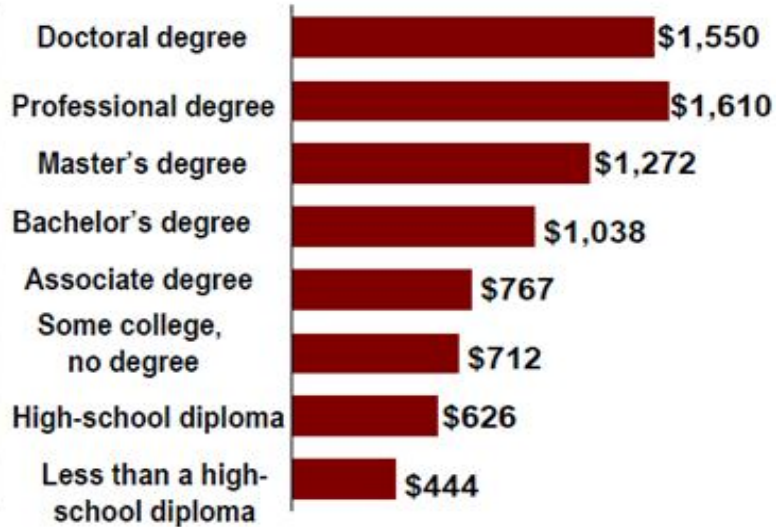


Education Pays ... U.S. Data

Unemployment Rate in 2010



Median Weekly Earnings in 2010



Note: Year-round full-time workers 25 years and older
Source: Bureau of Labor Statistics

Public vs. Private



Differences & Similarities



- Size (enrollment)
- Location
- Cost of attendance (tuition, r & b)
- Degrees offered
- Teaching v. Research

Common Financial Terms (Jargon)



- COA – Cost of Attendance (living needs for a term of enrollment)
- EFC – Estimated Family Contribution
- FAFSA – FREE Application for Federal Student Aid
- SAR – Student Aid Report

Common Terms Cont.



- COE – Cost of Education (tuition, books, fees, supplies)
- Financial Aid Package – Aid offered
- Financial Aid Award – Aid accepted

Dependency Determination



Were you born before January 1, 1988?

Yes No

As of today, are you married?

Yes No

At the beginning of the 2011-2012 school year, will you be working on a master's or doctorate program (such as an MA, MBA, MD, JD, PhD, EdD, or graduate certificate, etc.)?

Yes No

Do you have children who will receive more than half of their support from you between July 1, 2011 and June 30, 2012?

Yes No

Do you have dependents (other than your children or spouse) who live with you and who receive more than half of their support from you, now and through June 30, 2012?

Yes No

Are you currently serving on active duty in the U.S. Armed Forces for purposes other than training?

Yes No

Are you a veteran of the U.S. Armed Forces?

Yes No

Independent Status



At any time since you turned age 13, were both your parents deceased, were you in foster care or were you a dependent or ward of the court?

Yes No

As determined by a court in your state of legal residence, are you or were you an emancipated minor?

Yes No

As determined by a court in your state of legal residence, are you or were you in legal guardianship?

Yes No

On or after July 1, 2010, were you homeless or were you at risk of being homeless?

Yes No

At any time on or after July 1, 2010, did your high school or school district homeless liaison determine that you were an unaccompanied youth who was homeless?

Yes No

At any time on or after July 1, 2010, did the director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development determine that you were an unaccompanied youth who was homeless?

Yes No

At any time on or after July 1, 2010, did the director of a runaway or homeless youth basic center or transitional living program determine that you were an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless?

Yes No

4 Sources



- Federal Government
- State Government
- Your College or University
- External Sources

4 Types of Financial Aid



- Scholarships
- Grants
- Loans
- Work-Study Program

What *does* **Financial Aid** cover???



- Tuition & fees
- Room & Board
- Books & Supplies
- Personal expenses
- Travel

Scholarships



- Do NOT require repayment (Free \$)
- 2 types of scholarships:
 - Merit – GPA, class rank, ACT/SAT scores
 - Talent – Athletic, ATM (art, theatre, & music)

External Scholarships



- Where to look:
 - Employer: parent and student
 - Local organizations (Kiwanis, Rotary, churches, etc.)
 - Institution
 - Richland County Scholarship Foundation
 - <http://www.richlandcountyfoundation.org/scholarships>
 - Scholarship search sites
 - Fastweb.com
 - Studentaid.ed.gov
 - BrokeScholar.com
 - Scholarships.com

Buyer Beware...



