Paying for College 101: The Basics

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SHPE Chapter at OSU
Session Topics

- College Costs
- Ways of Paying for College
- Types of Financial Aid
- FAFSA
- Informative Websites
How much will my education cost?

Average Costs per Academic Year Regardless of Major

- $14,000 for a Technical/Trade School
- $14,000 for 2-year Public
- $19,000 for 4-year Public In-State
- $31,000 for 4-year Public Out-of-State
- $35,000 for 4-year Private School

Source: collegeboard.com
Cost Breakdown

- Tuition & fees
- Room & board
- Books & supplies
- Personal expenses
- Transportation
## In-State Costs in Ohio (2013-2014)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Tuition &amp; fees</th>
<th>Room &amp; board</th>
<th>Book &amp; Supplies</th>
<th>Misc./Personal</th>
<th>Transportation</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbus State</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2 Year Public</td>
</tr>
<tr>
<td></td>
<td>$2,958</td>
<td>$7,068</td>
<td>$1,344</td>
<td>$1,992</td>
<td>$122</td>
<td>$13,362</td>
</tr>
<tr>
<td>Ohio State Univ.</td>
<td>$10,010</td>
<td>$11,740</td>
<td>$1,248</td>
<td></td>
<td></td>
<td>4 Year Public</td>
</tr>
<tr>
<td>Univ. of Cincinnati</td>
<td>$10,784</td>
<td>$10,290</td>
<td>$1,570</td>
<td>$4,030</td>
<td>$542</td>
<td>4 Year Public</td>
</tr>
<tr>
<td>Case Western Reserve Univ.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4 Year Private</td>
</tr>
<tr>
<td></td>
<td>$42,230</td>
<td>$12,898</td>
<td>$1,200</td>
<td>$1,350</td>
<td>$550</td>
<td>4 Year Private</td>
</tr>
</tbody>
</table>

**Total Cost**

Columbus State: $13,362

Ohio State Univ: $25,452

Univ. of Cincinnati: $27,216

Case Western Reserve Univ: $58,228
## Future College Costs

<table>
<thead>
<tr>
<th>School Year</th>
<th>Public Colleges &amp; Universities</th>
<th>Private Colleges &amp; Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2013</td>
<td>$18,403</td>
<td>$40,472</td>
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<tr>
<td>2013-2014</td>
<td>$18,963</td>
<td>$41,958</td>
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<tr>
<td>2014-2015</td>
<td>$19,540</td>
<td>$43,235</td>
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<tr>
<td>2015-2016</td>
<td>$20,134</td>
<td>$44,550</td>
</tr>
<tr>
<td>2016-2017</td>
<td>$20,746</td>
<td>$45,905</td>
</tr>
<tr>
<td>2017-2018</td>
<td>$21,377</td>
<td>$47,301</td>
</tr>
<tr>
<td>2018-2019</td>
<td>$22,028</td>
<td>$48,740</td>
</tr>
<tr>
<td>2019-2020</td>
<td>$22,698</td>
<td>$50,222</td>
</tr>
</tbody>
</table>

*Figures are estimated projections (at 3% inflation) based on the average cost of tuition at public and private universities for the 2012–2013 academic year.*

Source: massmutual.com
Ways of Paying for College

- **Out of Pocket & College Saving Plans**
  - CollegeAdvantage 529 Account (Ohio’s College Savings Plan)
  - Benefit of federal and state tax-free growth on the money saved
  - Can use funds at any accredited college in the country

- **U.S. Government Aid**
  - Scholarships, Loans, Grants, Work Study
  - Must complete the FAFSA

- **State-Sponsored Aid**
  - Scholarships, Grants
Ways of Paying for College (continued)

- **Institutional Aid**
  - University scholarships, Department scholarships, Athletic scholarships

- **Military**
  - GI Bill, Scholarships for veterans

- **Low Cost Pathways**
  - Start at community college → finish at main university
  - Ex) Start at Columbus State → finish at Ohio State
Types of Financial Aid

