

Counseling 20: How to Finance Higher Education

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Knowledge is an Investment

*If a man empties his
purse into his head, no
one can take it from him.
An investment in
knowledge always pays
the highest return.*

-Benjamin Franklin



EDUCATION AND TRAINING PAY

UNEMPLOYMENT RATE IN 2014

15% 10% 5% 0

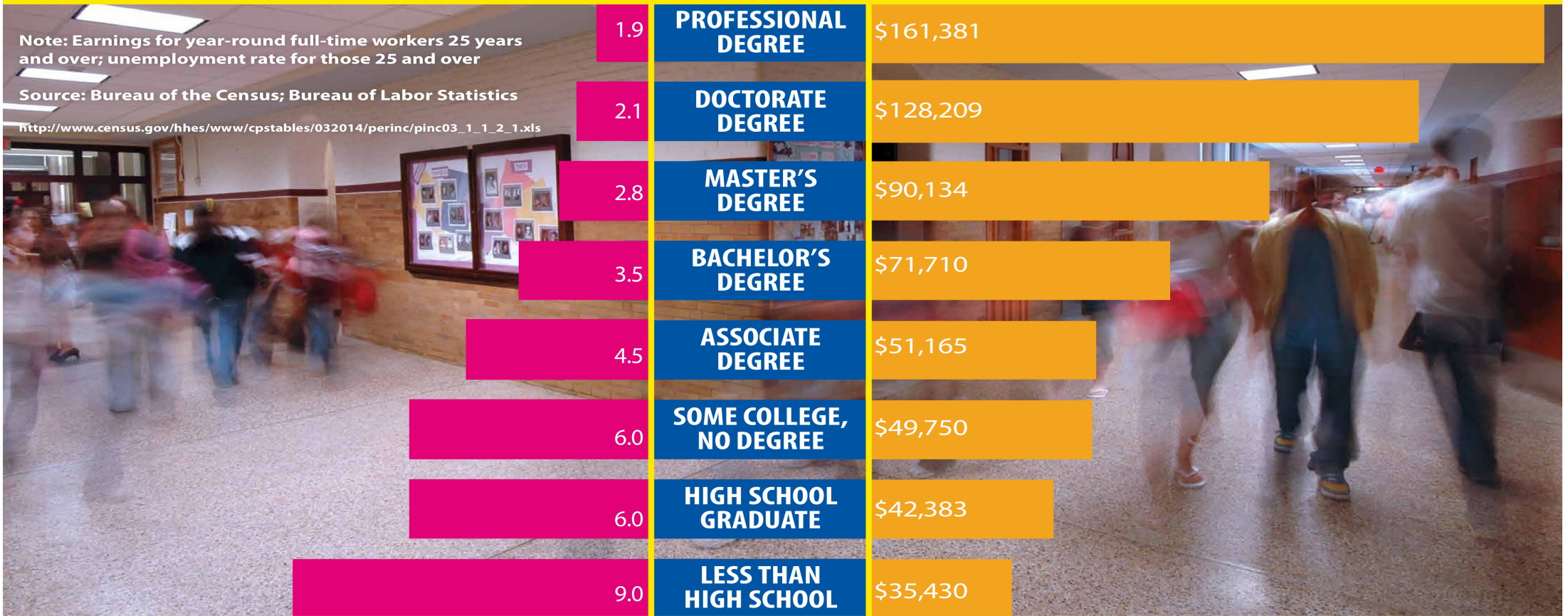
MEAN EARNINGS IN 2013

0 20 40 60 80 100 120 140 160

Note: Earnings for year-round full-time workers 25 years and over; unemployment rate for those 25 and over

