

# 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-\$5,328
- Maximum award is \$5,920 for year
- Minimum award is \$593 for year
- Received by approximately 34% of students

- NYS TAP Grant

(MUST BE NY STATE RESIDENT)

- 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](http://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](http://www.newpaltz.edu/financialaid/employment.html)

- Exploring Scholarship Opportunities Presentation and Free Scholarship Search on the Internet:

[www.newpaltz.edu/financialaid/scholarships.html](http://www.newpaltz.edu/financialaid/scholarships.html)

# HOW IS FINANCIAL AID ELIGIBILITY DETERMINED?





# FAFSA

**(Free Application for Federal Student Aid)**



The screenshot shows the FAFSA website homepage. At the top left, it says "Federal Student Aid" with the tagline "An OFFICE of the U.S. DEPARTMENT of EDUCATION". To the right, it says "PROUD SPONSOR of the AMERICAN MIND™". Further right, it says "FAFSA™ Free Application for Federal Student Aid". Below this is a navigation bar with icons for Home, About Us, PIN Site, StudentAid.gov, and Help. There is also a search bar and language options for English and Español. The main heading is "Get help paying for college" with the sub-heading "Submit a Free Application for Federal Student Aid (FAFSA)". Below this is a banner image showing four diverse college students. At the bottom, there are two columns: "New to the FAFSA?" with a "Start A New FAFSA" button, and "Returning User?" with a list of options (Make a correction, Add a school, View your Student Aid Report (SAR), and more...) and a "Login" button.

Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND™ | FAFSA™  
An OFFICE of the U.S. DEPARTMENT of EDUCATION | Free Application for Federal Student Aid

Home | About Us | PIN Site | StudentAid.gov | Help | SEARCH | English | Español

## Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)

**New to the FAFSA?**

**Start A New FAFSA**

**Returning User?**

- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

**Login**

- You must submit a **FAFSA** at [www.fafsa.ed.gov](http://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](http://www.hesc.ny.gov)
- Your **FAFSA** information determines your Expected Family Contribution (EFC)

# EXPECTED FAMILY CONTRIBUTION (EFC)

- **EFC is determined primarily by:**
  - **Parent's income and assets**
  - **Student's income and assets**
  - **Size of family**
  - **Number of children in college**

**Annual Cost - EFC = Financial Need**

# FINANCIAL AID AWARD LETTER

- Indicates programs & amounts of financial aid you may be eligible for
  - **Grants** (TAP, PELL, SEOG, SUNY Tuition Credit)
  - **Loans** (Direct Student Loan, Direct Parent Loan)
  - **Employment** (Work Study)

# IMPORTANT FACT TO REMEMBER:

Comparing Student Financial Aid (SFA) Award Packages

**PAY ATTENTION TO THE BOTTOM LINE:**

SUNY COA	\$24,300
SUNY SFA Package	- <u>9,650</u>
Net cost to family	<b>\$14,650</b>

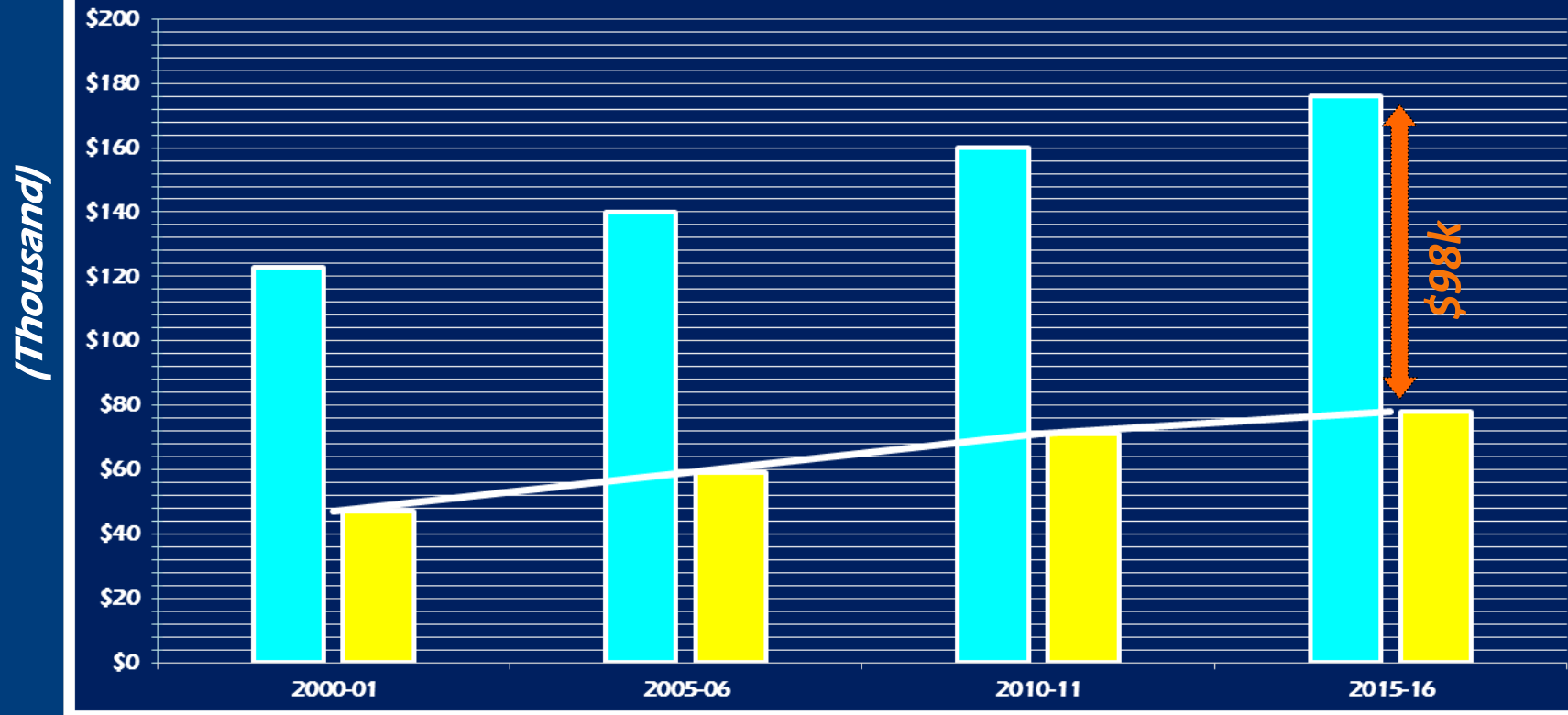
Non-SUNY COA	\$54,400
Non-SUNY SFA Package	- <u>21,000</u>
Net cost to family	<b>\$33,400</b>

