

Saving, Planning and Paying for College

Opening Doors to Higher
Education for Your Community

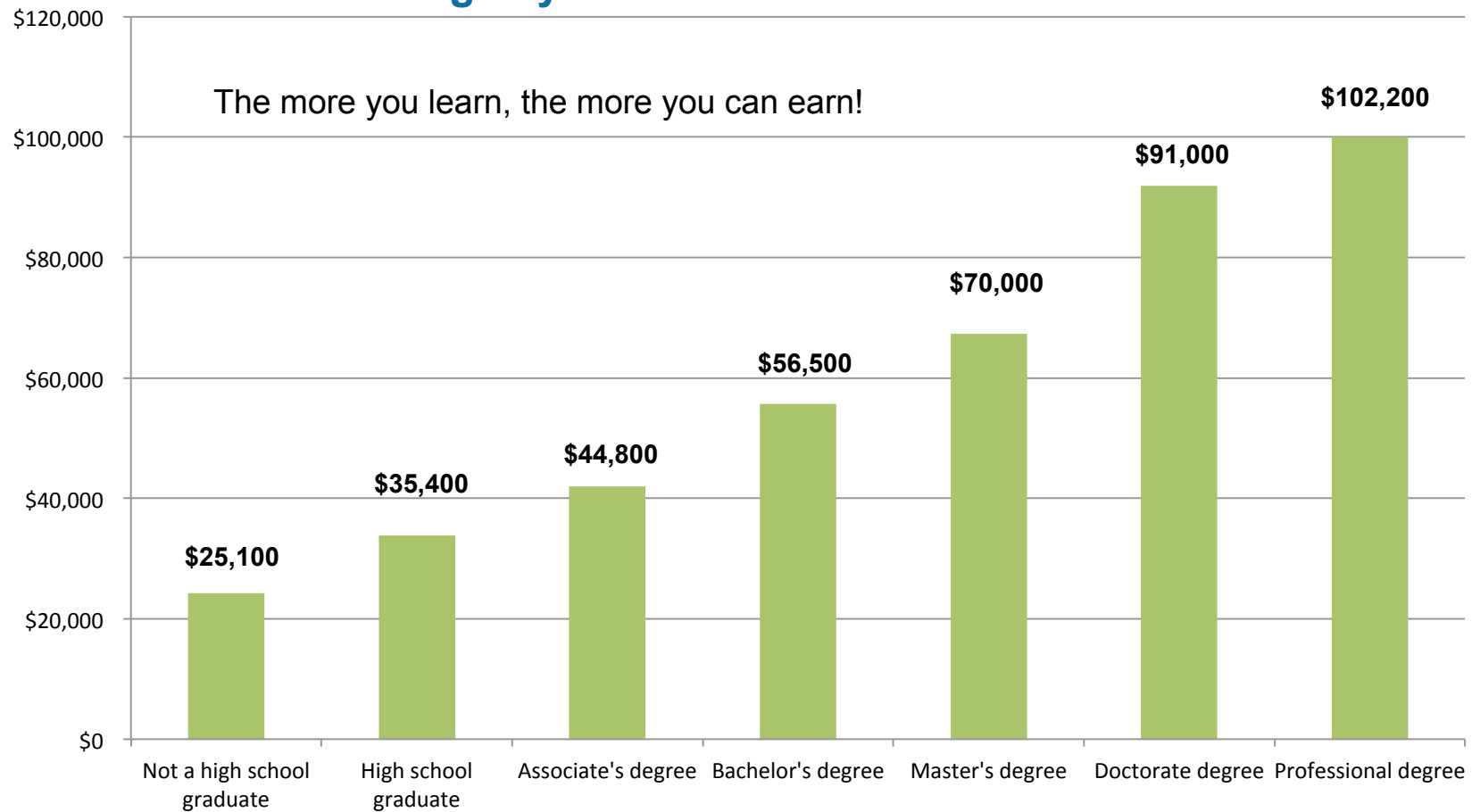
The SallieMae Fund[®]
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College Pays