Source: Bureau of the Census; Bureau of Labor Statistics

http://www.census.gov/hhes/www/cpstables/032014/perinc/pinc03_1_1_2_1.xls



SEAT BELT

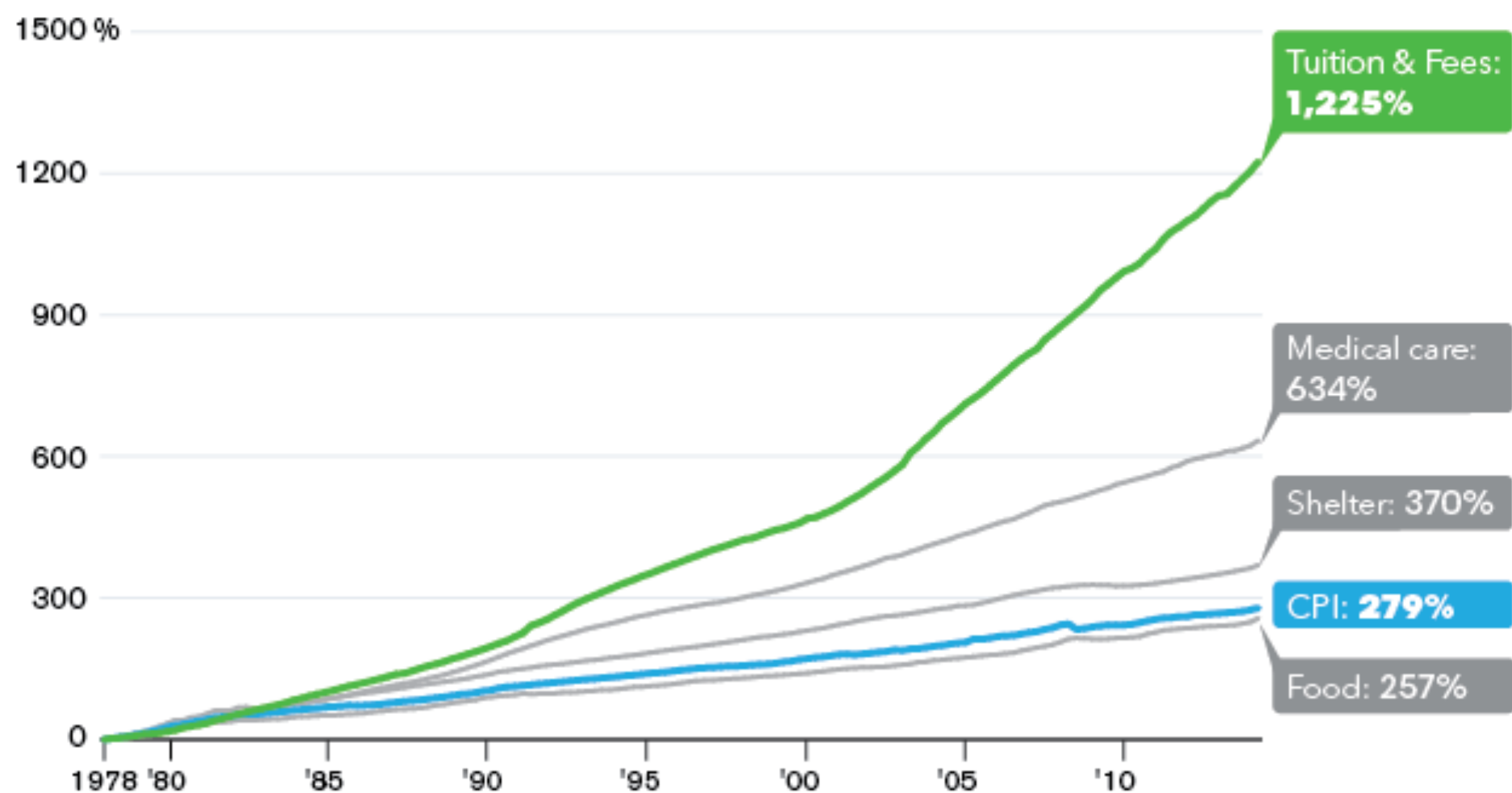
USE ^{while} DRIVING intoxicated

Source: American Journal of Public Health

by Educational Attainment 1990