- Scholarship scams
- DO NOT pay money for scholarship applications
- DO NOT give credit card information or bank account information to hold a scholarship
- “This scholarship is guaranteed!” (not)

Grants



- Do NOT require repayment (Free \$)
- Eligibility based on financial need

Loan Programs



- **Stafford Loans** - regulated by the federal government, both student and parent loans
- **Perkins Loans** - federal loans administered by each school
- **Alternative Loans** - based on each lender's criteria and your credit score to determine interest rates; may require a co-signer
- **Parent PLUS Loan** – unsubsidized, non-need based

Work-Study Program



- Eligibility based on financial need
- Monies that a student may earn by working a job at the institution or an off campus job provided by the institution.
- Or any place the student finds employment
 - Must be a non-profit agency AND approved by OSU, may differ from school to school

More Funding Options



- **Service Programs**
 - ROTC
 - VA Benefits
 - National Guard
 - Medical (contractual agreement)
 - Vocational Rehabilitation

Steps to Apply for Aid



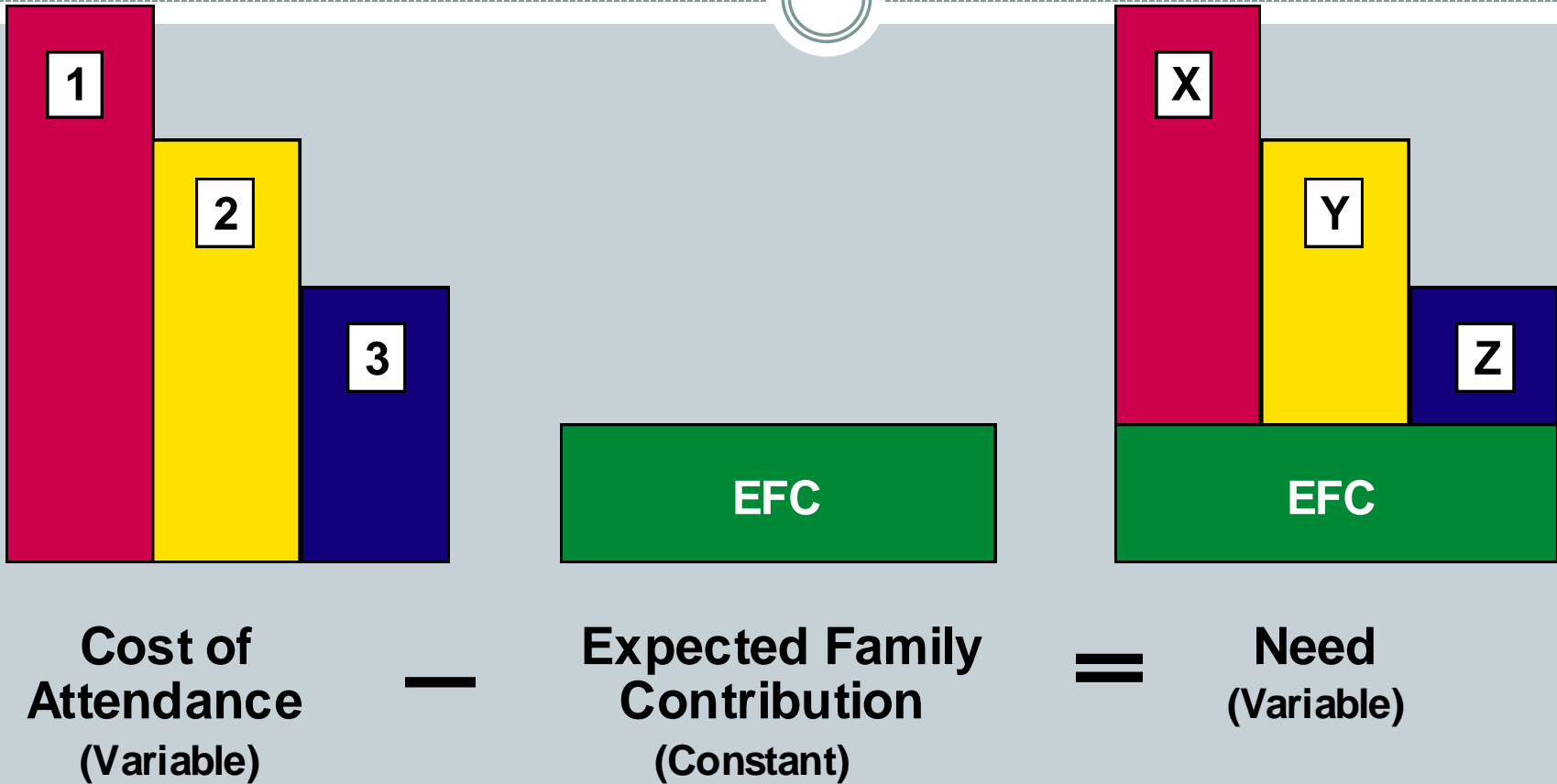
- Complete the FAFSA at www.fafsa.ed.gov
- Get a PIN number from www.pin.ed.gov.
- Find out what you need to file to get the aid you want. *Ask* questions. Don't miss deadlines (Jan. 1 – June 30)

