KEY COLLEGE FUNDING DATA 2023–2024

Susan R. Foard, CPA
President
Pugh Wealth Management, LLC

315 N. Cedar Bluff
Ste 200
Knoxville, TN 37923

865-251-0920

sfoard@pughwealth.com
https://www.pughwealth.com/

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Roadmap to Affording College

- ❑ Consider taking SAT or ACT test prep classes after sophomore year.
- ❑ Determine your Estimated Family Contribution (EFC) with the free calculator at CollegeBoard.org. Your EFC is the minimum you are expected to pay for one year of college.
- ❑ Get an analysis from a financial professional to determine how you'll pay.
- ❑ Build a wide list of schools based on location, size, majors, etc.
- ❑ Narrow list by using each school's net price calculator to see what your estimated price would be after aid and/or scholarships are deducted.
- ❑ Start visiting schools in junior year, ideally while class is in session. See if schools require an interview.
- ❑ Begin your college application essay no later than the summer before senior year. Common App prompts are released in the spring.
- ❑ Weigh pros and cons of early action/early decision.
- ❑ Complete your Federal Application for Student Aid (FAFSA) and CSS Profile early, starting October 1. Check Student Aid Report that you'll get online days after FAFSA is sent.
- ❑ Make a list of all admission and financial aid application requirements for each school (supplemental essays, CSS Profile, etc.) and keep track of deadlines.
- ❑ Compare award letters and consider appealing for more aid.
- ❑ Complete the FAFSA and other aid applications each year throughout college.
- ❑ Review loan options if needed and learn about interest deferral and repayment schedules.

FAFSA and EFC

- Completing the FAFSA, as well as the CSS Profile for many private colleges, is the only way to qualify for need-based financial aid.
- 71% of families complete the FAFSA—average completion time: 31 minutes.
- File early to increase chances of getting aid on a first-come, first-served basis.
- The FAFSA uses your prior-prior tax returns. Families applying for aid in 2024 will use 2022 returns.
- Two or more children in college at once reduces a household's EFC and boosts aid chances.

Applying for Financial Aid

- Recent average aid - $17,814: $5,179 in grants; $10,135 in loans and work-study; $2,500 in tax credits and deductions
- Financial aid trap: colleges might reduce the financial aid package by the amount of an outside scholarship.

Admissions

- Only 32% of colleges met new student enrollment goals by May 1 in 2021.
- Biggest admission factors: college prep grades, strength of high school curriculum, and SAT/ACT scores
- "Showing demonstrated interest" can be important, too: ask for materials, visit the school, email the admissions officer, and follow the school on social media.
- Most selective schools are test-optional and can be found at FairTest.org.
- Early decision (ED) and early action (EA): Both involve early application deadlines. With ED, you promise to attend the college if accepted, while EA is nonbinding.
- 75% of students get into their first-choice college, according to a UCLA survey.

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Award Letter Confusion

- Award letters are confusing and misleading. A 2018 study found:
  - » Over 33% of letters didn't include cost information.
  - » 136 unique terms for federal student loans including 24 that didn't include the word "loan."
  - » 15% of letters included parent loans as an "award."
- Definitions are important: grants and scholarships are free money, while loans must be repaid. To qualify for a work-study job, you must complete the FAFSA and check the work-study box.

Appealing Aid

- College is a buyer's market for most: you can appeal financial aid and merit awards.
- An appeal can continue after the official deposit deadline (May 1).
- Share competing offers—but don't use the word "negotiate."

Tuition, Expenses, and Graduation Rates

- 89% of students at private schools get an institutional price cut—an average tuition discount of 60%.
- 59% of students at public schools get a price cut from the government or school.
- Average tuition—public in-state: $11,744 (out-of-state $21,928); private: $27,796
- Average cost per credit hour is $448—120 credits typically needed.
- Average room and board: $11,520 public; $13,028 private
- Average books and supplies: $1,240
- Average family in 2019-2020 spent $30,017:
  - » 44% covered by family income and savings
  - » 58% covered by scholarships and grants
  - » 21% covered by borrowing
- National 4-year grad rate: 50% (F), 40% (M)
- National 6-year grad rate: 67% (F), 60% (M)
- Roughly a third of students at four-year private and public colleges end up transferring.

Borrowing and Loans

- 2023 federal student loan rates—Undergraduate Subsidized and Unsubsidized Direct Loans: 5.5%; Graduate and Parent PLUS Loans: 8.05%
- 70% of 2020 students graduated with debt.
- Average debt: $37,717 (public school); $40,505 (private school)
- Latest data shows 9.7% defaulted on student loans.

Scholarships and Grants

- Most scholarships are based on merit—awarded for proven academic, athletic, or other ability.
- Many scholarships require maintaining a certain GPA to continue receiving aid.
- Most grants are awarded based on the family's financial situation.
- Discover a college's average need-based aid package and merit scholarship by looking at a school's profile on CollegeData.com and clicking on the *Financials* link.
- Public universities often post merit award requirements on their website.

Tax Credits

- American Opportunity Tax Credit: up to $2,500 per child for eligible parents for 4 years.
- Lifetime Learning Tax Credit: up to $2,000 for any taxpayer for any number of years.
- You can only get one tax benefit for the same educational expenses, including tax-free withdrawals from a 529 savings plan.

Resources

CollegeBoard.com	COLLEGEdata.com	Federal College Navigator
CollegeResults.org	EducateToCareer.org	ScholarshipStats.com

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Sources: Sallie Mae, "How America Pays for College 2022"; College Board, "2021 Trends in Student Aid" and "2022 Trends in College Pricing"; Student Loan Hero; National Center for Education Statistics; Inside Higher Ed, "Decoding the Cost of College"