

# College Aid Professionals, LLC

“The Authority in College Financial Planning”



# The Landscape of Higher Education

*How has the Economy Affected colleges today?*

✓ Smaller Grants & Merit Awards

✓ Fewer Need-Blind schools as compared to five years ago

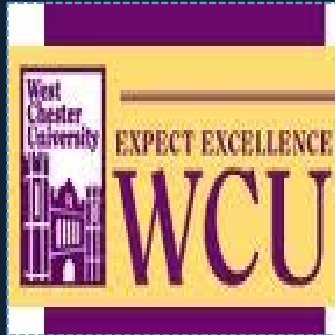
Cuts in Funding  
(Less Need-Based Money)



2008 Market Loss to Endowments  
(Less Merit-Based Money)



# Economics - Tougher Admission Standards



WCU is now the 8<sup>th</sup> most difficult school in PA for admissions.



To be admitted to PSU's Main Campus, the minimum combined SAT score is 1850.



Bloomsburg received 23,000 applications by Oct. 1<sup>st</sup>, even though their deadline was Dec. 1<sup>st</sup>. They only accepted 2200 students.



# Expenses

- **Standardized Tests**  
(PSAT, SAT, ACT, AP)

\$47 - \$87  
Per Test



- **Test Prep Courses & Materials**

\$500 -  
\$3,000



- **College App. Fees**  
(Often waived with campus visit)

\$50 - \$150  
Per School



- **Campus Visits**  
(hotel, food, airfare, gas)

\$100 - \$500  
+ Per Visit



- **Tuition & Housing Deposit**

\$300 -  
\$500



- **Moving Expenses**  
(U-haul, gas, food, hotel)

\$150 -  
\$400



- **Personal Expenses**  
(clothing, bedding, mini-fridge)

\$500 -  
\$900

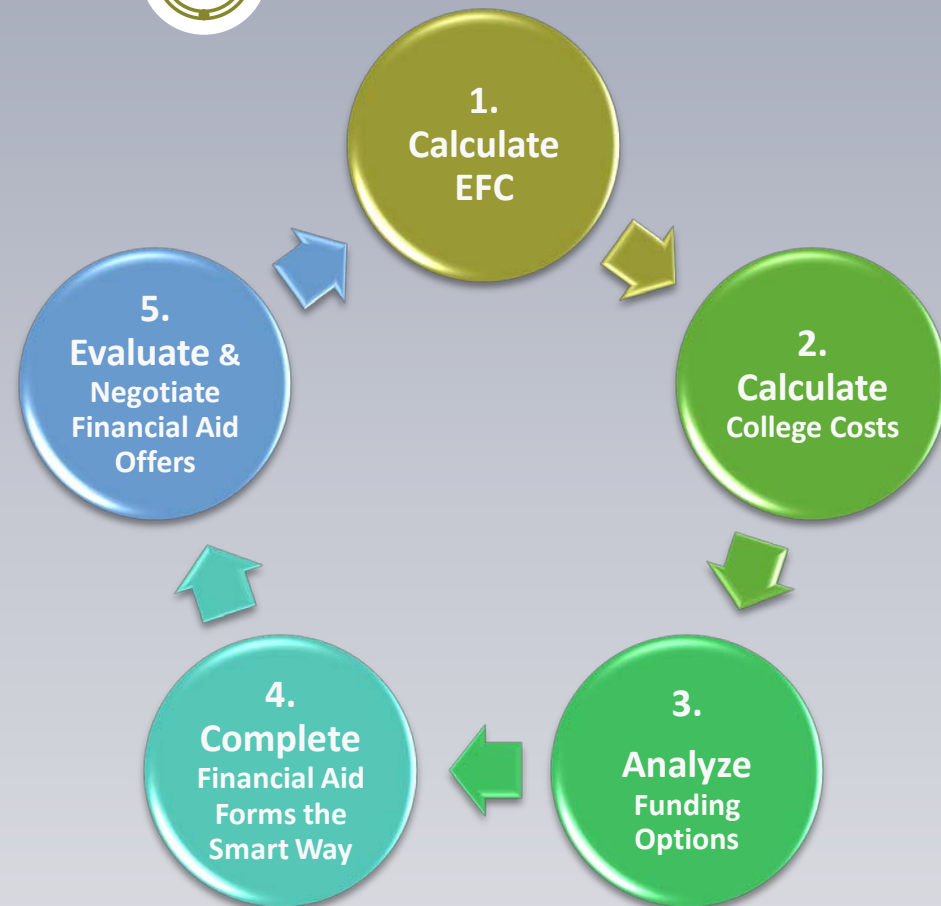


**Total: \$1,000 - \$5,000**

## Begin Planning in Junior Year:

January 1<sup>st</sup> your Financial Aid clock will begin ticking.

