

“Managing the Price of College”

SUNY NEW PALTZ
Office of Financial Aid

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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-\$4,995
- Maximum award is \$5,550 for year
- Minimum award is approximately \$575 for year
- Received by 31% of full-time students

- NYS TAP Grant

- Based on NYS net taxable income
- Maximum award is \$5,000 for a dependent student and \$2,925 for an independent student
- Received by 50% 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 Loans**: Parents may borrow up to the cost of education minus all other financial aid received.

CONTINUED...

- New Paltz Time Payment Plan: Families may spread the semester direct costs over four months:
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/offcampusjobs.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*



The screenshot shows the FAFSA website homepage. At the top left is the FAFSA logo with the text "START HERE GO FURTHER FEDERAL STUDENT AID". To the right is the text "FAFSA Free Application for Federal Student Aid". Below this is a navigation bar with icons for Home, About Us, Student Aid on the Web, PIN Site, Contact Us, and Browse Help. There is also a search bar with a "SEARCH" button and language options for "English" and "Español". The main content area features a collage of diverse students and the text "Get help paying for college". Below this is a call to action: "Submit a Free Application for Federal Student Aid (FAFSA)" and a large orange "Start Here" button. To the right of the button is a list of bullet points: "Start or continue your FAFSA", "Correct your FAFSA", and "Check the status of your FAFSA, and more...".

START HERE
GO FURTHER
FEDERAL STUDENT AID

FAFSA
Free Application for Federal Student Aid

Home About Us Student Aid on the Web PIN Site Contact Us Browse Help

SEARCH
English Español

Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)

[Start Here](#)

- Start or continue your FAFSA
- Correct your FAFSA
- Check the status of your FAFSA, and more...

FAFSA

- You must submit a **FAFSA** to be considered for financial aid
- Apply for New York State aid (TAP) via the **FAFSA**
- Your **FAFSA** information determines your Expected Family Contribution (EFC)

EXPECTED FAMILY CONTRIBUTION

- 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 aid available**
 - **Grants (TAP, PELL, SEOG)**
 - **Loans (Direct Student Loan, Perkins Loan, Direct Parent Loan)**
 - **Work (Work Study)**

What We Try to Remind Students Every Day!

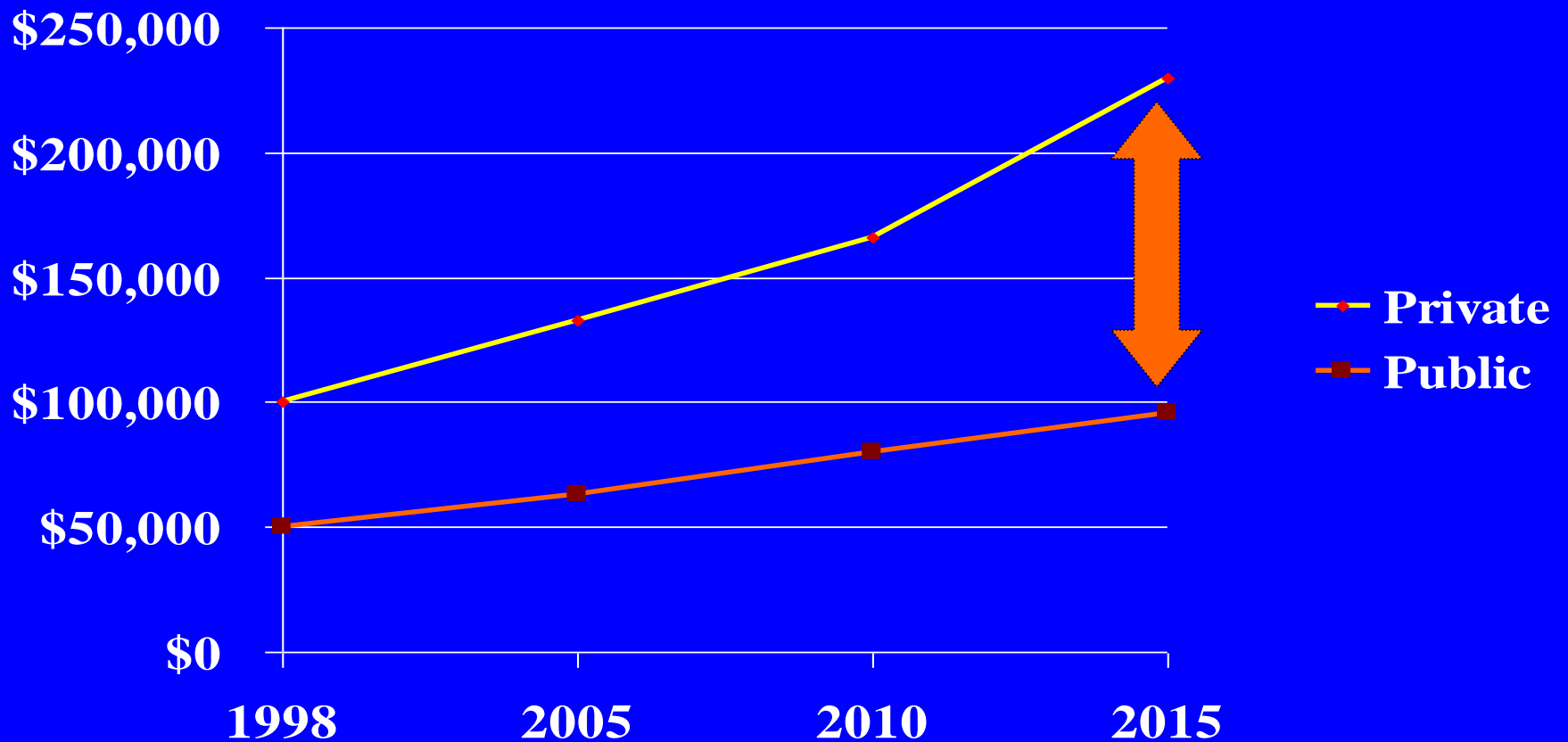
Comparing Student Financial Aid (SFA) Award Packages

