“Managing the Price of College”

SUNY NEW PALTZ
Office of Financial Aid
OVERVIEW OF PRESENTATION

• Key trends in costs and funding
• Traditional and Non-Traditional ways of paying for college
• How to determine student aid eligibility
• Understanding the costs of college
• Financing options and other resources
• Establishing a family plan to lessen anxiety and manage college costs
• The future of your investment
Key Trends in Costs and Funding

• College costs are increasing
• Cuts to federal and state programs continue
• Financial aid program funding is remaining flat which leaves families with large unmet need
• Extremely minimal university grant aid
WHAT IS FINANCIAL AID?

- Scholarships
- Grants
- Loans
- Employment Opportunities
SUNY New Paltz’s Major Grant Programs

• **PELL Grant**
  - Must have an EFC between $0-$5,198
  - Maximum award is $5,775 for year
  - Minimum award is $581 for year
  - Received by approximately 34% of students

• **NYS TAP Grant**
  - Based on NYS net taxable income
  - Income limit of less than $80,000 NYS net taxable income
  - Maximum award is $5,165
  - Minimum award is $500
  - Received by 43% of full-time students
FINANCIAL AID PROGRAMS

“Regardless of income, all families are generally eligible to participate in the following programs.”

- **Direct Student Loans**: $2,750 per semester or $5,500 per year (Subsidized and/or Unsubsidized). Amounts increase for subsequent years of study.

- **Direct Parent (PLUS) Loans**: Parents may borrow up to the cost of education minus all other financial aid received.
CONTINUED...

- **New Paltz Time Payment Plan**: Families may divide semester direct costs over a four to five month period. www.newpaltz.edu/student_accounts/nppp.html

- **Part-Time Employment**: Jobs are available and located both on and off campus for students to earn funds to assist with personal expenses throughout the year: www.newpaltz.edu/financialaid/employment.html

- **Exploring Scholarship Opportunities Presentation and Free Scholarship Search on the Internet**: www.newpaltz.edu/financialaid/scholarships.html
HOW IS FINANCIAL AID ELIGIBILITY DETERMINED?
Free Application for Federal Student Aid

FAFSA
You must submit a FAFSA at www.fafsa.ed.gov to be considered for financial aid.

Apply for New York State aid (TAP Grant) via the FAFSA or at www.hesc.ny.gov.

Your FAFSA information determines your Expected Family Contribution (EFC).
EXPECTED FAMILY CONTRIBUTION (EFC)

• EFC is determined by:
  – Parent’s income and assets
  – Student’s income and assets
  – Size of family
  – Number of children in college

Annual Cost minus EFC = Financial Need
FINANCIAL AID ELIGIBILITY LETTER

- Indicates programs and amounts of financial aid available
  - Grants (TAP, PELL, SEOG, SUNY Tuition Credit)
  - Loans (Direct Student Loan, Direct Parent Loan)
  - Work (Work Study)
## What We Try to Remind Students Every Day!

Comparing Student Financial Aid (SFA) Award Packages

<table>
<thead>
<tr>
<th>Institution</th>
<th>COA</th>
<th>SFA Package</th>
<th>Net Cost to Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUNY COA</td>
<td>$23,600</td>
<td>- 9,650</td>
<td><strong>$13,950</strong></td>
</tr>
<tr>
<td>SUNY SFA Package</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-SUNY COA</td>
<td>$51,250</td>
<td>- 22,000</td>
<td><strong>$29,250</strong></td>
</tr>
<tr>
<td>Non-SUNY SFA Package</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Focus on Net Cost vs. SFA Package
- Focus on Type of Aid & Total Amount
COST TO ATTEND COLLEGE FOR FOUR YEARS

Source: Newsweek
COSTS OF COLLEGE

Direct Costs (Billed):
- Tuition & Fees
- Room & Meals

Indirect Costs:
- Transportation
- Personal Expenses
- Books & Supplies

DIRECT + INDIRECT = ANNUAL COST
**Estimated Fall 2016-Spring 2017**

Direct Costs of Attendance (As of 10/9/15)