Percentage increase in consumer prices since the first quarter of 1978



Source: Bureau of Labor Statistics

Bloomberg Visual Data

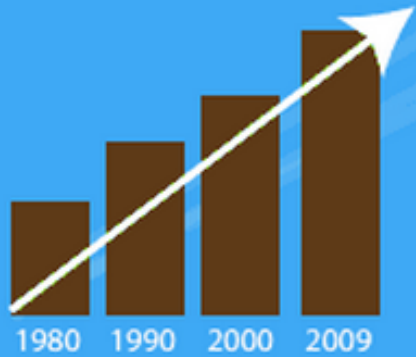
Price Increases from 1980 - 2009

Comparisons

Food



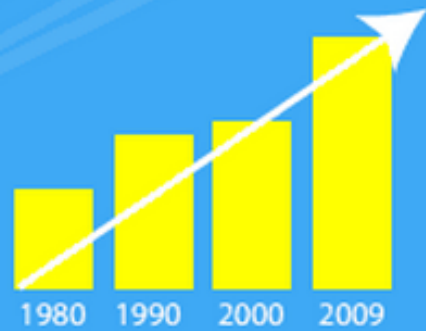
151%



Electricity



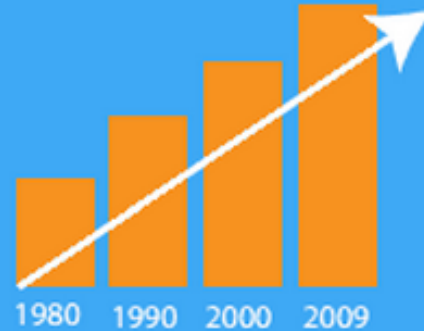
154%



CPI



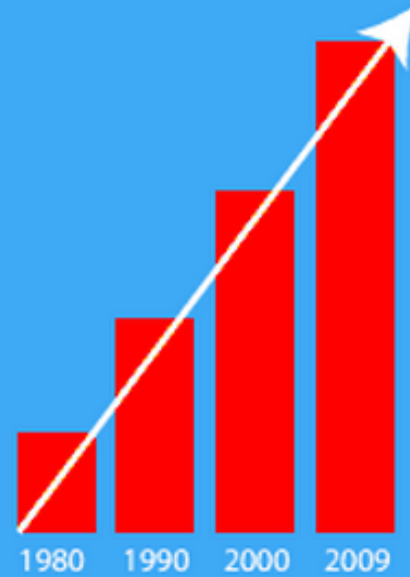
160%



Health Care



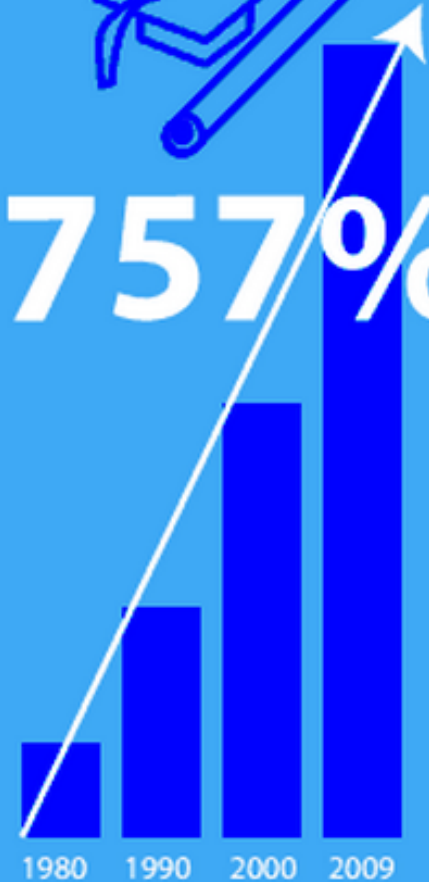
401%

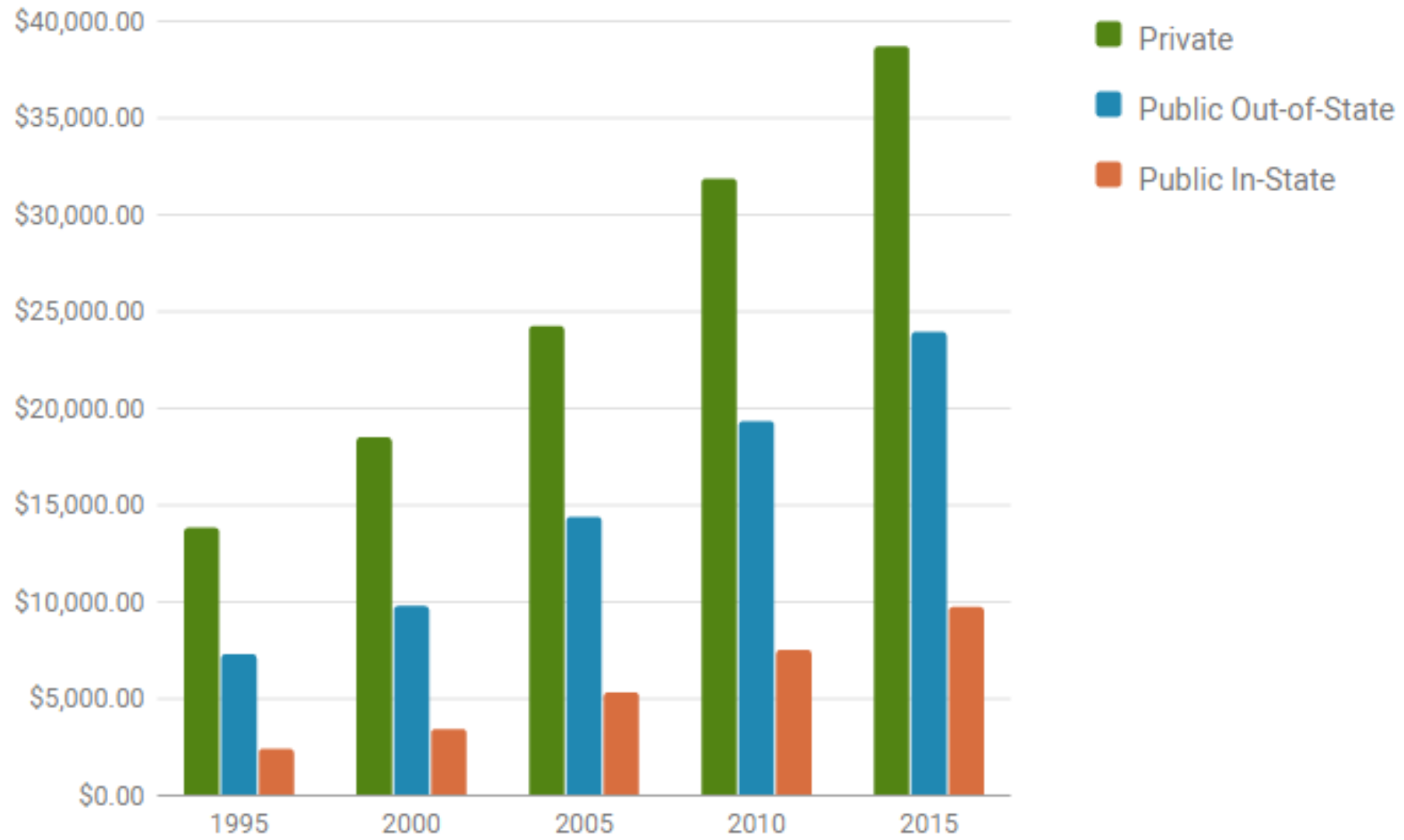


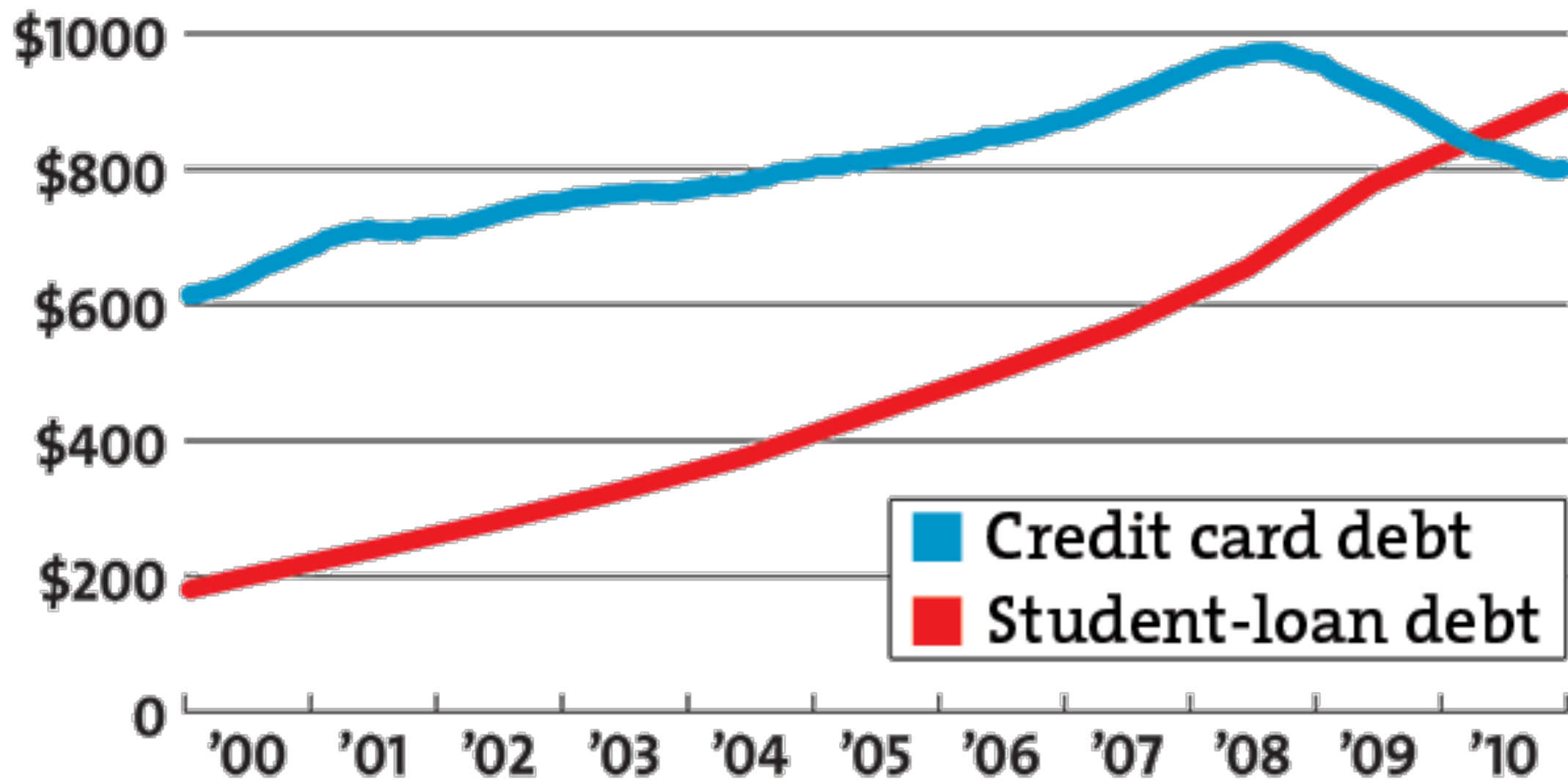
Tuition



