“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-$5,234
  – Maximum award is $5,815 for year
  – Minimum award is $583 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.
• 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?
• 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

\[
\text{Annual Cost minus EFC} = \text{Financial Need}
\]
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></th>
<th>SUNY COA</th>
<th></th>
<th>Non-SUNY COA</th>
<th>Non-SUNY SFA Package</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$23,600</td>
<td></td>
<td>$51,250</td>
<td></td>
</tr>
<tr>
<td>SUNY SFA Package</td>
<td>- 9,650</td>
<td></td>
<td>- 22,000</td>
<td></td>
</tr>
<tr>
<td>Net cost to family</td>
<td>$13,950</td>
<td></td>
<td>$29,250</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 3/1/16)

<table>
<thead>
<tr>
<th></th>
<th>Fall</th>
<th>Spring</th>
<th>Year Total</th>
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<tbody>
<tr>
<td>Tuition</td>
<td>$3,235</td>
<td>$3,235</td>
<td>$6,470</td>
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<tr>
<td>Fees</td>
<td>665</td>
<td>665</td>
<td>1,330</td>
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<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 3/1/16)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>BOOKS AND SUPPLIES</td>
<td>$1,600</td>
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<tr>
<td>PERSONAL EXPENSES</td>
<td>$900</td>
</tr>
<tr>
<td>TRANSPORTATION</td>
<td>$1,300</td>
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<tr>
<td>TOTAL</td>
<td>$3,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT COSTS</td>
<td>$19,800</td>
</tr>
<tr>
<td>ADDITIONAL INDIRECT COSTS</td>
<td>$3,800</td>
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<tr>
<td>TOTAL COST</td>
<td>$23,600</td>
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</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><strong>Subsidized</strong></th>
<th><strong>Unsubsidized</strong></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
THE FUTURE

QUESTION: WHAT IS YOUR COLLEGE EDUCATION?

ANSWER: 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