Median Earnings by Education Level



Source: The College Board: Education Pays, 2013



College is Possible

Thousands of colleges

All different types, sizes and costs

Billions of dollars in financial aid

2/3 of students receive some kind of aid

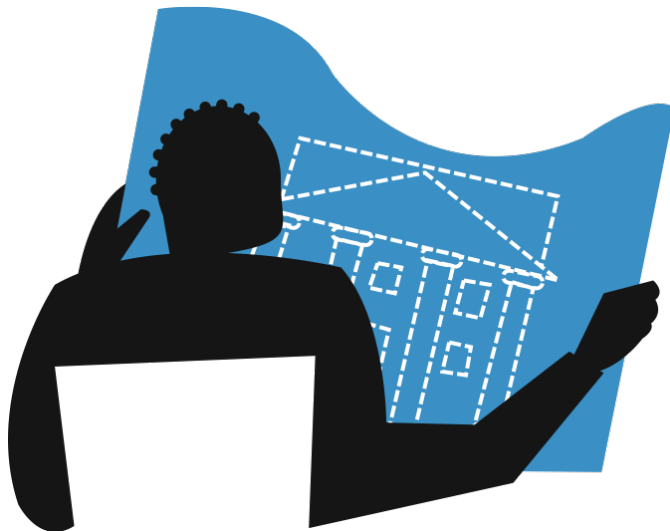
Free information

The more information you have,
the more likely you are to go to college





Building a College Plan



Start early

Stay organized

Make it a family affair

Discuss college goals and actions with parents, counselors, teachers, financial aid and admissions officers

Make informed decisions



Types of Schools



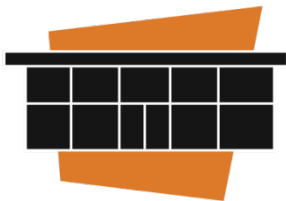
4-Year Colleges and Universities

Bachelor of Arts (BA) and Bachelor of Sciences (BS) degrees
Preparation for professional occupations



2-Year Community and Junior Colleges

Associate degrees or certificates for technical programs
Option to transfer to a 4-year college



Vocational, Technical and Business Schools

Certificate programs for specific trades or vocations
Private schools offering specific courses and occupational programs



Finding the Right School

Investigate Options:

- Online research
- College fairs
- Campus visits

Consider:

- Academics
- Campus life
- Facilities and services
- Location
- Size
- Cost

Create a “Lucky 3” List:

- Reach school
- Realistic school
- Safety school





Keys to Successful Admission



Stay organized

Build a winning application

Academics

Extracurricular activities

Transcripts

Recommendations

Essays

Tests



Standardized Tests

Use books, online study tools and classes

TEST TYPE	ABOUT THE TEST	WHEN TO TAKE IT
PSAT/NMSQT	<ul style="list-style-type: none"> • Pre-SAT test 	10 th grade and/or fall semester of 11 th grade
PLAN	<ul style="list-style-type: none"> • Pre-ACT test 	10 th grade
SAT	<ul style="list-style-type: none"> • ~4 hour test • Critical reading, mathematical reasoning, writing 	Spring semester of 11 th grade and/or fall semester of 12 th grade
ACT	<ul style="list-style-type: none"> • ~3.5 hour test • English, math, reading, science 	Spring semester of 11 th grade and/or fall semester of 12 th grade
SAT Subject Tests	<ul style="list-style-type: none"> • ~1 hour per test • English, math, science, history, foreign language 	Spring semester of 11 th grade and/or fall semester of 12 th grade



Understanding College Costs

Direct: tuition, on-campus room and board and any special fees

Indirect: books, computer, supplies, transportation, off-campus housing and personal expenses

Average annual tuition, fees, room and board:

