


# College Affordability

## Paying For College



Presented By  
Fred Amrein

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### Fred Amrein

**Bring the personal financial planning expertise to the college financial decision**

- Fee-only Financial Planner
  - College Saving to Student Loan Forgiveness
  - Developed our unique software – EFC PLUS
- Author of a new book: "Financial Aid & Beyond: Secrets to College Affordability"
- NCAG Board Member
- Quoted in various national media articles

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### College Funding Series



**HAVERFORD HIGH SCHOOL**  
THE SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

- Paying for College – October 10
- Student Loans & Repayment – October 17
- Saving for College – October 24

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## Agenda

- 2016 Major change
- Myths & Process
- Understanding Financial Aid
- Envisioning the Outcome



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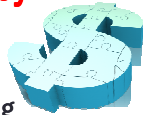
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## Show Me the Money

- Where are the scholarships
- Scholarships versus Discounting
- Reason for increase applications
- Increasing about of stress
- Change to an Outcome Focus



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## Prior Prior

- Effective 10/1/2016
- New name is Early FAFSA
- Uses tax year one year prior to FAFSA Year
- Tax information will be over 18 months old for financial awards
- Improve utilization of IRS and FAFSA link using DRT system
- DOE goal is to simplify the FAFSA process

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## New Prior Prior Timing

	201? F	201? S	201? F	201? S	201? F	201? S	201? F
Senior	PPY		Enter College				
Junior	Tax Year		FAFSA 10/1		Enter College		
Soph		Tax	Year		FAFSA 10/1		Enter College
Fresh				Tax	Year		FAFSA 10/1

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## Submitting the FAFSA

- Student and Parent need FSA ID
- Log into FAFSA.ed.gov
- Complete personal information
- Use DRT to import Income and Tax information
- Contact college if significant differences
- Appeals should be short with numbers
- Provide verification of change
- Check college deadlines

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## Myths & Common Half Truths

- I am not going to qualify for aid, so why should I complete the FAFSA
- Take all the assets out of the child's name
- If I have less money, I will qualify for more financial aid
- I can negotiate price with the colleges
- Loan Forgiveness Programs will help me pay for college



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### Making the Best Decision



- ☐ Academics & Majors
- ☒ Campus Environment
- ☐ Financial Aid

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### Changing College Environment

- Expected return on an education
- Increase dissatisfaction with results
- Admission & Enrollment Management
- Global economy
- Cost and Debt are rising



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### Sources of Financial Aid Information



- High School Guidance Counselors
- College Admissions
- College Financial Aid Office
- College Planning Professionals
- College Net Price Calculators

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## Paying for College is just not Financial Aid



- Expected Financial Aid Position
- Tax Savings & Credits
- College Selection
- Debt Structure
- Education Outcome

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## Application Method impact on Financial Aid



- Early Decision
- Early Action
- Regular Decision
- Wait Listed

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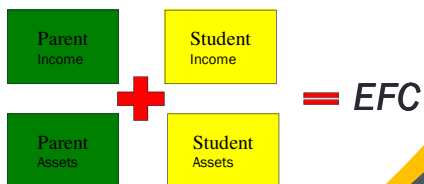
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## Understanding the EFC

*It is not one number but four different calculation*



Free EFC Calculator on [EFCplus.com](http://EFCplus.com)

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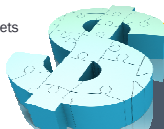
## EFC Differences

### Federal Method

- Parent Income
- Parent Assets
- Child's Income
- Child's Assets
- Number in College
- Family Size
- Age of Oldest Parent
- Types of Assets
- Tax Filing Status
- Family Structure

### Institutional Method

- ❖ Home Equity
- ❖ Other Children's Assets
- ❖ Cars You Own
- ❖ Other Assets
- ❖ Other Tuitions
- ❖ Other Questions
- ❖ Business Assets



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## Understanding Your Position

### College Average Academic & Financial Aid Position

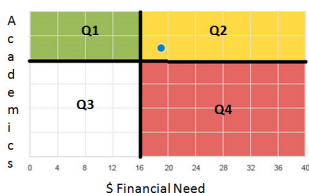
#### Sample College Info

Avg SAT 1150  
Avg ACT 25  
Avg GPA 3.50  
Avg Financial Award \$16,000

#### Current Student (Dot is Charted Student)

SAT 1250  
ACT 28  
GPA 3.65  
Need \$19,500

#### Sample College Matrix



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## Determining Your Strategy

Based on a "needs analysis" formula

School:	1	2
Total College Costs	\$20,000	\$40,000
Expected Family Contribution (EFC)	- 25,000	- 25,000
Financial Need	- 0 -	\$15,000
School Package	\$ 5,500	\$12,000

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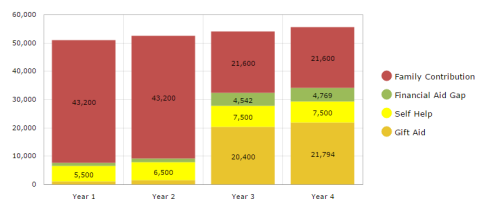
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## Estimated Financial Award

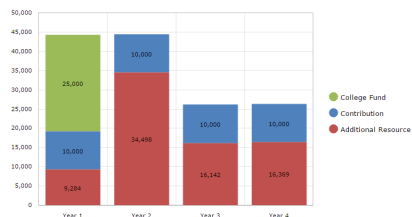
Projected Financial Award



## Cash Flow and Debt Projected

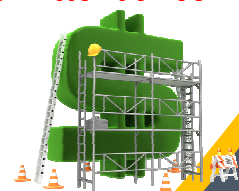
YOUR FUNDING SOURCE ANALYSIS

With Stafford Loans Included



## Building Your Cost of Attendance

- Tuition & Fees
- Room & Board
- Books
- Personal Expenses & Travel
- Additional Family Cost – not included



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## Types of Financial Aid



- Need Based Aid
- Merit Based Help
  - Academic, Athletic, Special Talent
- Self-Help Aid
  - Loans & Work Study
- Beware of Scholarship & Investment Scams

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## Grants and Scholarships



- Free Money
  - Usually has strings attached
- Issued by College
- State Grant Money
- Private scholarships
- Revisit this each year
  - Professional Organizations

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## Financing Options



- Stafford Loan
  - Progressive amount
  - Subsidized & Unsubsidized
- PLUS Loan
  - Good credit rating
- Private Loans
- Home Equity Loans
- Proper utilization

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## Creating a Financial Aid Strategy

- Understand the details of your Expected Family Contribution (EFC)
- Proper use of assets & debt
- Be an informed consumer
- Goal is to lower your out of pocket cost of education



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## Focusing on the Outcome



*Graduate on time  
with manageable debt*

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## More Information

**EFC  PLUS**

*The College Funding Solution*

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