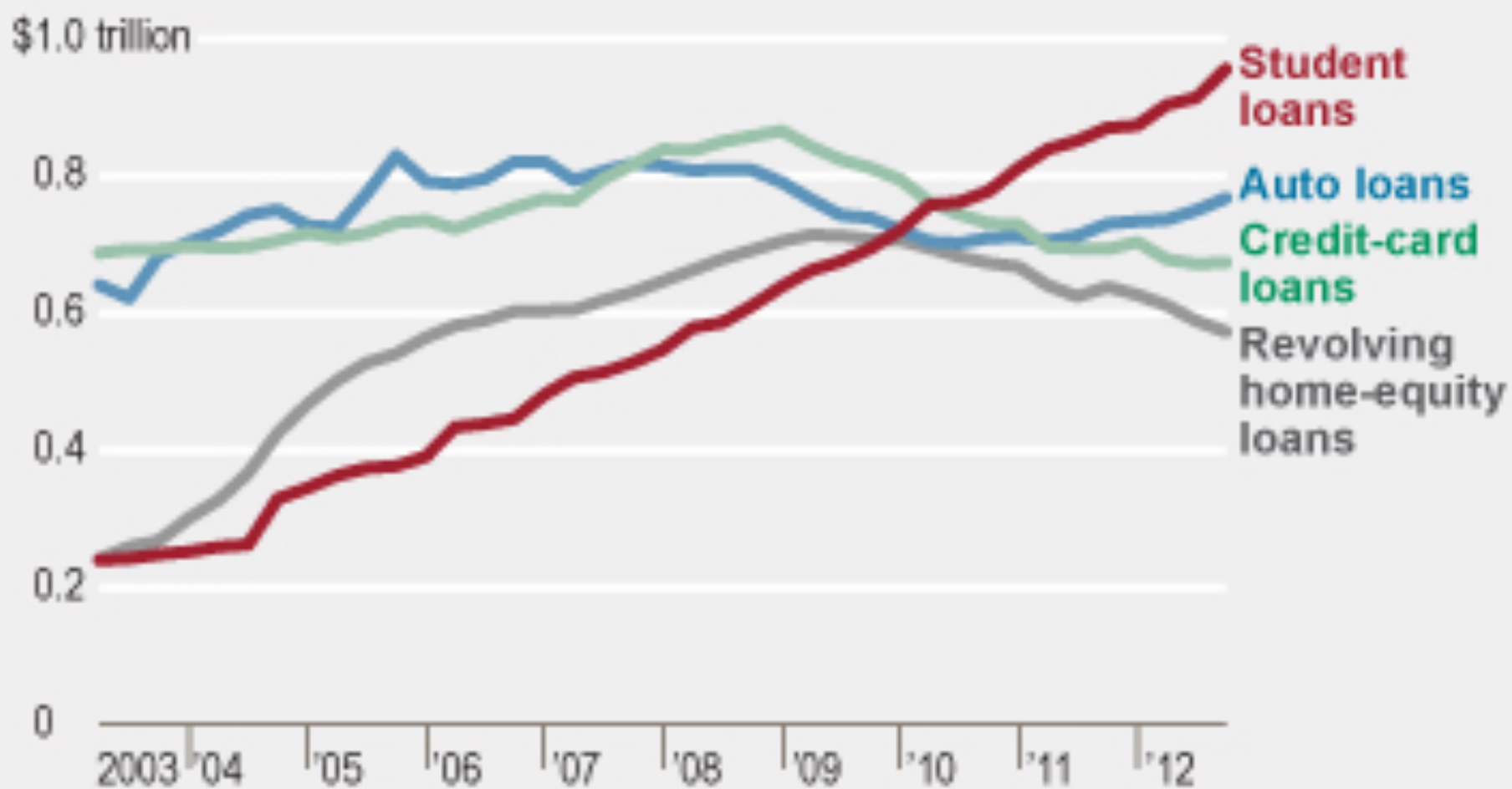
757%







Consumer Loans, Balance Outstanding

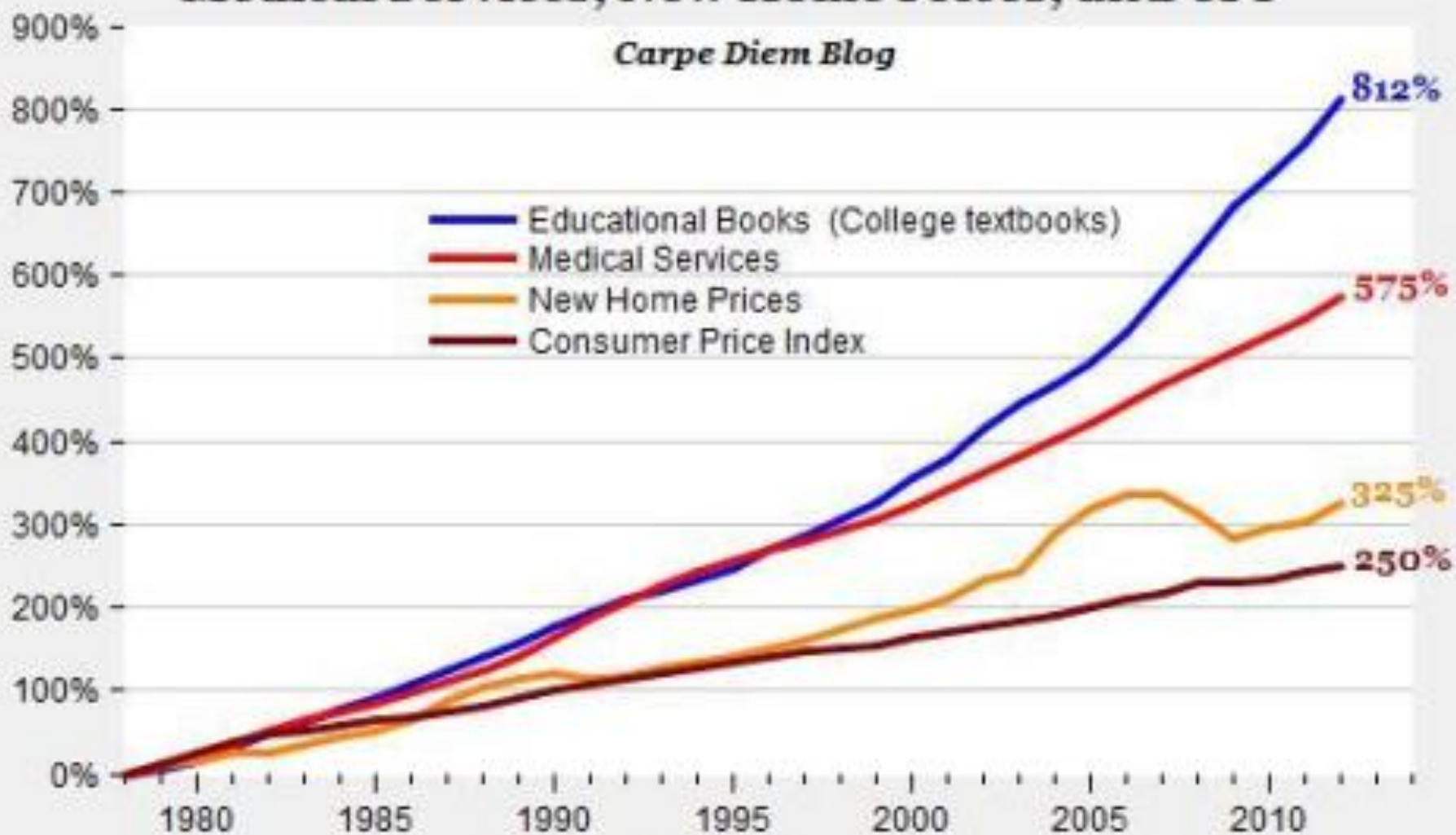


Source: Federal Reserve Bank of New York

The Wall Street Journal

Percent Change Since 1978 for Educational Books, Medical Services, New Home Prices, and CPI

