

Financing college

Daniel Folkinshteyn, PhD
<http://finance-lectures.com/>
personal@finance-lectures.com

Learning objectives

- Distinguish between gift aid and loans
- List types and sources of gift aid
- List types and sources of loan funds
- Explain strategies for maximizing gift aid
- Describe techniques for minimizing college costs

Other benefits of college

Job satisfaction

Critical thinking

Long term planning

Money can't buy happiness, but lack of money can buy a lot of misery.

Oreopoulos, P., & Salvanes, K. G. (2011). Priceless: The nonpecuniary benefits of schooling. *The Journal of Economic Perspectives*, 159-184.

Gift vs. loan

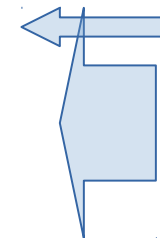
- Gift aid – grants and scholarships
 - Free money
 - Does not need to be repaid
- Loans
 - Need to pay back
 - With interest
 - Difficult to discharge in bankruptcy
- Resources
 - <https://studentaid.ed.gov/sa/>
 - <http://www.finaid.org/>

Summary for Semester Selected

Fall 2014

Prior Semester Balance \$0.00

D/C	Description	Charges	Credits
AFUF	University Fees (ugm flat)	\$1,770.00	
B50M	50 Meal Plan	\$390.00	
BBBU	Meal Plan Boro Bucks	\$100.00	
BFLX	Meal Plan Dining Dollars	\$75.00	
BULM	All Access Meal Plan	\$0.00	
CINS	Student Health Insurance	\$0.00	
HWCF	Whitney Center	\$4,911.00	
RFAB	Student Refund(F/A)	\$1,680.00	
TFA1	Tuition-Fall In-State-UG	\$4,886.00	
FPEL	Federal Pell Grant		\$2,865.00
FSDL	Fed.Direct Subsidized Ln.		\$2,226.00
FSEO	Federal Seog		\$175.00
FTG1	Tuition Aid Grant		\$3,903.00
PCSH	Payment-Cash		\$348.00
PVSA	Payment-VISA		\$115.00
SATD	Achieving The Dream Schol.		\$750.00
SRSP	Rowan Scholars Program		\$3,430.00
Total Semester Charges:		\$13,812.00	
Total Semester Credits:			\$13,812.00
Current Amount Due:			\$0.00



Loan

Gift aid

Gift aid

- Sources
 - Federal
 - State
 - College
 - Private
- Types
 - Merit
 - Need-based
 - Special purpose



Gift aid specifics

- Federal
 - Pell grant – need based, up to \$5,775
 - FSEOG – need based, up to \$4K
 - Work-study – not really a gift
- State
 - <http://www2.ed.gov/about/contacts/state/index.html>
 - NJ: <http://www.hesaa.org/Pages/NJGrantsHome.aspx>
 - TAG – need based, up to 7.8K for Rowan
 - NJ STARS – for county colleges, merit-based
 - EOF – need-based, up to 2.5K

FAFSA:
Free Application for
Federal Student Aid
<https://fafsa.ed.gov/>

Scholarships – search resources

<https://studentaid.ed.gov/sa/types/grants-scholarships/finding-scholarships>

<http://careerinfonet.org/scholarshipsearch/ScholarshipCategory.asp?searchtype=category&nodeid=22>

<https://bigfuture.collegeboard.org/scholarship-search>

Loans

- Sources
 - Federal
 - State
 - Private
- Types
 - Subsidized vs Unsubsidized
 - Need-based vs open
 - Student vs parent borrower



Loan specifics

- Federal
 - Perkins – need-based, subsidized, up to 5.5K
 - Direct (Stafford)
 - Subsidized – need-based, interest not charged while in school
 - Unsubsidized – anyone eligible
 - Limits vary by year in school, <https://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized>
 - PLUS – can be borrowed by parent or guardian; credit check required
- State
 - <http://www2.ed.gov/about/contacts/state/index.html>
 - NJ: <http://www.hesaa.org/Pages/NJCLASSHome.aspx>
- Private loans – search resources
 - <https://studentaid.ed.gov/sa/types/loans/federal-vs-private>
 - <http://www.finaid.org/loans/privatestudentloans.phtml>

Financial aid step by step

1. Fill out a FAFSA, <https://fafsa.ed.gov/>

Used for Federal and State aid. Pay attention to the deadlines!

<https://fafsa.ed.gov/deadlines.htm>

2. Max out federal and state gift aid

3. Max out private gift aid

4. If needed, move on to loans:

Perkins, Stafford

State loans

Federal unsubsidized

PLUS or Private

5. If loans, track your totals, know how much you'll need to pay.

<https://studentaid.ed.gov/sa/repay-loans>

Minimizing college expenses

Investigate off-campus housing	8000 → 4000
Learn to cook	4000 → 2000
Get used books/materials online	2000 → 1000
Do not leave free credits on the table	12-17 credits
Graduate in 4 years or less. Summer courses can help, if needed	120 credits = $120/3 = 40$ courses = $40/8 = 5$ courses/semester
Option: two years in county/community college	CC: 4-5K / yr Rowan: 13K / yr

Additional reading

<https://studentaid.ed.gov/sa/>

Search the web!

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