Everything that occurs during Jan 1<sup>st</sup> (middle of the Junior year) and Dec 31<sup>st</sup> (middle of the Senior year) will determine your Freshman year of College cost.



## College Financial Aid Process

## EFC – Then & Now

*Twenty years ago, the EFC was defined as what one family could afford to pay for one child for one year of college, out of the family's current cash flow.*

*Today, a family's EFC is defined as what one family can afford to pay for one child for one year of college, over time.*



**EFC**  
***Then – Can pay out of current cash flow...***  
***Now – OVER TIME!***





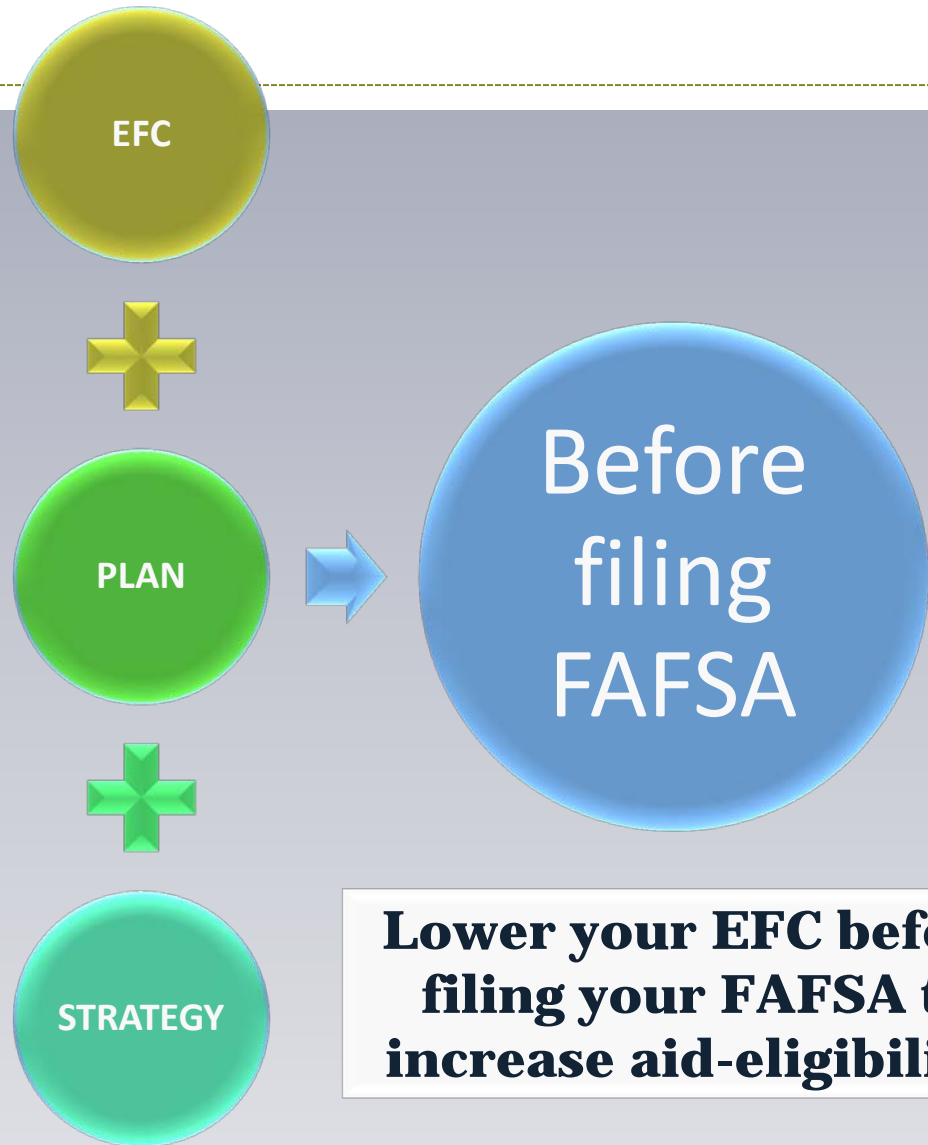
**Your EFC is a  
*Crucial* Number**

***PREPARE  
NOW!***

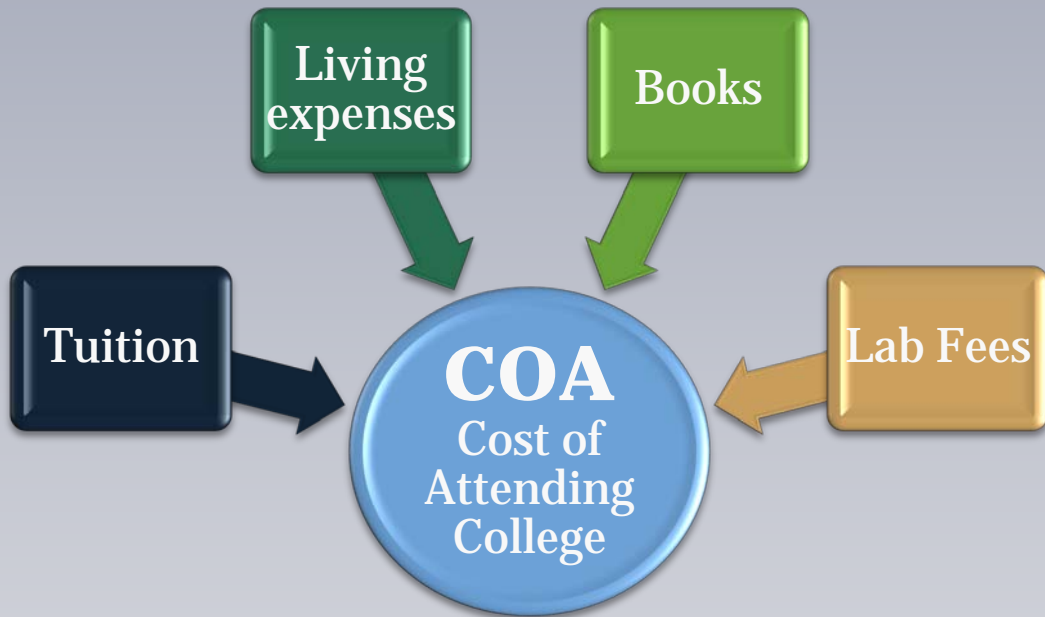
**KNOW EFC NOW** -  
the higher your EFC,  
the less need-based  
financial aid will be  
available.

**PLAN NOW** - to  
maximize financial aid  
eligibility.

**STRATEGIZE NOW** -  
for lowering your EFC.



# Cost of Attendance



- Colleges use Federal guidelines to determine what their COA is.
- Each COA is unique to that school.



# Need



## Determining Your Financial Need

We use your Expected Family Contribution (EFC) to determine your financial need:

**Cost of Attendance**

– Expected Family Contribution (EFC)

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**= Financial Need**

Term used to mean a student's need for financial aid.

Need is the difference between a family's EFC & the COA.

Schools usually meet 80% to 100% of need. But there are exceptions...

# The Financial Aid Process



Step Two: Answer questions 32-39 about yourself (the student). If you are married as of today, include information about your spouse (your husband or wife). If you are single, separated, divorced or widowed, answer only about yourself.

32. For 2008, have you (the student) completed your IRS income tax return or another tax return listed in question 33?  
a. I have already completed my return.  b. I will file, but I have not yet completed my return.  c. I'm not going to file. (Skip to question 36.)

33. What income tax return did you file for 2008? **sample** See Notes page 6.  
a. IRS 1040  b. IRS 1040A or 1040EZ  c. I am married to a U.S. citizen or treaty-protected alien. (See Notes page 6.)

34. If you have filed or will file a 1040, were you eligible to file a 1040A or 1040EZ?  Yes  No  Don't Know   
See Notes page 6.

For questions 35-47, if the answer is zero or the question does not apply to you, enter 0.