<table>
<thead>
<tr>
<th></th>
<th>Fall</th>
<th>Spring</th>
<th>Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$3,235</td>
<td>$3,235</td>
<td>$6,470</td>
</tr>
<tr>
<td>Fees</td>
<td>665</td>
<td>665</td>
<td>1,330</td>
</tr>
<tr>
<td>Room</td>
<td>4,010</td>
<td>4,010</td>
<td>8,020</td>
</tr>
<tr>
<td>Board</td>
<td>1,990</td>
<td>1,990</td>
<td>3,980</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,900</strong></td>
<td><strong>$9,900</strong></td>
<td><strong>$19,800</strong></td>
</tr>
</tbody>
</table>

(Out of State Students add $4,925 per semester and $9,850 per year) *Costs are subject to change
Estimated Fall 2016-Spring 2017

Additional Indirect Costs (As of 10/9/15)

<table>
<thead>
<tr>
<th></th>
<th>YEAR TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOOKS AND SUPPLIES</td>
<td>$1,600</td>
</tr>
<tr>
<td>PERSONAL EXPENSES</td>
<td>$900</td>
</tr>
<tr>
<td>TRANSPORTATION</td>
<td>$1,300</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$3,800</td>
</tr>
<tr>
<td>DIRECT COSTS</td>
<td>$19,800</td>
</tr>
<tr>
<td>ADDITIONAL INDIRECT COSTS</td>
<td>$3,800</td>
</tr>
<tr>
<td>TOTAL COST</td>
<td>$23,600</td>
</tr>
</tbody>
</table>

(Out of State Students add $4,925 per semester and $9,850 per year) *Costs are subject to change
FINANCING OPTIONS

• New Paltz Time Payment Plan

• Direct Student Loan & Direct Parent Loan (PLUS Loan)

• Private Loans
OTHER RESOURCES

*TAX BENEFITS

• **DEDUCTIONS**: Up to $4,000 for higher education expenses.

• **TAX CREDITS**: Up to $2,000 for the Lifetime Learning Tax Credit (per family) or up to $2,500 per student for the American Opportunity Tax Credit. Only one of these tax credits can be taken.

*Subject to various income limits, etc…

(Contact your tax advisor)

Details about “Tax Benefits” are also at www.newpaltz.edu/financialaid/.
BORROWING TO FINANCE YOUR EDUCATION MAKES SENSE IF YOU...

• Take your studies seriously

• Graduate on time

• Pay back your loan on time
TYPES OF EDUCATION LOANS

Federal Loan Programs

Non-Federal
DIRECT STUDENT LOANS
(for undergraduate students)

<table>
<thead>
<tr>
<th>Subsidized</th>
<th>Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Low-interest</td>
<td>• Low-interest</td>
</tr>
<tr>
<td>• Based on need</td>
<td>• Not based on need</td>
</tr>
<tr>
<td>• Federal government pays interest while student is in school (fixed at 4.29%)</td>
<td>• Student is responsible for interest while in school</td>
</tr>
<tr>
<td></td>
<td>• Current interest rate is fixed at 4.29%</td>
</tr>
</tbody>
</table>
DIRECT PARENT LOANS FOR UNDERGRADUATE STUDENTS

• For parents of dependent students

• Borrow up to entire cost of college less financial aid awarded

• No adverse credit

• Current interest rate is fixed at 6.84%
PRIVATE LOANS

• A private loan is in the student’s name, not based on financial need.
  ❖ Loan is based on the student’s credit. Most will need a co-borrower.
  ❖ The student can borrow up to the cost of attendance minus all other financial aid.
  ❖ The interest rate and terms of the loan vary from lender to lender.
  ❖ Should be a last resort option.
YOUR PLAN TO MANAGE COSTS

- Estimate costs to be paid and when
- Determine student aid available
- Estimate family resources available
- Discuss options to finance balance due
- Agree on a plan and share responsibility
WHAT IS YOUR COLLEGE EDUCATION?

YOUR EDUCATION IS AN EXCELLENT INVESTMENT!
QUESTIONS?
NEED MORE INFORMATION?

Visit our website 24/7 at:
www.newpaltz.edu/financialaid

Also, visit the NYS Financial Aid Administrators Association website at: www.nysfaaa.org

Or

The NYS Higher Education Services Corporation (HESC) website at:
www.hesc.ny.gov