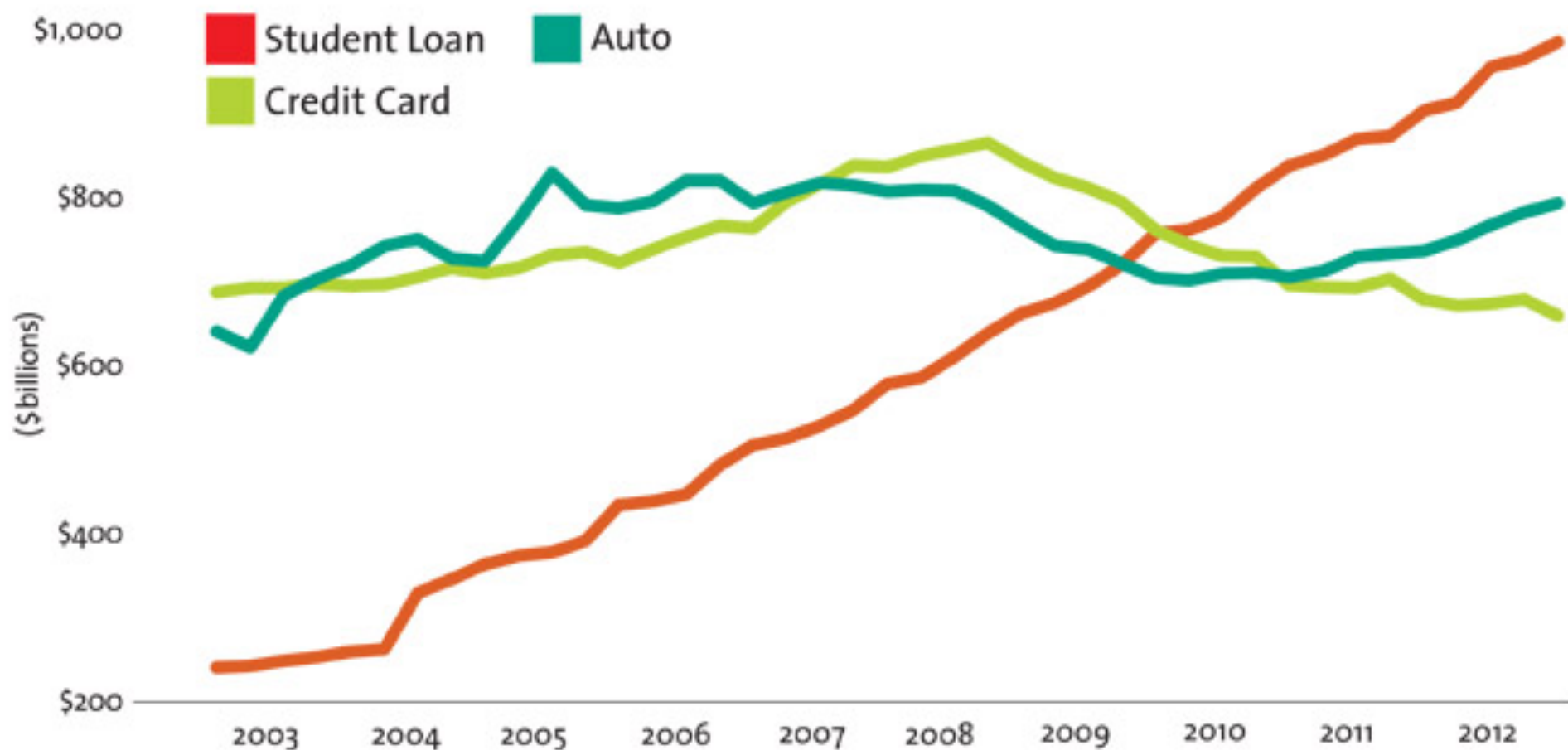
Carpe Diem Blog



Sources: BLS, Census Bureau

Maxed Out

Total debt held by borrowers



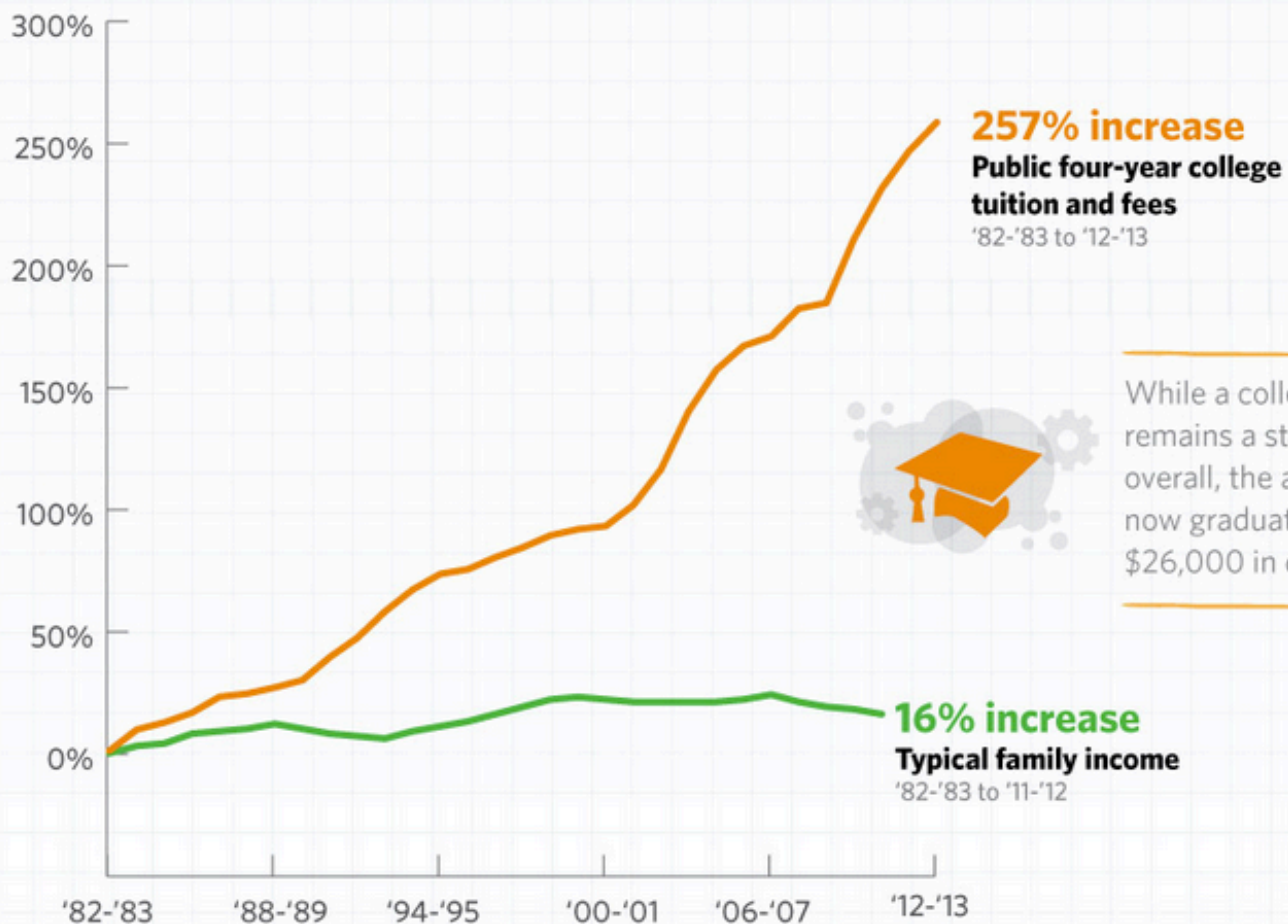
Source: Federal Reserve Bank of New York

Mother Jones

The cost of college is growing out of reach

Average tuition and fees at a public four-year college have increased more than 250% over the past three decades, while incomes for typical families grew by only 16%.

