



Finding a college that is a financial fit

How to find a college that works with your family's resources

Introduction

Jeff Burke

Financial Planner

7th Street Financial

Cost of college stats

- Average cost of college: \$100,000 - \$300,000
- Biggest expense in life after house
- First major adult financial decision
- \$1.6 Trillion in student loan debt



Student Loan Payments

\$30,000 = \$345/month

\$50,000 = \$575/month

\$75,000 = \$863/month

\$100,000 = \$1,151/month

\$125,000 = \$1,438/month

***based on standard 10 year repayment

- Average starting salary \$50,000
- Avg take home pay of \$2,800/mo.



Cost of college stats

School	Tuition & Fees	Room & Board	Books	Total
Normandale	5200	6800	1000	\$13,000
Minnesota – Mankato	8500	10000	1000	\$20,500
University of North Dakota	10700	9500	800	\$21,000
Wisconsin – Eau Claire	9000	8000	1000	\$18,000
UM – Duluth	13700	8500	1000	\$23,200
University of Minnesota	15000	10300	1000	\$26,300
University of Wisconsin	15000	12200	1200	\$28,400
Iowa State	24500	9150	1000	\$35,000
University of Iowa	32000	11600	1000	\$44,600
University of St. Thomas	46000	11250	1000	\$58,000

How to Find a Financial Fit School

- Change the way we shop for schools
- Establish a budget
 - What financial resources does the family have to pay for school?
 - 529 plan, other savings, cash flow, family
- Determine reasonable amount of loans
- Out of pocket + loans = max cost of college
- Example:

\$15,000 per year out from family resources

\$40,000 total in student loans (\$10,000 per year)

Total max budget = \$25,000/year


How to Find a Financial Fit School

- Determine YOUR cost of a school
- Understand the profile of your family and student
 - Are you a candidate for need based aid?
 - Academic profile of student
 - GPA, ACT/SAT test scores, AP/Honors classes, other areas of achievement

Understand Where You Fit

Merit	Low Need, High Merit	High Need, High Merit
	Low Need, Low Merit	High Need, Low Merit
Financial Need		

Financial Aid 101

1. October of Senior Year: Fill out FAFSA or CSS  This will determine your EFC
 - Total amount your family is expected to be able to pay towards college in that year
 - Largely driven by your income
 - Home equity and retirement plans are excluded
2. Compare EFC to school 'Cost of Attendance'
3. If COA is higher than EFC you likely qualify for need based aid
4. TIP: learn EFC early, use online calculator
 - Collegeboard.org
 - Collegedata.com

Need Based Aid

1. Grants – money you don't have to pay back

- Federal Pell grant – EFC < \$5,700, max award \$6,345
- States may provide grants to public schools – favor in state students
- Some schools provide their own grants
- Highly selective schools are more generous with need based aid

2. Loans

- Subsidized – best loan type, max total of \$27,000 over four years
- Unsubsidized – not need based
- PLUS – Parent takes out loan
- Private – obtain thru bank or other non-college, non-government entity, parents usually co-sign

3. Work Study – campus job

TIP: ignore what schools show as average aid given, focus on % of need met and need met in grants – collegeboard.org

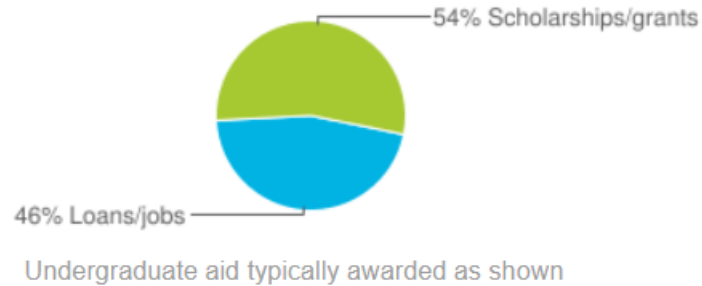
Cost of Attendance

How to Apply for
Financial Aid

Financial Aid By the
Numbers

Scholarships

Financial Aid Distribution



76%
% of need met

99%
% of freshmen with
need who received
financial aid

\$13,678

Average 1st year financial aid
package

Financial aid can include grants,
loans, scholarships and work-
study jobs. Every student's
financial aid package varies
depending on individual
circumstances.