35. What was your (and spouse's) adjusted gross income for 2007? Adjusted gross income is on IRS Form 1040—line 37, 1040A—line 21, or 1040EZ—line 4.  \$

36. Enter your (and spouse's) income tax for 2008. Income tax amount is on IRS Form 1040—line 57, 1040A—line 36, or 1040EZ—line 10.  \$

37. Enter your (and spouse's) exemptions for 2008. Exemptions are on IRS Form 1040—line 4d or on Form 1040A—line 6c. For Form 1040EZ, see Notes page 7.

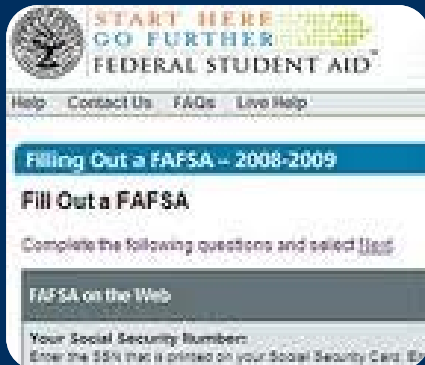
38-39. How much did you (and spouse) earn from working wages, salaries, tips, combat pay, etc. in 2007? Answer this question whether or not you filed a tax return. This information may be on your W-2 forms, or on IRS Form 1040—lines 7 + 12 + 18 + line 14 of IRS Schedule K-1 (Form 1099), 1040A—line 7, or 1040EZ—line 1.  You (38) \$      
 Your Spouse (39) \$

Student (and Spouse) Worksheets (40-42)

40-42. Go to Page 8 and complete the columns on the left of Worksheet A (40), Worksheet B (41), or Worksheet C (42).

- Begins with the Free Application for Student Aid (FAFSA)
- Must be completed by all students applying for financial aid.
  - (Hint – put a Home State school first)
- Can not be completed until after January 1<sup>st</sup>.
- Stafford and/or PLUS loans require filing of a FAFSA.

# Common FAFSA Mistakes



## Name does not Match SS Card

- Names on FAFSA must EXACTLY MATCH name as appears on Social Security card.

## Applying After Being Admitted

- Waiting to apply for FAFSA until AFTER being admitted could cause missing financial aid deadlines.

## Separated/Divorced/Remarried

- PA – Separation not legal status. Federal gov't. – it is. Divorced/separated 1 income is reported.

## Inclusion of Retirement Assets

- Retirement assets are not counted toward Federal financial aid.

