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

• 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, Excelsior Scholarship) 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 and Scholarships (TAP, PELL, SEOG, SUNY Tuition Credit, Excelsior Scholarship)
  – 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>Non-SUNY COA</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$25,007</td>
<td>$58,000</td>
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<tr>
<td>SUNY SFA Package</td>
<td>- 9,750</td>
<td>- 21,000</td>
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<tr>
<td><strong>Net cost to family</strong></td>
<td>$15,257</td>
<td>$37,000</td>
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</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)

Source: College Board

(Year of Graduation)
COSTS OF COLLEGE

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

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

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

**Estimated Fall 2018 & Spring 2019 Costs of Attendance**

<table>
<thead>
<tr>
<th></th>
<th>Fall</th>
<th>Spring</th>
<th>Year Total</th>
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<tbody>
<tr>
<td><strong>Tuition</strong></td>
<td>$3,335</td>
<td>$3,335</td>
<td>$6,670</td>
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<tr>
<td><strong>Fees</strong></td>
<td>695</td>
<td>695</td>
<td>1,390</td>
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<tr>
<td><strong>Room</strong></td>
<td>4,363</td>
<td>4,363</td>
<td>8,726</td>
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<tr>
<td><strong>Board</strong></td>
<td>2,211</td>
<td>2,211</td>
<td>4,422</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$10,604</td>
<td>$10,604</td>
<td>$21,208</td>
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</table>

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

*Estimated costs are subject to change*
### Indirect Costs of Attendance

<table>
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<th>Item</th>
<th>Yearly Total</th>
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<td>Books and Supplies</td>
<td>$1,500</td>
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<tr>
<td>Personal Expenses</td>
<td>$1,199</td>
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<tr>
<td>Transportation</td>
<td>$1,100</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$3,799</strong></td>
</tr>
</tbody>
</table>

#### Direct Costs

- **$21,208**

#### Total Cost

- **$25,007**

*(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 $2,500 for the student loan interest deduction

• **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)

## Subsidized
- Low-interest
- Based on need
- Federal government pays interest while student is in school
- Current interest rate is fixed at 4.45%

## Unsubsidized
- Low-interest
- Not based on need
- Student is responsible for interest while in school
- Current interest rate is fixed at 4.45%
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
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