Estimated Family Contribution



- Calculated by the Federal Government
 - Cost of Attendance (COA)
 - Estimated Family Contribution (EFC)
 - = **Financial Need**
- *Financial need changes from institution to institution while your EFC remains the same.**

Need Varies Based on Cost



5 Basic Groups of College Expenses



- **Tuition and Fees**

- This is the price of your education. It may vary based on your academic program and the number of credit hours you take each term. If the tuition is not the same for all full-time students, you may have to calculate your own tuition based on the charges per credit hour for each course you take.

- **Room and Board**

- If you live and eat your meals on campus, the college bills you for these expenses. The charges vary depending on the room and meal plan you choose. If you plan to live at home or off campus, you need to make your own estimate of these expenses.

- **Books and Supplies**

- These expenses cover your course materials. If your college hasn't provided an estimate for you, consider using the national average, which at four-year public colleges in 2010-11 is \$1,137.

College Expenses...



- **Personal Expenses**

- The costs for things such as laundry and cell phone service fall under personal expenses. Keep careful track of these as they can quickly add up. Use this to help you plan: The national average in 2010-11 for four-year public college students who live on campus is \$1,989.

- **Transportation**

- Transportation is a significant expense, whether you are commuting to campus or just occasionally returning home. If your college hasn't supplied an estimated travel budget, make your own based on how you plan to go back and forth for holidays (bus, train, plane or car) and how often you plan to make the trip. Four-year public college students who live on campus spent an average of \$1,073 on transportation in 2010-11.

What *does* it Cost to go to College?



- It Varies...
- Nearly half (47 percent) of all full-time undergraduate college students attend a four-year college that has published charges of less than \$9,000 per year for tuition and fees.
- At the other end of the spectrum are private four-year colleges that cost \$35,000 or more yearly in tuition and fees. These higher-priced colleges sometimes have bigger endowments and more grant aid available — which may mean that you can get more financial help to attend that institution.

Costs Continued...



- At two-year colleges, the average cost for tuition and fees is \$2,713. Learn about the [two-year college experience](#).
- A handful of colleges either charge no tuition at all or offer all students full scholarships covering tuition costs.
- Your goal is to choose a college that's a good fit for you. Think about whether you like the campus culture and if there is enough academic support to help you do well in your classes.
- Talk with your family about where you would like to go to college and what you can afford. Then take into account the total cost of attendance through graduation.

Sticker Price vs. Affordability



- Keep in mind that the actual price the average undergraduate pays for a college education is considerably lower than the published tuition and fees. This is usually due to grants and other forms of [financial aid](#). Look at what it really costs to attend college:
- Public four-year colleges charge, on average, \$7,605 per year in tuition and fees for in-state students. The average surcharge for full-time out-of-state students at these institutions is \$11,990.
- Private nonprofit four-year colleges charge, on average, \$27,293 per year in tuition and fees.
- Public two-year colleges charge, on average, \$2,713 per year in tuition and fees.
- Of course, that's not the total price. You still have to live somewhere, eat, buy books and supplies, and do your laundry. Read more about [additional college costs](#) you need to consider.

Factor in your Financial Aid



- Most students receive financial aid. In 2009-10, more than \$154 billion in financial aid was awarded to undergraduate students. The average amount of aid for a full-time undergraduate student was about \$11,500, including more than \$6,000 in grants that don't have to be repaid.
- Despite all the talk about high prices and price increases, a college education remains an affordable choice for most families. Learn more about [how financial aid works](#).

Resources



- www.oasfaa.org
- www.studentaid.ed.gov
- www.finaid.org
- www.ohiocan.org
- www.fafsa.ed.gov

College Goal Sunday



- Sunday, February 12 at 2 p.m.
- The Ohio State University at Mansfield
 - Conard Learning Center
 - www.ohiocollegegoalsunday.org

Contact Information



- The Ohio State University at Mansfield

- Ken Sigler sigler.62@osu.edu
- Deb Tabor tabor.42@osue.edu
- Jenny Borden borden.34@osu.edu

➤ For appointments, contact (419) 755-4317

➤ Resources provided by U.S. Department of Education & the College Board