

Paying for higher education

Family conversations

One of the most important steps on this journey is the family financial conversation – don't skip it!

- How much of income/assets can be used?
- What can we afford as a family?
- What is the full cost for 4+ years?
- Do we have more than one student to plan for?
- What can my student afford?

The real cost of college

Direct costs



Tuition and Fees
Housing
Meal Plan

Indirect costs



Books
Computer
Driving/Parking Car
Cell Phone
Personal supplies
Discretionary Spending

Average tuition comparison

2-Year Community College (tuition only)
 $\$6,000/\text{year} \times 2 = \$12,000$

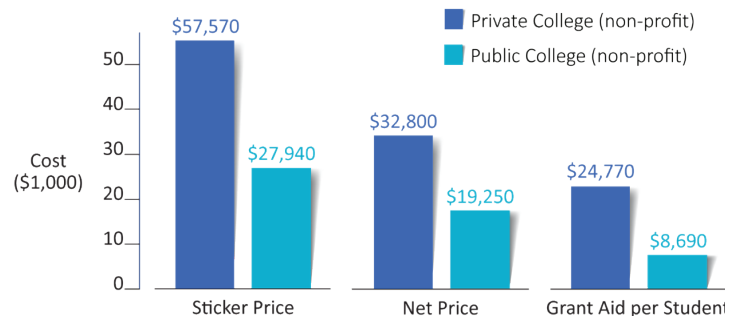
4-Year out of state Public (tuition, room & board, books, misc.)
 $\$46,730/\text{year} \times 4 = \$186,920$

4-Year SUNY (tuition, room & board, books, misc.)
 $\$28,820/\text{year} \times 4 = \$115,280$

4-Year Private (tuition, room & board, books, misc.)
 $\$60,420/\text{year} \times 4 = \$241,680$

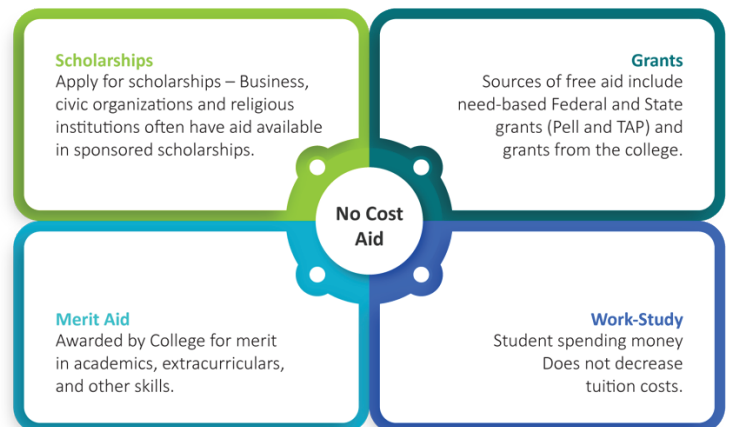
Sticker price vs. net price

Tuition, Fees, Room and Board



SOURCE: Average figures, College Board Annual Survey of Colleges; NCES, IPEDS Fall 2020 enrollment data; Student Watch and Student Monitor

What is "aid"?



How to obtain aid

Complete the FAFSA at studentaid.gov

Tips

- The sooner you have the FAFSA completed, the better.
- Return to the FAFSA form to add schools as you are considering them.
- There is no obligation to attend a school you've added to the FAFSA form
- When you apply to each school your FAFSA information is used to provide a financial aid offer.
- Financial aid offers may include loans.
- FAFSA must be completed for every year of attendance (generally in October for the next year of attendance).

What is the Student Aid Index (SAI)?

SAI is a number produced based on the information in your FAFSA. The SAI ranges from -1500 to 999999. Where your SAI falls in this range helps each school determine your financial need. The lower your SAI, the higher your financial need. If your student has applied to a school that determines aid “solely” on need and not merit, filling out the FAFSA properly is even more important. SAI does not represent the dollar amount of aid you’ll receive or indicate how much your family is expected to contribute.

How is aid determined?

Your total aid package is determined by the individual schools you apply to and calculated using:

- The cost of attendance (COA) of the school
- Your Student Aid Index (SAI)
- Your year in school
- Your enrollment status - part time vs. full time

Your package may include both need-based and non-need-based aid. Estimate yours with:
Studentaid.gov/aid-estimator

No-cost aid examples

Excelsior Scholarship

Tuition Free!

- Must be resident of NYS and plan to attend CUNY or SUNY
- Must complete 30 credits per year
- Must plan to live in NYS for length of participation in program
- \$125,000 family income limit

Pell Grant

Max award of \$7,395

- Must demonstrate exceptional financial need
- Must complete FAFSA to be eligible
- Based on SAI and cost of institution

Tuition Assistance Program (TAP)

\$1,000 - \$5,665

- Must be a NYS resident for 12 continuous months
- Must attend approved college in NYS
- Must take 12 or more credits per semester
- Student income limits

Managing financial aid packages and award letters

- Compare similar colleges – ask for additional aid in the form of an appeal by using offers from competing colleges
- Examine types of aid offered (grants, merit awards, scholarships, and other no-cost aid) and loans (federal subsidized and unsubsidized, federal plus)
- Identify the net cost, as compared to the sticker price. This amount represents how much funding is needed to fully pay for a year of attendance.


Loans

Some of the aid you will use is in the form of a loan. The student and/or guardian may qualify for non-need-based Federal loans, but these may not cover the full remaining net price even when combined with scholarships and other no-cost aid. Sources of funding such as private loans from a bank, credit union, or similar college loan resource, home equity loans, or Parent Plus loans may be ways to pay the remainder.

Loan tips:


- Carefully examine the terms of each loan and what payment options are available.
- Identify fees associated with potential loans. They vary and can be a flat amount or percent of the loan amount.
- Pay as much interest while in school as you can, if you are unable to start making full loan payments right away.
- Loan payment is required whether or not you complete the program or are dissatisfied with the education received.
- Potential consequences of unpaid loans include: added collection fees, garnished wages, seizure of tax refunds, and negative credit impact.

Example of repayment terms and total payback



Direct Federal Loans

- \$27,000
- Interest-only payments for 54 months
- \$308/month based on unsubsidized rate of 6.58% APR**
- 10-year term
- Total Payback: \$36,930



Parent Plus Loan

- \$50,000
- \$636 monthly payment based on current 9.08% APR**
- 10-year term
- Total Payback: \$76,283