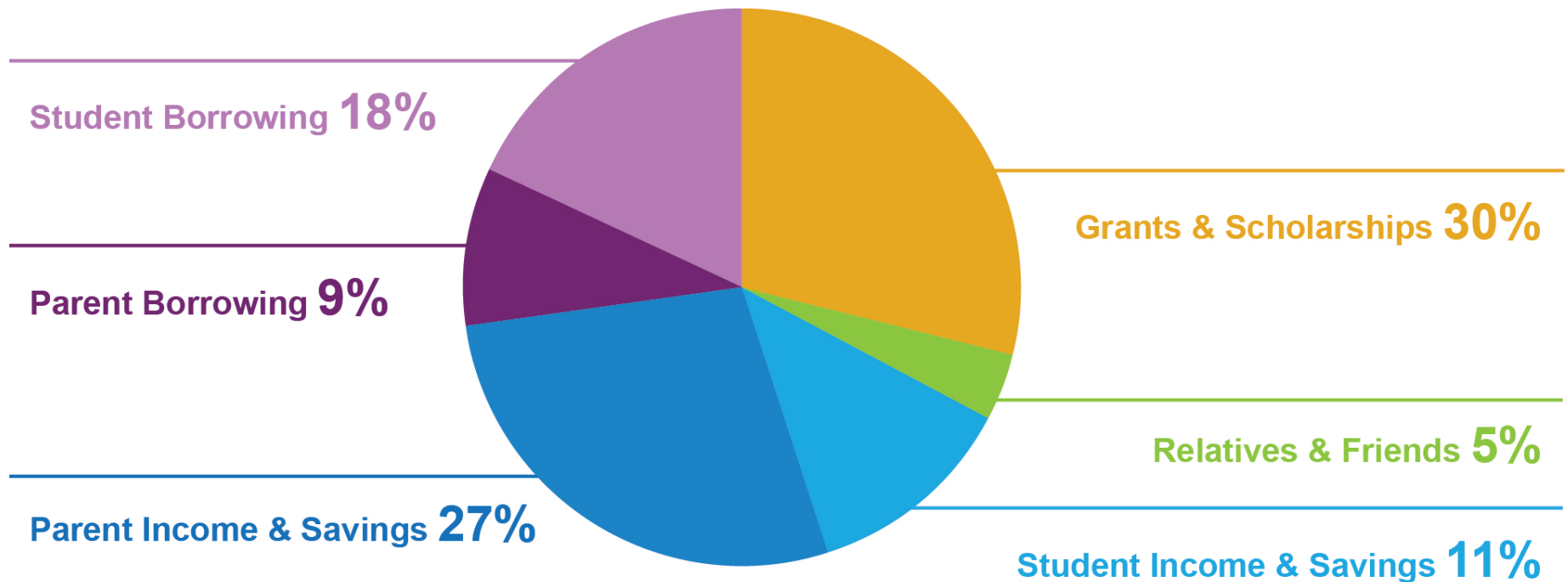
Public 2-year college (in state):	\$10,730
Public 4-year college (in-state):	\$18,391
Public 4-year college (out of state):	\$31,701
Private 4-year college:	\$40,917

Source: The College Board: Trends in College Pricing, 2013



Ways to Pay

How the Typical Family Pays for College: Average Percent of Total Cost of Attendance Paid from Each Source