❖ Scholarships
  ➢ Awarded based on academic merit, special talents, leadership accomplishments and/or financial need.
  ➢ May also be awarded to facilitate access for underserved populations.
  ➢ Repayment is not required
  ➢ Many sources: Federal Gov., State Gov., Colleges, Companies, Non-profits, Alumni groups, Individuals, National organizations
Types of Financial Aid

Grants

- Gift aid based primarily on financial need
- Available through federal and state governments
- Repayment is not required
- Funding levels may vary from year to year according to legislative appropriation
- Must complete the FAFSA
Types of Financial Aid

- **Loans**
  - Borrowing money
  - Must be repaid with interest (a fee for borrowing money)
  - Federal loans: both need-based (Perkins, Subsidized) & non-need based (Unsubsidized, Parent PLUS); must complete the FAFSA
  - Private loans: from banks or other financial institutions
  - Other sources: colleges, foundations
Types of Financial Aid

Federal Work Study Program

- Award that enables students to work for part of their aid
- Students are awarded the dollar amount that they may earn over the course of the academic year
- Usually take a part-time campus job (Ohio also lets students work at non-profit organizations)
- Program is funded by the federal government
- Must complete the FAFSA
FAFSA

- **Free Application for Federal Student Aid**

- Used by federal government, state agencies, colleges, and some scholarship agencies to determine how much and what kind of aid you are eligible to receive

- A snapshot of your finances
  - Student and Parent Income
  - Savings and Investments
  - Benefits
  - State Tax Rates
FAFSA Eligibility

- Have a high school diploma or a General Education Development (GED) certificate
- Are working toward a degree or certificate in an eligible program
- Are a U.S. citizen, U.S. Permanent Resident with an Alien Registration Card, or an eligible non-citizen (refugee, asylum granted)
- Have a valid Social Security Number
- Some states offer their own financial aid applications for students who do not meet these qualifications
FAFSA Process

- Complete online at www.fafsa.ed.gov
- Online FAFSA is processed in a few days versus a paper FAFSA that can take a few weeks
- Get a PIN number online www.pin.ed.gov
- A new FAFSA application must be submitted for each academic year
- One application per student, not per family
- Check your college’s Priority Dates to get the best aid
Student Aid Report (SAR)

- Report that results from your FAFSA
- Sent to students by email
- Retain for personal records

The SAR will include the Expected Family Contribution (EFC)

- This information will be shared with your college
Additional Requirements

- You may be asked to provide additional documents by your college/university
- Each college has its own financial aid deadline
- Always contact the Financial Aid Office or your financial aid representatives at your college for assistance
How Financial Aid is Determined

**COA:** Total Cost of Attendance for one academic year at the student’s institution (varies by school)

**EFC:** Expected Family Contribution – the amount is determined on your FAFSA

\[ \text{COA} - \text{EFC} = \text{Need}^* \]

*This amount will vary at each school*
Financial Aid Package

Based on the Need, a student will receive a Financial Aid Package consisting of different forms of assistance:

- **Gift (Free) Aid**
  - Grants
  - Scholarships

- **Self-Help Aid**
  - Work Study
  - Loans
Example: Financial Aid

COA – EFC = Need
$14,000 - $5,000 = $9,000 Need

Sample Financial Aid Package

- Institution Scholarship $1,500
- State Grant $3,500
- Work Study $2,500
- Federal Loan $1,500

Total: $9,000

Students **DO NOT** have to accept the entire financial aid package. They can select the types of aid they want and seek additional funding elsewhere.
Informative Websites

❖ The Ohio State University (www.osu.edu)
  - “Future Students” tab → “Admissions” link
  - Under the “Money Matters” tab – has good information about OSU scholarships, financial aid basics, and links to other helpful websites

❖ The College Board (https://bigfuture.collegeboard.org/)
  - Under the “Get Started” tab - has information for undocumented students
  - Under the “Find Colleges” tab - has good information about types of colleges

❖ Ohio Means Success (http://www.ohiomeanssuccess.org/)
  - “Parents and Families” tab → “Pay for College” link – has good information about Ohio’s College 529 Savings Plans