

College - Financial Fit =



Key Elements of College Financial Fit

Thank You!

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- *The Ohio State University*, MA in School Counseling
- *Granville High School* (9 years)
 - UCLA, Certificate of College Counseling (2013)
- *Estrela Consulting* (2 years)

Amber Gilsdorf

Independent College Consultant



- Guide students & families through the entire college search & application process.
- Anticipate & respond to specific needs of the family & student.

Amber Gilsdorf

My story...pre-financial health

- *Undergrad @ State School = \$55,000 debt (approx.)*
- *Grad School @ The Ohio State University = \$10,000 debt (approx.)*
- *Loan Repayment Total = 72,000 (approx.)*
- *Starting Salary @ Granville = \$41,000*
- *Paid Off = 3 years post-OSU graduation (but not without sacrifice!)*

Most Families...



say
what!



SHOW ME THE

MONEY!!!!!!!



The Elements of Financial Fit

- Family Financial Health
- Major & Career Choice
- Institution-Specific Financial Aid Policies
- Value-Added Programs
- Financial Health of the Institution



Element 1:

Financial Health of the Family

- **EFC Calculator**

- Simulates a close approximation of the EFC determined by both Federal and Institutional Methodologies.

- **Need-Based vs. Merit-Based vs. Combo**

- Qualify for need-based one year, but perhaps not the next, and vice versa.

- **Prior-Prior Year**

- Use tax information for the tax year that ends in December of the college-bound student's junior year.
- Or subtract 2 from the year student will start college to determine tax information used.

Element 1:

Financial Health of the Family

Prior Prior Year

2018 Taxes



Starts college in 2020



Jr. Yr. HS	Sep.	Oct.	Nov.	Dec.
Sr. Yr. HS	Sep.	Oct.	Nov.	Dec.
Fr. Yr. College	Sep.	Oct.	Nov.	Dec.
So. Yr. College	Sep.	Oct.	Nov.	Dec.
Jr. Yr. College	Sep.	Oct.	Nov.	Dec.
Sr. Yr. College	Sep.	Oct.	Nov.	Dec.

Element 1:

Financial Health of the Family

- **Parent Questionnaire**

- Indicate budget, veteran's benefits, other benefits, college savings, financial goals for child, and family strategy for paying

- **Financial Planning Meeting**

- *Goal:* Establish how much is being paid out of pocket in the worst case scenario of no “free” money (scholarships or grants) at all.



Element 1:

Financial Health of the Family

Parent's Assets

EXAMPLE

1	Total of cash, savings, checking?	\$100,000
2	Amounts of 529/Other Educational Savings Plan?	\$30,372
3	Net worth of investments (exclude all real estate)?	\$101,000
4	Estimated net equity in home real estate (not your principal residence)	\$500,000
	Net worth of parent's assets held in children's name?	\$0

Home Ownership

7	Do you own or rent your home? (If rent, skip the questions in this section. If own, answer all questions in this section.)	Own
8	Estimated market value of principal residence?	\$350,000
9	If you own your home, what is the remaining balance of your mortgage?	\$30,000

High Merit / Low Need

Element 2:

Institution-Specific Financial Aid Policy

- **Public vs. Private & In-State vs. Out-of-State**
 - Public In-State \$\$\$ < Public Out-of-State \$\$\$
Exceptions:
 - Out-of-State Student Incentives @ Public
 - Alabama, Eastern Kentucky, Western Carolina, Kentucky
 - Reciprocity
 - Eastern Michigan, Michigan State, West Virginia, IUPUI
 - Private Out-of-State \$\$\$ (*could be*) = Private In-State \$\$\$
 - And sometimes...very close to (or less costly than) Public In-State!

Element 2:

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Institution-Specific Financial Aid Policy

EXAMPLE

Cost Comparisons

Select up to 4 colleges from your **My Colleges** lists to compare

Print

Johns Hopkins University

Loyola University Chic

The Ohio State Univer:

Rhodes College

Total Gift Aid Awarded	\$30,000	\$22,000	\$2,000	\$30,000
Stafford Unsubsidized Loan	\$0	\$5,500	\$0	\$5,500
Unmet Need (Gap)	(\$30,000)	(\$27,500)	(\$2,000)	(\$35,500)
Total Out-of-Pocket	\$22,220	\$34,920	\$25,840	\$27,348

High Merit / Low Need

Element 2:

Institution-Specific Financial Aid Policy

- Does the school *only* provide need-based aid?
 - What % of demonstrated need is met?
- Does the school offer a mix of merit & need-based aid?
 - What % of need met?
 - What % of students receive merit aid?
 - What is the average merit aid amount?