Financial Aid Stats for All Undergraduates

Applied for need-based aid

68%

Judged to have need

70%

Were offered aid

69%

Had full need met

22%

\$3,414

Avg need-based loan

\$11,360

Avg need-based scholarship or grant award

YOUR Cost Example pt. 1

1. Cost of Attendance = \$40,000
2. EFC = \$20,000
3. Need = \$20,000
4. % of need met = 75%
5. Amount of need met = \$15,000
6. % of need in grants = 50%
7. Amount in grants = \$7,500
8. Your cost: $\$40,000 - 7,500 = \$32,500$
9. Budget of \$25,000 – not a fit yet

Scholarships

- Based on accomplishments, instead of finances
- Local organizations give lots of smaller scholarships, many under \$2500
- Colleges themselves give the most in merit aid
 - Merit scholarships are tied to GPA and test scores
 - “George B. Olson Memorial” scholarships – have to apply, specific criteria
 - Some schools have automatic thresholds, don’t need to apply, can plan for
- Information harder to find. Need to go to school admission page

Merit Based criteria

- 3.5 GPA and 26 ACT can be considered threshold for high merit
- Schools looking to raise profile offer good merit aid
 - Many state universities in Midwest and South
 - Iowa State, Kansas, Nebraska, Oklahoma, Ohio, Arkansas, Missouri, Alabama
 - Each school will have different thresholds and amounts
 - As low as 3.0 GPA/21 ACT as high as 3.8 GPA/30 ACT
- Private schools offer excellent merit aid
- Highly selective schools offer very little merit aid – Big Ten, Ivy League, Public Ivys (UNC, Virginia, Ohio State, Georgia, Michigan, Texas...)

Iowa State – Automatic Merit Aid

	ADVENTURE AWARD	JOURNEY AWARD	QUEST AWARD	+	GENERATIONS AWARD
GPA	3.30	3.00	3.60		Must be the child/ grandchild of an Iowa State alum
ACT/SAT	28/1300	26/1230	<i>not required</i>		
Amount	\$32,000 <i>(\$8,000/year for 4 years)</i>	\$26,000 <i>(\$6,500/year for 4 years)</i>	\$22,000 <i>(\$5,500/year for 4 years)</i>		\$6,000 <i>(\$1,500/year for 4 years)</i>

U of M – Merit Aid

Award	Amount	Scholarship consideration is based on a holistic review of the primary and secondary factors listed above. Additional criteria are listed below by scholarship.
Maroon and Gold Leadership Award	\$12,000 each year for four years	<ul style="list-style-type: none"> Minnesota resident or eligible for MN Dream Act <p><i>Note: This is a highly competitive scholarship, where most awardees are in the top 1-3% of a graduating class.</i></p>
Gold Scholar Award	Amount varies, up to \$10,000 each year for four years	<ul style="list-style-type: none"> Preference is given to National Merit Finalists Recipients must list the University of Minnesota Twin Cities as their first-choice college by the National Merit Scholarship Corporation deadline
Presidential Scholarship	\$1,000 - \$10,000 each year for four years	
Bentson Family Scholarship	\$24,000 over four years	<ul style="list-style-type: none"> Preference given to students of the Jewish faith
Minnesota Academic Excellence Scholarship	\$6,500 each year for four years	<ul style="list-style-type: none"> Minnesota resident or eligible for MN Dream Act Interested in English/creative writing, fine arts, foreign language, math,

YOUR Cost Example pt. 2

1. Cost of Attendance = \$40,000
2. EFC = \$20,000
3. Need = \$20,000
4. Amount in grants = \$7,500
5. Student Academics: 3.5 GPA/28 ACT
6. Amount in Merit Aid = \$8,000
7. Your cost: $\$40,000 - 7,500 - 8,000 = \$24,500$
8. Budget of \$25,000 = school is a financial fit

Understand Where You Fit

Merit

Low Need, High Merit

- Good merit aid at private schools and less selective public schools
- Expect to pay close to sticker price at highly selective schools

High Need, High Merit

- Good need based at private schools, Minnesota, and highly selective
- Merit aid at private schools and less selective public schools

Low Need, Low Merit

- Anticipate paying close to sticker price for school
- Look for school with lower threshold for merit aid

High Need, Low Merit

- Look at schools with high % of need met and % of need met with grants
- Need based aid likely at Minnesota schools and private schools

Financial Need

Summary

Max out of pocket

- Family resources PLUS
 - Reasonable student loan
-

Your budget

YOUR cost of school

- Cost of attendance LESS
 - Need based grants LESS
 - Merit based aid
-

YOUR cost of school

A school that is a financial fit is one where YOUR cost of school is less than or equal to your budget

Questions?

- Jeff Burke, 7th Street Financial
- www.7thstfinancial.com
- Email: Jeff.Burke@7thstfinancial.com
- Facebook: 7thstreetfinancial
- LinkedIn: 7th-street-financial
- Twitter: @7thstfinancial



THANK YOU