

How to Fund Your Child's and Your College Education

Tom Melecki, PhD
Director, Student Financial Services
The University of Texas at Austin

Women's Summit - Texas!

Today's Topics

2

- ❑ What will college cost me?
- ❑ What are my resources?
- ❑ What financial aid is available to me?
- ❑ How do I get financial aid?
- ❑ How else can I fill the gap?
- ❑ What is the payoff?

What Will College Cost Me?

3

- Which college will I attend?
- Cost of Attendance =
 - + Tuition and fees
 - + Books and supplies
 - + Room and board
 - + Other
 - + Transportation
 - + Personal spending

What Will College Cost Me?

4

Sample Costs of Attendance

(Full-Time Texas Resident Undergraduate Living Off-Campus)

	<u>U of H</u>	<u>UT Austin</u>	<u>Texas Tech</u>
Tuition and fees	\$9,211	\$9,794	\$9,064
Books and supplies	\$1,200	\$874	\$1,200
Room and board	\$9,800	\$10,422	\$8,283
Other	\$5,211	\$3,624	\$3,890
Total	\$25,333	\$24,714	\$22,437

Source: <http://collegeforalltexans.com/apps/CollegeMoney/index.php> (January 15, 2012)

What Are My Resources?

5

□ Assets

- Prepaid tuition/college savings fund



<http://www.texastomorrowfunds.org>



<http://www.sec.gov/investor/pubs/intro529.htm>

- Investments (stocks, bonds, IRAs, etc.)
- Savings accounts

□ Current Earnings

- Student's "share" of family spending

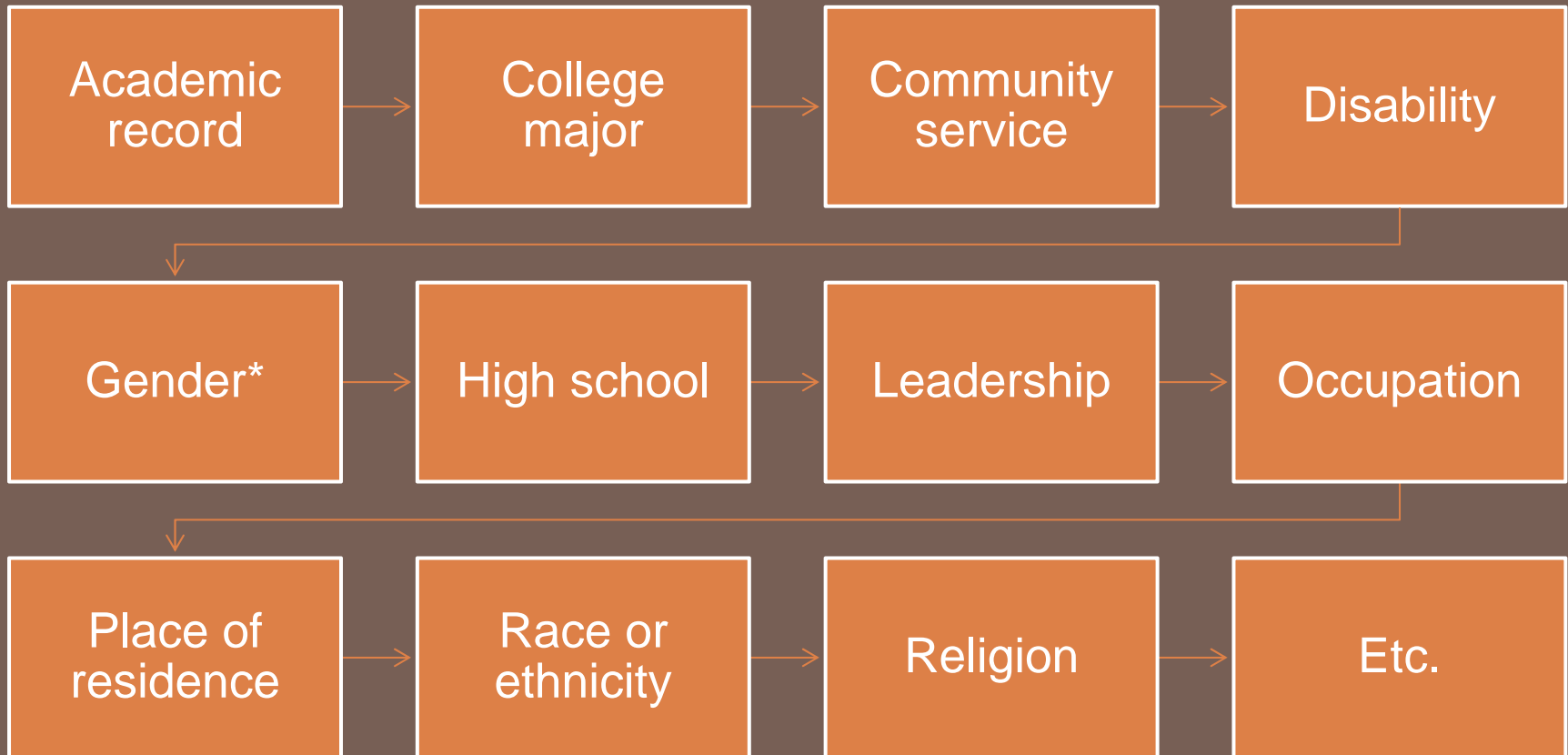
What Financial Aid is Available?