- Focus on Net Cost not SFA Package
- Focus on Type of Aid & Total Amount

# COST TO ATTEND COLLEGE FOR FOUR YEARS

## Cost of College: Private vs Public (2000-2016)

Private College   Public College   Change in Cost of Public Colleges



*(Year of Graduation)*

**Source: College Board**

# COSTS OF COLLEGE

## Direct Costs (Billed):

- Tuition & Fees
- Room & Meals



## Indirect Costs:

- Transportation
- Personal Expenses
- Books & Supplies
- Average Loan Fee

$$***\$DIRECT + \$INDIRECT = \$ANNUAL COST***$$

## **\*Estimated Fall 2017 & Spring 2018 Costs of Attendance**

### **Direct Costs of Attendance**

	<u>Fall</u>	<u>Spring</u>	<u>Year Total</u>
<b>Tuition</b>	<b>\$3,235</b>	<b>\$3,235</b>	<b>\$6,470</b>
<b>Fees</b>	<b>681</b>	<b>681</b>	<b>1,362</b>
<b>Room</b>	<b>4,020</b>	<b>4,020</b>	<b>8,040</b>
<b>Board</b>	<u><b>2,301</b></u>	<u><b>2,301</b></u>	<u><b>4,602</b></u>
<b>Total</b>	<b>\$10,237</b>	<b>\$10,237</b>	<b>\$20,474</b>

**(Out of State Students add \$4,925 per semester & \$9,850 per year)**

**\*Estimated costs are subject to change**



## \*Estimated Fall 2017 & Spring 2018 Costs of Attendance

(Continued...)

### Indirect Costs of Attendance

	<u>Yearly Total</u>
Books and Supplies	\$1,626
Personal Expenses	\$900
Transportation	\$1,250
<u>Average Loan Fee</u>	<u>\$50</u>
<b>Total</b>	<b>\$3,826</b>
<b>DIRECT COSTS</b>	<b>\$20,474</b>
<b>+ <u>INDIRECT COSTS</u></b>	<b><u>\$ 3,826</u></b>
<b>TOTAL COST</b>	<b>\$24,300</b>

**(Out of State Students add \$4,925 per semester & \$9,850 per year)**

**\*Estimated costs are subject to change**

# FINANCING OPTIONS

- **New Paltz Time Payment Plan**  
(Interest free 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/tax.html](http://www.newpaltz.edu/financialaid/tax.html))**

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

- **Take your studies seriously**
- **Graduate on time**
- **Pay your loans back on time**



# **TYPES OF EDUCATION LOANS**

## **FEDERAL LOAN PROGRAMS**



## **PRIVATE LOANS**

# **DIRECT STUDENT LOANS**

**(for Undergraduate Students)**

## **Subsidized**

- **Low-interest**
- **Based on need**
- **Federal government pays interest while student is in school**
- **Current interest rate is fixed at 3.76%**

## **Unsubsidized**

- **Low-interest**
- **Not based on need**
- **Student is responsible for interest while in school**
- **Current interest rate is fixed at 3.76%**

# **DIRECT (PLUS) PARENT LOAN FOR UNDERGRADUATE STUDENTS**

- For parents of dependent students**
- Borrow up to entire cost of college less financial aid awarded**
- Based on credit approval**
- Current interest rate is fixed at 6.31%**

# PRIVATE LOANS

- **A private loan is in the student's name & is not based on financial need.**
  - **Loan is based on the student's credit. Most students 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](http://www.newpaltz.edu/financialaid)**

**Also, visit the NYS Financial Aid Administrators  
Association website at: [www.nysfaaa.org](http://www.nysfaaa.org)**

**Or**

**The NYS Higher Education Services Corporation  
(HESC) website at:  
[www.hesc.ny.gov](http://www.hesc.ny.gov)**