SUNY COA	\$20,500
SUNY SFA Package	- <u>7,900</u>
Net cost to family	\$12,600

Non-SUNY COA	\$44,000
Non-SUNY SFA Package	- <u>20,000</u>
Net cost to family	\$24,000

- *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 2012-Spring 2013 Direct Costs Of Attendance**

	<u>Fall</u>	<u>Spring</u>	<u>Year Total</u>
Tuition	\$2,785	\$2,785	\$5,570
Fees	615	615	1,230
Room	3,420	3,420	6,840
Board	<u>1,805</u>	<u>1,805</u>	<u>3,610</u>
Total	\$8,625	\$8,625	\$17,250

**(Out of State Students add \$4,805
per semester and \$9,610 per year)**

Estimated Fall 2012-Spring 2013 Additional Costs

YEAR TOTAL

BOOKS AND SUPPLIES	\$1,300
PERSONAL EXPENSES	\$1,000
TRANSPORTATION	<u>\$1,200</u>
TOTAL	\$3,500
DIRECT COSTS	\$17,250
ADDITIONAL COSTS	<u>\$ 3,500</u>
TOTAL COST	\$20,750

**(Out of State Students add \$4,805
per semester and \$9,610 per year)**

FINANCING OPTIONS

- **Time Payment Plan**
- **Direct Student Loan & Direct Parent Loan**
- **Private Loans**

OTHER RESOURCES

*TAX BENEFITS

- DEDUCTIONS: Up to \$4,000 for higher education expenses.
 - TAX CREDITS: Up to \$4,500 per year.
- *Subject to various income limits, etc...
(Contact your tax advisor)

BORROWING TO FINANCE YOUR EDUCATION MAKES SENSE IF YOU...

- Take your studies seriously
- Graduate
- Pay back your loan on time



TYPES OF EDUCATION LOANS

Federal Loan Programs

Non-Federal

DIRECT STUDENT LOANS

Subsidized

- Low-interest
- Based on need
- Federal government pays interest while student is in school (6.80%)

Unsubsidized

- Low-interest
- Not based on need
- Student is responsible for interest while in school
- Current interest rate is fixed at 6.80%

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 7.90%

PRIVATE LOANS

- **A private loan in the student's name, not based on financial need.**
 - ❖ **Loan is based on student's credit. Most will need a co-borrower.**
 - ❖ **The student can borrow up to the cost of attendance minus all other 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 plan and share responsibility

