

HELPING FAMILIES MINIMIZE THE COST OF COLLEGE

COLLEGE PLANNING IS DIFFERENT THAN COLLEGE SAVING



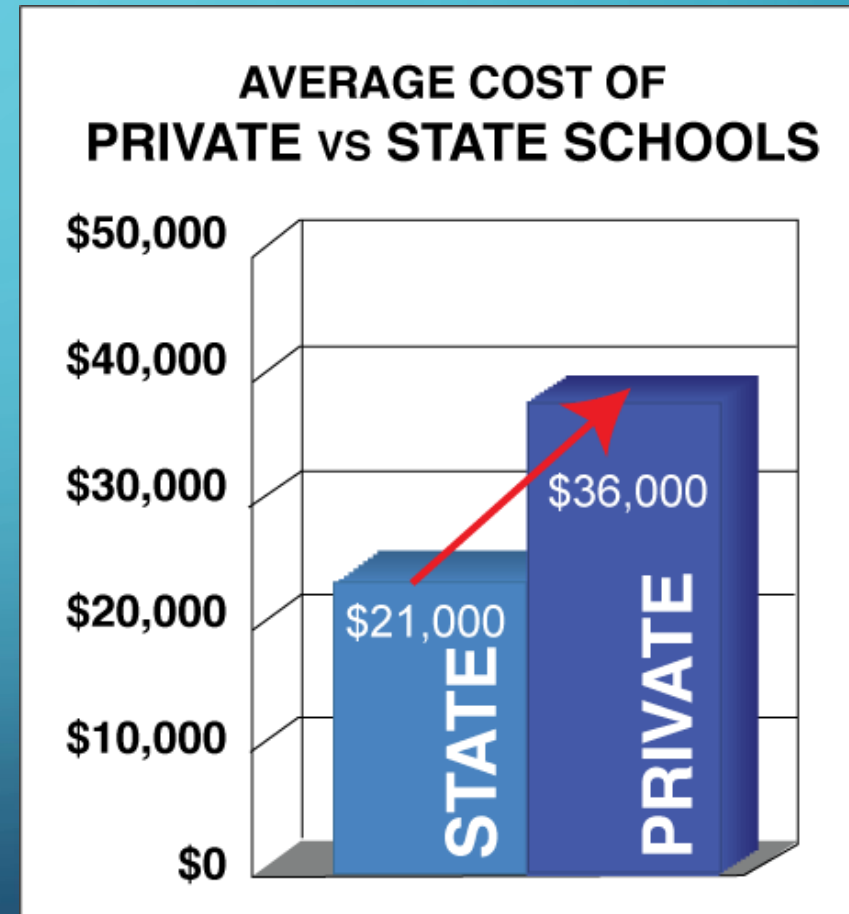
PARENTS BIGGEST CONCERNS:

- Missing deadlines
- Making mistakes
- Not having time to do everything involved
- Developing a plan to pay for college
- Doing something that will hurt their child's chances for college admission
- Doing something that will cause them to not get the most financial aid possible



COLLEGE IS REALLY EXPENSIVE!

- 4 years can cost \$90,000 to \$280,000 for just one child!
- Multiply by the number of kids you have!
- Keeps going up by 7-8%, every single year! Costs include:
Tuition, room and board, living expenses, fees, computer and phone, etc.



MYTHS MYTHS EVERYWHERE...

• MYTH vs REALITY

- I make too much money
- My child is not a great student
- I own a home
- It's a quick and simple process
- College aid officers will help



“WE DON’T NEED TO SAVE-HE IS GETTING A SCHOLARSHIP!”

- What % of the \$245 billion dollars available in Student Aid came in the form of private scholarships?
- fastweb.com; scholarships.com; zinch.com
- Just like in Las Vegas or Day Trading, you only hear about the winners...



HOW IS NEED DETERMINED?

• $\text{TCOA} - \text{EFC} = \text{Need}$

- TCOA=Total Cost of Attendance
- EFC=Expected Family Contribution (from FAFSA or CSS Profile)
- FAFSA=**ALWAYS DO IT**=Free App Federal Student Aid- another myth
- CSS Profile=College Scholarship Service-only a % of schools requires this in **addition** to the FAFSA



ADDITIONAL FORMS CAN BE REQUIRED

- **Additional Forms:**

- Business/Farm Supplement
- Divorced/Separated Agreement



NOT ALL COLLEGES ARE CREATED EQUAL..

✓ **Percentage Of Need Met**

- Some schools meet 100% of need
- Others only meet 30-50%!
- What percentage of gift aid does the College give? (Some give FREE money, some give loans)
- This is what often makes expensive private colleges cheaper than state schools



IGNORING THE STICKER PRICE-

UNIVERSITY OF CHICAGO

- Cost: \$65,716
- EFC: \$10,000
- Need: \$55,716

School A

Meets 100% need=\$55,716

Gift Aid: 96%=53,487

Self Help: 4%=\$2,229

Total EFC: \$10,000

Total Gift: \$53,487

Total Self: \$2,229

OHIO UNIVERSITY

- Cost: \$23,976
- EFC: \$10,000
- Need: \$13,976

School B

Meets 60% need = \$8,386 (\$5,590 short!)

Gift Aid: 57%=\$4,780

Self Help: 43%=\$3,606

EFC:	\$10,000
+ Unmet Need=	<u>\$5,590</u>
Total EFC:	\$15,590
Total Gift:	\$4,780
Total Self:	\$3,606

EXAMPLE OF TWO ALMOST IDENTICAL FAMILIES-

- Family Income: \$80,000
- Assets (exc home): \$60,000
- Home Equity: \$100,000
- Number in family: 4
- Number in school: 1
- FC: \$28,703

- Family Income: \$80,000
- Assets (exc home): \$60,000
- Home Equity: \$100,000
- Number in family: 4
- Number in school: 1
- FC: \$16,443

529S

- College Savings Strategy
- Tax advantages
- College Planning Strategy??
 - Who owns it?
 - When are we using it?
 - What schools are we considering?
 - What is the AGI of parents
 - What other assets are we dealing with?
 - What are the student's merits?

FREE RESOURCE - BASIC VERSION

mytutionscore

Mytutionscore.com