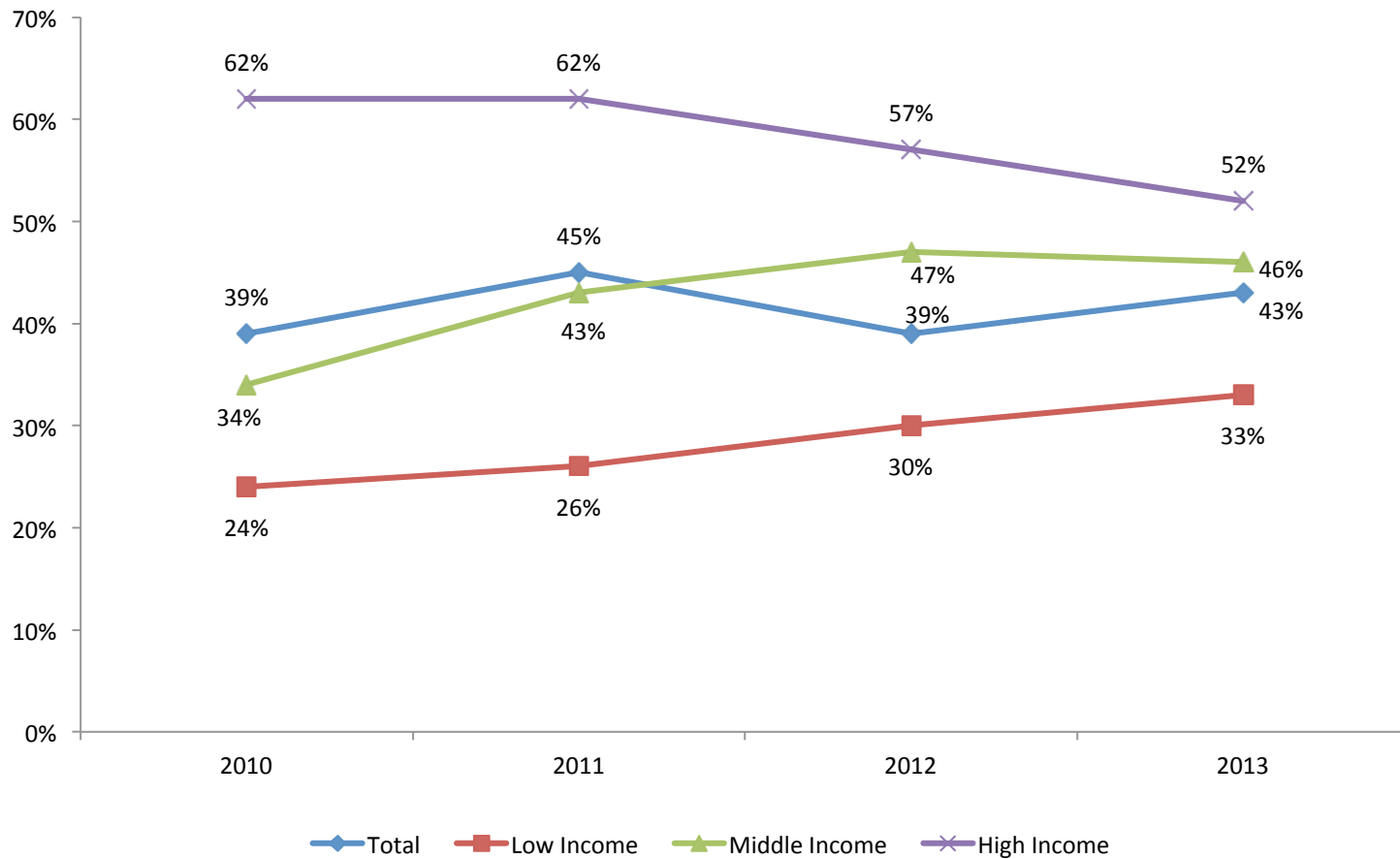


•Source: Sallie Mae & Gallup: How America Pays for College, 2013



Saving for College

43 percent of all family income levels said they planned a way to pay for college



•Source: Sallie Mae & Gallup: How America Saves for College, 2013



Savings Options

529 College Saving Plans

Enroll in any state's plan and attend any eligible school
Invest in professionally managed options on your own or through a financial advisor
Benefit from tax advantages

529 Pre-Paid Tuition Plans

Buy tuition credits for the future at today's prices
Attend any participating school

Rewards Programs

Save with everyday purchases, like groceries, gas and dining out





Merit-Based Financial Aid

Based on academics, sports, music, planned area of study, etc.

Money from the college awarded by the admissions office

Money from private scholarship programs





Need-Based Financial Aid



Based on a family's financial need

4 main types:

Grants: federal, state and institutional

Scholarships: institutional and private

Student employment: federal work study

Student loans



Scholarships

Billions of dollars awarded each year

Merit and need-based free money

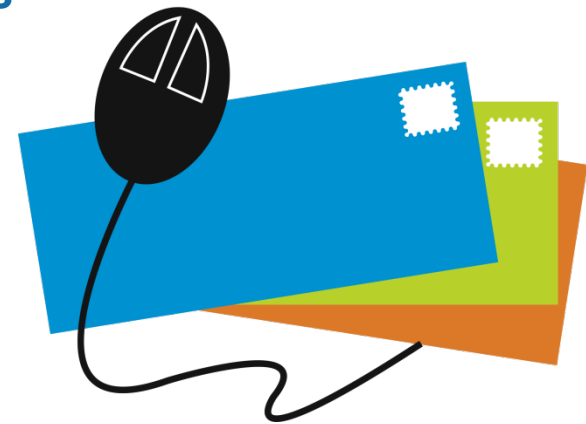
Offered by schools and private organizations

Invest time in researching and applying

Apply for as many as you qualify for

Pay close attention to deadlines

Use free resources and watch for scams





Student Employment

Federal work study (need-based)