THE FUTURE

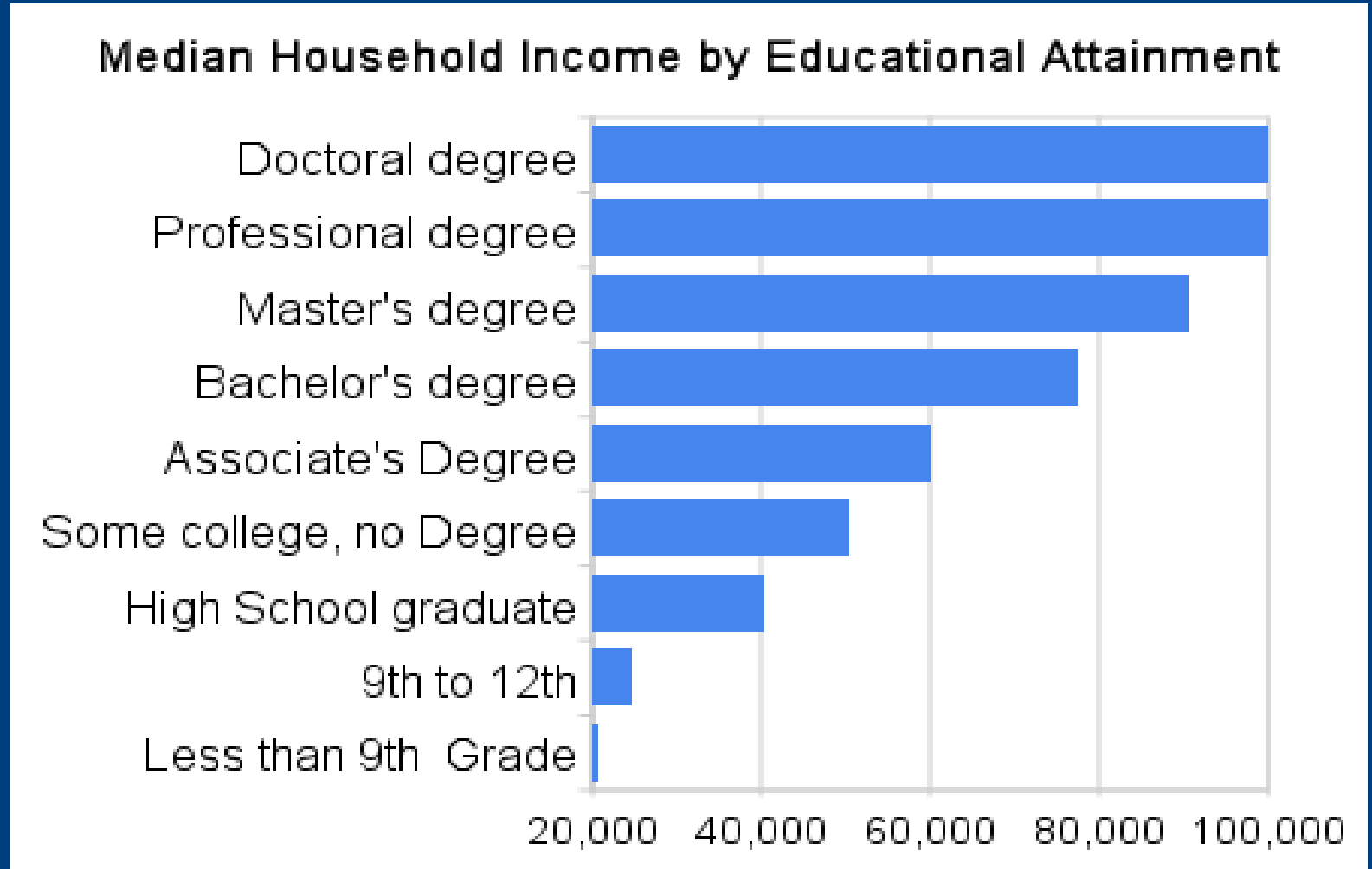
QUESTION

WHAT IS YOUR
COLLEGE
EDUCATION?

ANSWER

YOUR
EDUCATION IS
AN
EXCELLENT
INVESTMENT!

Median Household Income by Educational Attainment



Source: The Washington Post, August 12th 2010

QUESTIONS? NEED MORE INFORMATION?

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

Also, visit the NYS Financial Aid Administrator's
Association website at: www.nysfaaa.org

Or

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