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.
• **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?
FAFSA
(Free Application for Federal Student Aid)
• 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 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:**

<table>
<thead>
<tr>
<th></th>
<th>SUNY COA</th>
<th>$24,900</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUNY SFA Package</td>
<td>- 9,650</td>
<td></td>
</tr>
<tr>
<td>Net cost to family</td>
<td>$15,250</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Non-SUNY COA</th>
<th>$54,400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-SUNY SFA Package</td>
<td>- 21,000</td>
<td></td>
</tr>
<tr>
<td>Net cost to family</td>
<td>$33,400</td>
<td></td>
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</tbody>
</table>

- 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

(Thousand)

Source: College Board
COSTS OF COLLEGE

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

Indirect Costs:
- Transportation
- Personal Expenses
- Books & Supplies
- Average Loan Fee

$DIRECT + $INDIRECT = $ANNUAL COST
## Direct Costs of Attendance

<table>
<thead>
<tr>
<th></th>
<th>Fall</th>
<th>Spring</th>
<th>Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$3,435</td>
<td>$3,435</td>
<td>$6,870</td>
</tr>
<tr>
<td>Fees</td>
<td>657</td>
<td>657</td>
<td>1,314</td>
</tr>
<tr>
<td>Room</td>
<td>4,363</td>
<td>4,363</td>
<td>8,726</td>
</tr>
<tr>
<td>Board</td>
<td>2,232</td>
<td>2,232</td>
<td>4,464</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,687</strong></td>
<td><strong>$10,687</strong></td>
<td><strong>$21,374</strong></td>
</tr>
</tbody>
</table>

(Out of State Students add $4,825 per semester & $9,650 per year)

*Estimated costs are subject to change
*Estimated Fall 2018 & Spring 2019 Costs of Attendance
(Continued…)

Indirect Costs of Attendance

<table>
<thead>
<tr>
<th>Item</th>
<th>Yearly Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books and Supplies</td>
<td>$1,526</td>
</tr>
<tr>
<td>Personal Expenses</td>
<td>$800</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,150</td>
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<tr>
<td>Average Loan Fee</td>
<td>$50</td>
</tr>
<tr>
<td>Total</td>
<td>$3,526</td>
</tr>
</tbody>
</table>

DIRECT COSTS $21,374
+ INDIRECT COSTS $3,526

TOTAL COST $24,900

(Out of State Students add $4,825 per semester & $9,650 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)
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)

<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</td>
<td>• Student is responsible for interest while in school</td>
</tr>
<tr>
<td>• Current interest rate is fixed at 4.45%</td>
<td>• Current interest rate is fixed at 4.45%</td>
</tr>
</tbody>
</table>
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 7.00%
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

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