Student employment services (not need-based)

Students work part time, usually on campus

**Wages help with smaller costs and incidentals
(i.e., books, supplies, food and entertainment)**

Students gain work and time-management experience





Federal Student Loans



Federal Perkins Loan

Federal Stafford Loan

Subsidized

Unsubsidized

**Favorable interest rates and
repayment terms**

Borrow only what you absolutely need



Applying for Need-Based Aid

Free Application for Federal Student Aid (FAFSA)

Complete starting in January of senior year; renew annually

Required for all federal aid

May be required for institution, state or private aid

www.fafsa.ed.gov



How the FAFSA Works

**Family submits the FAFSA soon after January 1 of student's senior year
(Renew it every year student is in school)**



**Federal government returns a Student Aid Report (SAR)
to the family and target schools**



**Federal government calculates the family's
Expected Family Contribution (EFC)**

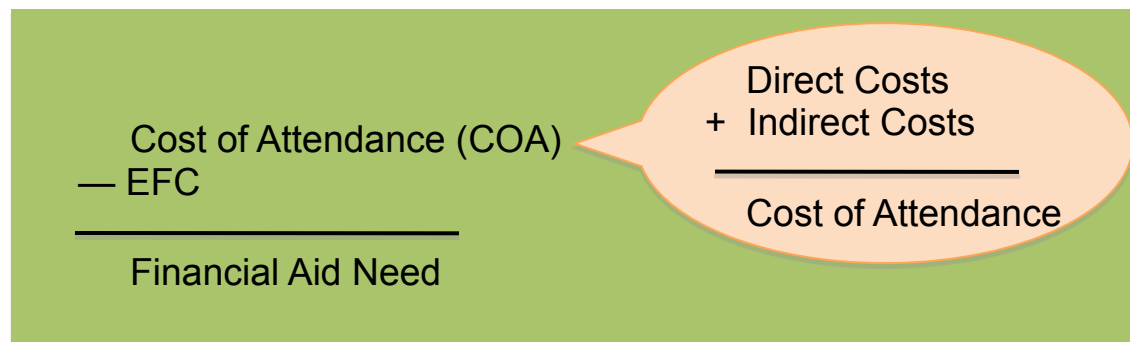


Expected Family Contribution (EFC)

Based on a number of factors

Online EFC calculators

Helps determine your financial aid eligibility:





Comparing College Costs

Sample Packages with EFC = \$3,000

	PUBLIC	PRIVATE
Cost of attendance	\$19,000	\$40,000
EFC	-\$3,000	-\$3,000
Financial aid need	\$16,000	\$38,000
Pell grant	\$2,400	\$2,400
Work study	\$2,000	\$2,000
Scholarship(s)	\$2,500	\$19,000
Stafford loan	\$3,500	\$3,500
Financial aid package	\$10,400	\$26,900
Cost of attendance	\$19,000	\$40,000
Financial aid package	-\$10,400	-\$26,900
Actual family cost	\$8,600	\$13,100
Actual family cost	\$8,600	\$13,100
EFC (owed by family)	-\$3,000	-\$3,000
Unmet Need	\$5,600	\$10,100



Comparing College Costs

Sample Packages with EFC = \$15,000

	PUBLIC	PRIVATE
Cost of attendance	\$19,000	\$40,000
EFC	-\$15,000	-\$15,000
Financial aid need	\$4,000	\$25,000
Pell grant	\$0	\$0
Work study	\$0	\$2,000
Scholarship(s)	\$0	\$12,000
Stafford loan	\$3,500	\$3,500
Financial aid package	\$3,500	\$17,500
Cost of attendance	\$19,000	\$40,000
Financial aid package	-\$3,500	-\$17,500
Actual family cost	\$15,500	\$22,500
Actual family cost	\$15,500	\$22,500
EFC	-\$15,000	-\$15,000
Unmet Need	\$500	\$7,500



Additional Options



Set up a Tuition Payment Plan



Explore additional loans

Federal PLUS loan
Private student loan



**Discuss changes in circumstances
with financial aid office**



Reminders



Stay organized



Start saving and planning early



Build a winning application



Select a school that is right for you



Complete the FAFSA



Apply for scholarships

Thank you for participating.

Additional information at
www.salliemaefund.org

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