FINANCING YOUR FUTURE
Welcome!

Financial Realities of Paying for College

How to match your resources to your college choices
Financial Realities of Paying for College
In 2011 . . .

- 19.7 million students in college
- 0.3% of full-time students at 4-yrs got full cost of college covered by grants & scholarships
- Only 250 private full-ride scholarships nationally
- Only 2% of h.s. students got an athletic schol.
- Best way to get a scholarship? Good grades.
Financial Realities of Paying for College

Who paid the bill in 2011...
Avg 4-yr cost: $15,800 (public) to $40,600 (private) per year

- . . . 37% paid by parents (9% borrowing)
- . . . 30% paid by student (18% borrowing)
- . . . 29% paid by grants/scholarships
- . . . 4% paid through other sources

How America Pays for College 2012, IPSOS Public Affairs
Financial Realities of Paying for College

Almost 50% of parents ...

. . . ask students to contribute
. . . ask students to compromise
. . . allow students to live at home
. . . encourage students to go to public univ.
. . . ask students to work part-time

“How America Pays for College 2012” IPSOS Public Affairs
Financial Realities of Paying for College

Less than 35% of parents ...

- ... Speak to their kids about college costs
- ... Speak to their kids about controlling debt
- ... Speak to their kids about future job optys
- ... Suggest their kids graduate more quickly

CNNMoney, 8/29/2012, “Parents to College Kids: Live at home, get a job”, Blake Ellis
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Filling the gap . . .

- Reduce costs
  - Start at home then transfer
  - Save on books – rent, online, buy used, buy early
  - Live at home, know rules for off v. on campus
  - Keep insurance costs down – what are you driving?
  - Get needs, forget wants
  - Summer after HS is not your last hurrah
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Filling the gap . . .

Maximize aid

- Save your financial aid refunds for books, summer
- Get out in 4 – take 30 hrs or more/year
- Complete what you start – dropping is expensive
- Know the financial aid rules – don’t lose aid
- See your academic advisor – know your grad date
- Know which scholarships are renewable and how
- Apply EARLY
Financial Realities of Paying for College

- The longer you go, the more college costs
- Working can cost you more than it’s worth
- 1/3 to ½ of college costs are room and board
- Last year’s income may not = this year’s
- The feds require parent resource information for a reason - there are no ‘loopholes’
Dependency Status

- NOT related to exemptions on tax return
- NOT related to living away from home
- Not related to how much parents contribute to the student’s education
- Emancipation as adult has no effect
Dependency Questions

1. Born before 1/1/1990? (13/14)
2. Married?
3. Working on Master’s?
4. Active duty military?
5. Veteran?
6. Supporting children?
7. Other dependents?
8. Parents deceased?
9. Legal guardianship?
10. Foster care?
11. Ward of the court?
12. Emancipated MINOR?
13. Homeless?
Dependency Myth-buster

- Parents are never required to pay for education (exception: court orders)
- Being “independent” may not be best
- You can be “independent” and live at home
- You can be “dependent” and live on your own
- You can have a baby and still be dependent
Dependency Appeal
(Only appeal at school you attend – see financial aid office for form, procedure)

- NOT granted if parent refuses to provide tax information (student can still file w/o parent information and get loans only)
- NOT granted for temporary communication issues (common at this time of life)
- NOT granted if parent refuses to or cannot help pay for college
- Extreme/unusual circumstances
Special Circumstance Appeal

When the student, parent(s), or spouse:

- Lost their job or left to return to school
- Had extraordinary medical expenses
- Had other unusual one-time expenses
- Roth IRA roll-overs
Special Circumstance
Appeal

When the student, parent(s), or spouse:
  • Became divorced, separated or widowed
  • Loses a resource (worker’s comp, child support, unemployment)
  • Has a parent in college without federal aid or change in household size
Special Circumstance Appeal

Documentation is the key
Only appeal at final school choice
Requires FAFSA verification
Takes time
LET’S GET REAL

Parents:

- File FAFSA yearly – reminders sent to students
- Get those taxes done early!
- Do not cut your student out of the process
- Consider starting or finishing your own degree
- State residency determined by the parent
LET’S GET REAL

Expensive and misinformed choices – don’t do these things just for financial aid:

- DON’T cash out your retirement
- DON’T have your student move out/claim themselves
- DON’T file for emancipation – other consequences
- DON’T pay for a POA
LET’S GET REAL

Students:

- Your college bill is yours alone – take responsibility
- Your aid is not an entitlement – protect it
- College is hard – plan for success
- Money management is critical – start now
- Making adult decisions is hard – get help
FERPA
Family Education
Right to Privacy Act

- Before enrollment – parents OK
- After enrollment – student only or both (parents/spouse)
- FAFSA questions are exception
- General information OK
- POA not relevant/Permission options
Sunday, February 24, 2013
IU Southeast Library
2:00 – 4:00 p.m.

www.collegegoalsunday.org/
A survey form is in your packet. Please take the time to respond to help us make this program better.
Questions?
Thank you for coming.

Professionals will stay to answer your individual questions following the workshop.
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