6

- Scholarships
- Grants
- Loans
- Work-study

Bases for Awarding Scholarships

7



See <http://www.texasscholarships.org/types/private/gender.html> for gender-based scholarships




Scholarship Providers

8

- ❑ Church
- ❑ Colleges to which you are applying
- ❑ Community organizations
- ❑ Employer and labor union
- ❑ Fraternal organizations
- ❑ High school
- ❑ Scholarship foundations

Looking for Scholarships

9

- ❑ High school counselor's office
- ❑ Church, employer, union hall
- ❑ On-line scholarship search databases
 -  www.fastweb.com
 -  www.scholarship.com
 -  www.scholarshiphunter.com
- ❑ College financial aid office
- ❑ Never pay for a scholarship search!

Your Scholarship Essays

10

- Reveal something about yourself
 - Show your passion
 - Talk about what makes you special
 - Explain how you'll "pay it forward"
- Toot your own horn!
 - Not just a sob story
 - How you overcame and triumphed
- Proof your work!

Grants, Loans, Work-Study

11

- Funding sources
 - Federal government
 - State government

- Eligibility criteria
 - U.S. citizen or national (federal)
 - Texas resident (state)
 - Financial need

Your Financial Need

12

- Financial need =
 - Cost of attendance
 - Expected Family Contribution (EFC)

Your Expected Family Contribution

13

- Family income and assets
- Family size
- Number of family members in college



www.texascollegemoney.com

Your Expected Family Contribution

14

- Complete Free Application for Federal Student Aid (FAFSA)

 www.fafsa.ed.gov

- FAFSA priority deadline
 - *Priority* date, not *eligibility* date
 - By March 15 for Texas state aid programs
 - Otherwise varies by college

Loans

15

- Borrow wisely!
 - Only what you need
 - Know your loan's terms and conditions
 - \$ Interest rate
 - \$ Who pays interest during "in school" period
 - \$ Repayment, postponement, forgiveness
 - Return what you don't need

How Else Can I Fill the Gap?

16

- Reduce your discretionary spending
- Make the most of family gifts
- Encourage your child to . . .
 - Graduate in 4 years
 - Spend frugally
 - Work part-time while enrolled

Summing Up

17

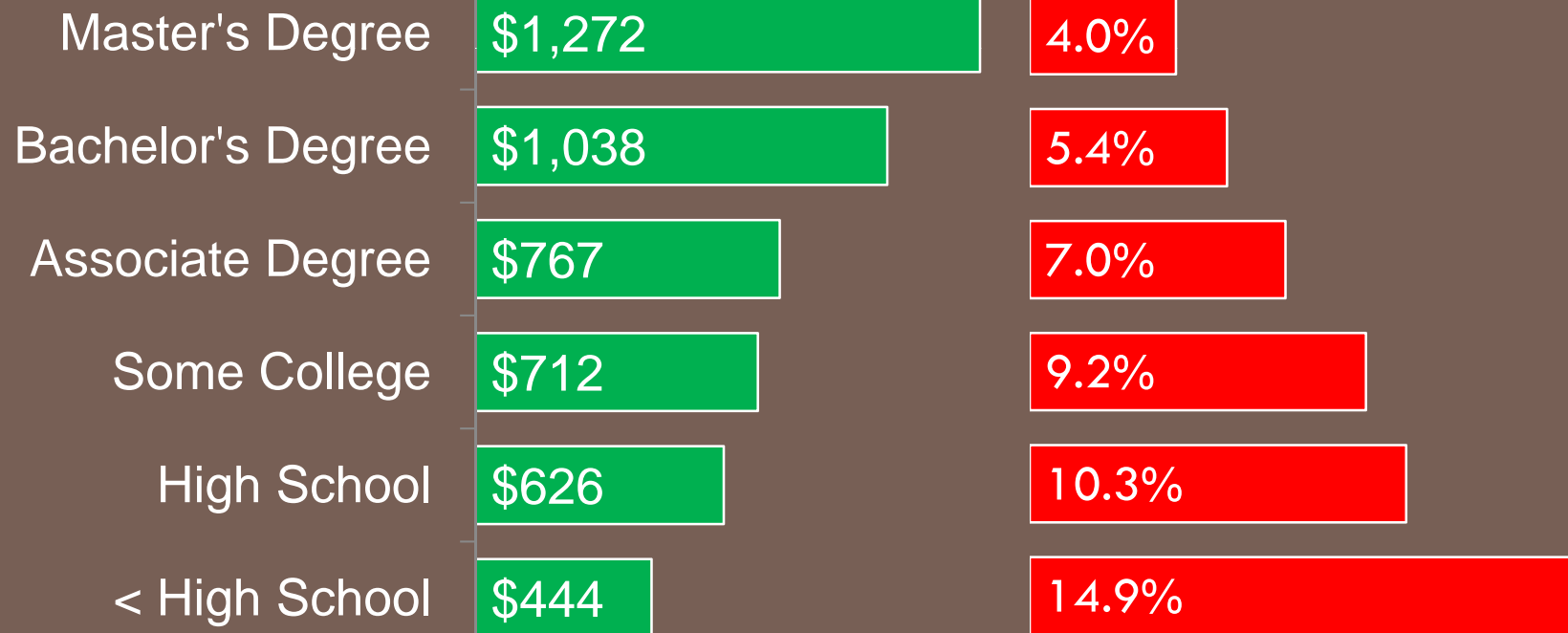
- College costs a lot
- Exploit your own resources
 - Savings, earnings, help from family
- Use financial aid
 - Pursue scholarships
 - Complete the FAFSA to obtain grants
 - Borrow (wisely) and work (a reasonable amount)

What's the Payoff?

18

Weekly Earnings

Unemployment Rate



Source: U.S. Bureau of Labor Statistics (May 2010)