Percent change
Adjusted for inflation



While a college education remains a strong investment overall, the average borrower now graduates with over \$26,000 in debt.

What is financial aid?

- Financial aid refers to specific borrowed, given, or earned money that can be obtained from various sources to help pay for college.
- It is intended to make up the difference between what your family can afford to pay and what college costs.

Financial Aid Formula



Cost of Attendance

- Tuition & Fees
- Room & Board
- Books & Supplies
- Transportation
- Miscellaneous/Personal Expenses

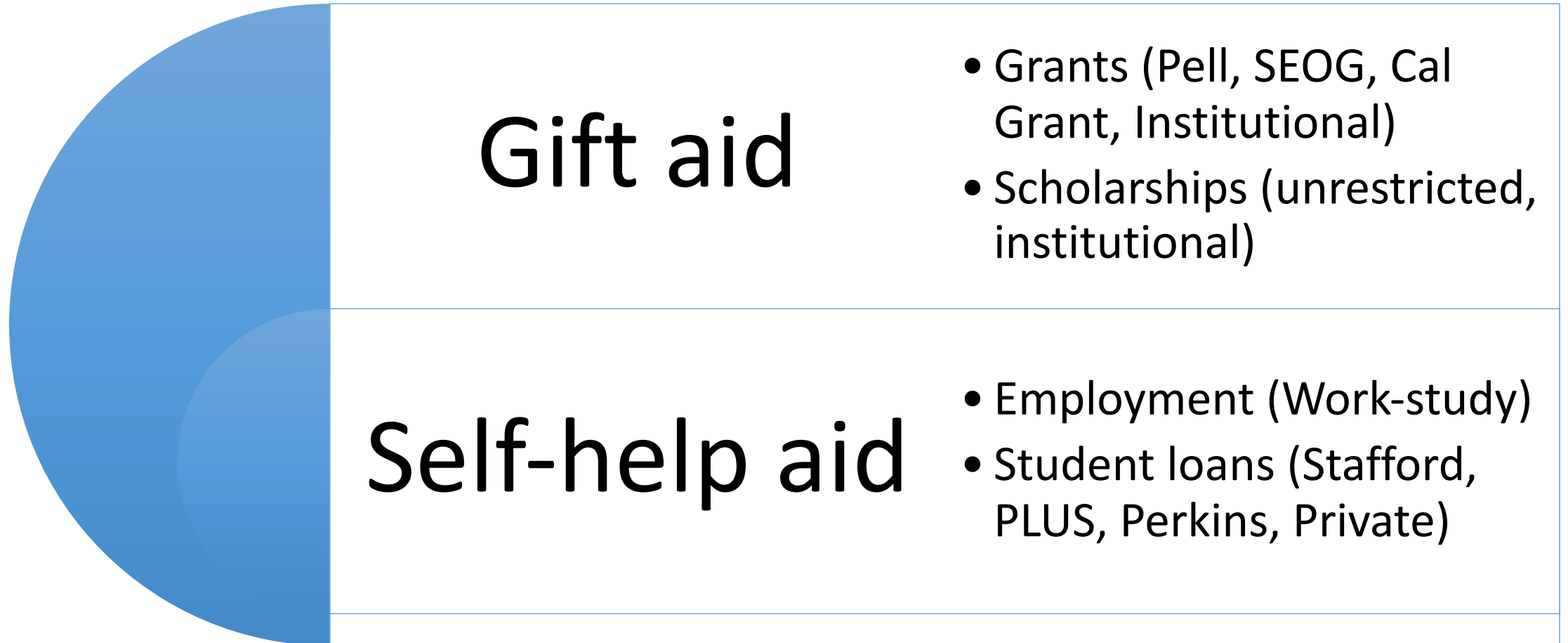
Cost of Attendance

	UCLA		CSU		CCC		Private	
	Living at home	Living away from home	Living at home	Living away from home	Living at home	Living away from home	Living at home	Living away from home
Tuition & Fees	\$ 13,239	\$ 13,239	\$ 6,927	\$ 6,927	\$ 1,297	\$ 1,297	\$ 58,195	\$ 57,256
Room & Board	\$ 6,582	\$ 14,301	\$ 6,096	\$ 16,188	\$ 4,262	\$ 15,818	\$ 4,600	\$ 15,916
Books & Supplies	\$ 1,464	\$ 1,464	\$ 2,058	\$ 2,058	\$ 1,746	\$ 1,746	\$ 1,200	\$ 1,200
Transportation	\$ 1,512	\$ 888	\$ 1,620	\$ 1,578	\$ 1,500	\$ 1,500	\$ 1,946	\$ 584
Misc/Personal	\$ 1,647	\$ 1,719	\$ 1,704	\$ 1,704	\$ 1,435	\$ 1,435	\$ 1,564	\$ 1,564
TOTAL COST	\$ 24,444	\$ 31,611	\$ 18,405	\$ 28,455	\$ 10,240	\$ 21,796	\$ 67,505	\$ 76,520

Expected Family Contribution (EFC)

- EFC: a need analysis formula established by Congress determines a student's Expected Family Contribution; using information reported on the FAFSA.
- A comparative measure of how much a family can be expected to contribute over the course of an academic year.
- Used to determine a student's eligibility for most federal and state assistance.