# FAFSA vs. CSS Profile

## ***FAFSA***

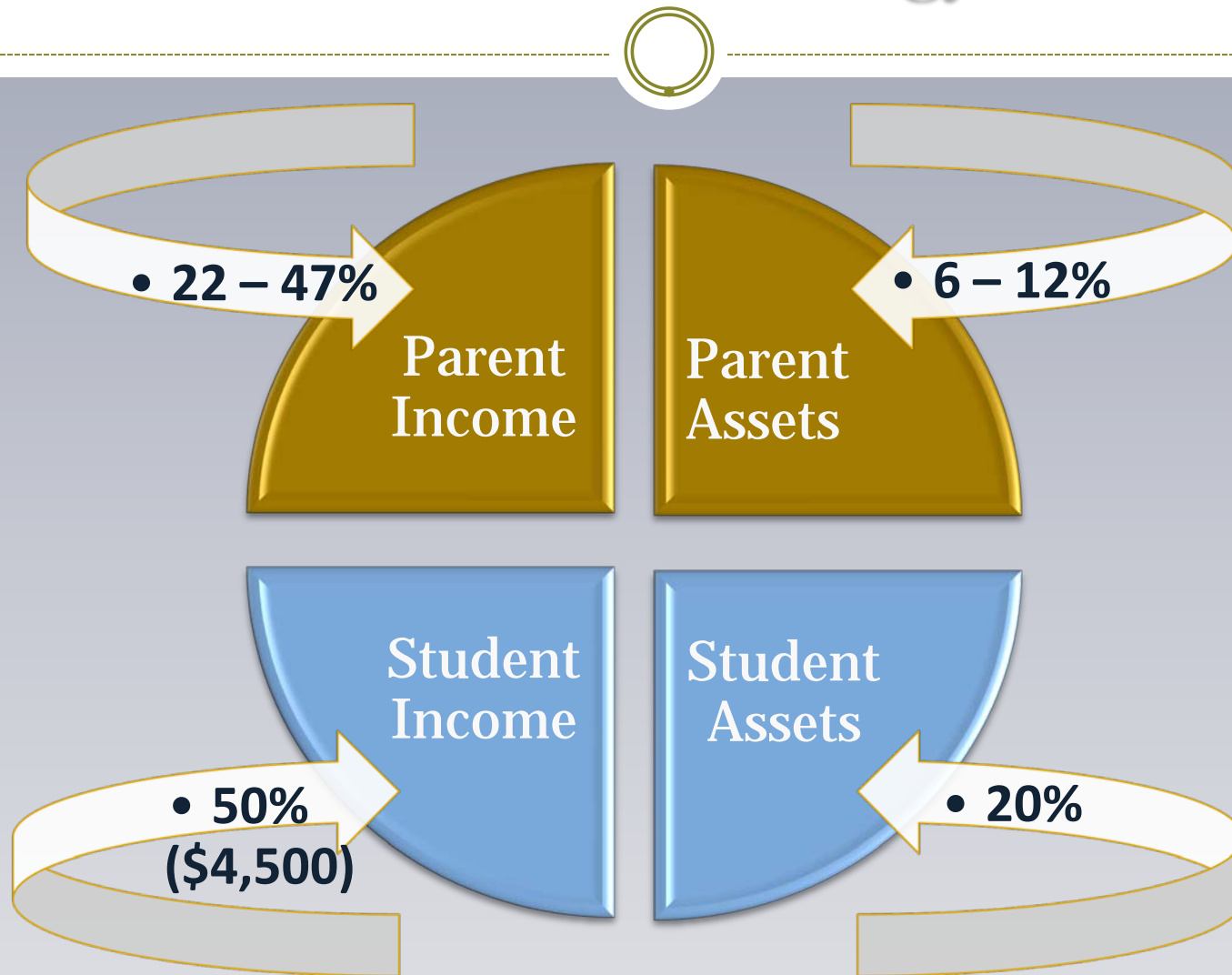
- Income and Assets of custodial parent ONLY.
- Primary residence not counted in EFC calculation.
- Retirement assets are not reported.

There are major differences between the FAFSA & CSS Profile Applications.

## ***CSS Profile***

- Income & Assets of BOTH custodial & non-custodial parents (and spouses).
- Primary residence equity IS counted in EFC calculation.
  - (Federal Housing Index Multiplier)
- Retirement assets will be asked for, viewed & *can* be used to determine financial aid eligibility.
- Additional information regarding installment debt will be asked for & viewed.

# CSS Methodology



# Types of Financial Aid



Colleges try to meet demonstrated need by offering 4 types of financial aid.

1. Grants
2. Loans
3. Scholarships
4. Work Study



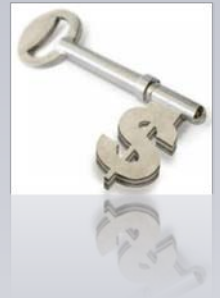
# How Will You Pay?



Once you *know*:

- What *Federal & State aid* you can expect;
- What your *EFC* will be;
- How much the college is giving in *merit money*;

You need to decide *how you will pay* for the balance.



How You Pay Can Save You Money!





We believe the best way to approach this investment is to be completely informed about your options and opportunities.



**For most families, paying for college is the second biggest investment of a lifetime.**



# *We are the Authority in College Financial Planning*



**SCHEDULE A COMPLIMENTARY STRATEGY SESSION.  
LEARN USEFUL INFORMATION BASED ON YOUR  
PERSONAL SITUATION.**

**GET TO KNOW US. SEE THAT COLLEGE REALLY CAN BE  
AFFORDABLE.**

**CAP EMPLOYEES ARE FORMER EDUCATORS AND  
PARENTS OF CURRENT/FORMER COLLEGE STUDENTS.**

# College Aid Professionals, LLC



**CAP Counselors are former educators, clients, and/or licensed financial managers.**

**CAP has over 70 yrs. Combined experience in Financial Planning & specializes in College Financial Aid.**

**CAP provides FREE seminars at High School Financial Aid Nights.**