How is Financial Need Met?



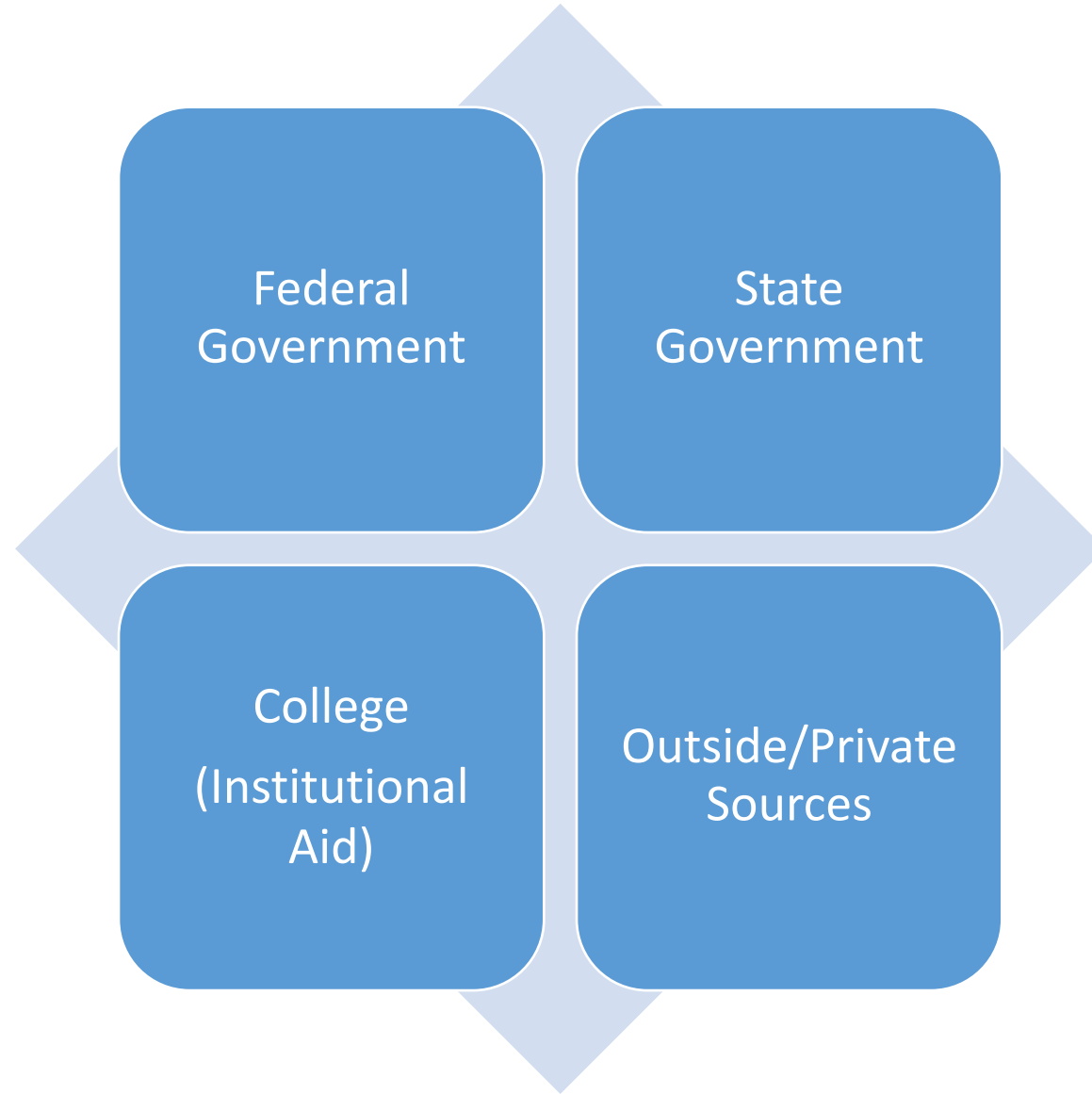
Gift aid

- Grants (Pell, SEOG, Cal Grant, Institutional)
- Scholarships (unrestricted, institutional)

Self-help aid

- Employment (Work-study)
- Student loans (Stafford, PLUS, Perkins, Private)

Sources of Financial Aid



Free Application for Federal Student Aid (FAFSA)

- Determines expected family contribution (EFC)
- Determines eligibility for federal and state financial aid programs
- Scholarships may use FAFSA information to determine eligibility

Cal Grant

Must complete GPA verification form and FAFSA by March 2.

Cal Grant: A, B, C. Middle class scholarship

Cal Grant A B pay full TUITION at UC/CSU; covers \$9,084 at private schools

AB 540 students qualify for Cal Grant

CSS Profile (for independent institutions)

Used to determine EFC at independent institutions

More detailed questions asked about resources and expenses

Filing deadlines vary by institution

Scholarships

Privately funded

Eligibility requirements vary

Multiple criteria used to determine eligibility

May require additional documents (letters of rec, essays, etc).

May require interview(s)

Net Price Calculator: How Students Estimate the Cost of College

Found on individual college websites

Federally mandated

Family enters income and asset data

One-year net price projection

Calculators differ by institution

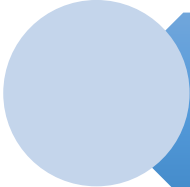
On-line Resources



Federal government
www.studentaid.ed.gov



California Student Aid Commission
www.csac.ca.gov



The College Board
www.collegeboard.org



Scholarship Web Sites
www.fastweb.com, www.scholarships.com