Element 2:

Institution-Specific Financial Aid Policy

◦ **Low Loan Schools:**

- Meets 100% of your **demonstrated** financial need, but part of that offer may include loans (so still meeting all need, but have a few loans in there)
 - Family still pays EFC
 - Funding gap is met through small loans
 - Extra financial aid forms @ these schools
 - Brown, Dartmouth, Duke, Haverford, Northwestern, Vassar, Wash U (& more)



Element 2:

Institution-Specific Financial Aid Policy



- **No Loan Schools:**

- 100% of **demonstrated** financial need without making the student take out loans, regardless of family income (less than 30 schools).
 - Still usually pay EFC
 - Funding gap is met through institutional grants, scholarships, etc.
 - Extra financial aid forms @ these schools!
 - Amherst, Chicago, Davidson, Harvard (family income up to \$260,000), Vanderbilt, etc.

Element 2:

Institution-Specific Financial Aid Policy

◦ **Merit Opportunities:**

- Review the financial aid website at each school
 - Are there many scholarship options?
 - Are scholarships awarded based on need also? Or just merit?
 - Does the school “stack” merit awards on top of need-based grants?
- Transparent grids/charts?
 - EX: Miami
 - Take note on designated GPA and/or test scores for some scholarships
 - This may come in handy when deciding whether or not to test again or stay motivated through HS

Element 2:

Institution-Specific Financial Aid Policy

Miami
(OH)

Fall 2019 Merit Scholarships

<u>Test Score*</u>	High School GPA (4.00 scale)	<u>Ohio Resident Scholarship Range[†]</u>
ACT: 33+ SAT: 1450+	3.50+	Half to Full Tuition \$32,000–\$64,000 (\$8,000–\$16,000 Annually)
ACT: 30-32 SAT: 1360–1440	3.50+	\$20,000–\$48,000 (\$5,000–\$12,000 Annually)
ACT: 28-29 SAT: 1300–1350	3.50+	\$8,000–\$32,000 (\$2,000–\$8,000 Annually)
ACT: 27 SAT: 1260–1290	3.50+	\$4,000–\$12,000 (\$1,000–\$3,000 Annually)

Element 2:

Institution-Specific Financial Aid Policy

The importance of the *financial* continuum

Schools wherein student is likely to receive *high* amount of merit aid &/or need-based aid and/or COA is absolutely in range for family to have no difficulty funding any of the gap out-of-pocket.

Schools wherein student is likely to receive *some* amount of merit aid &/or need-based aid and COA is in family range to fund some of the gap comfortably with some borrowing too.

Schools wherein student is *less* likely to receive any merit aid but may receive *some* need-based aid. COA is usually high enough wherein family will need to fund the gap with more borrowing.

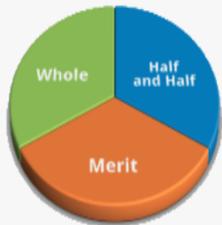
Element 2:

A

Institution-Specific Financial Aid Policy

EXAMPLE

EFC Calculator



Introducing a new way to look at college affordability – the EFC Calculator from GuidedPath! Funding college is not a one size fits all proposition. Families need to know how their unique family situation fits into the financial aid process. The EFC Calculator is an Expected Family Contribution (EFC) calculator that takes each family's unique situation in account to generate a specialized strategy for reducing college costs. Proven effective, families have used these strategies for over twenty years to be pro-active when in financial plans for college. Learn more about how the EFC Calculator survey is designed to help families understand how to best plan for their child's college education. The EFC Calculator identifies families as being in one of three categories and strategies for each category are provided to families, giving them an opportunity to plan and maximize college options.

Who Can See This Survey
Shared

[EFC](#) [EFC Categories](#) [EFC Strategies](#) [Summary](#) [Survey Progress](#)

2018-2019 Expected Family Contribution (FM: \$11,416 IM: \$14,805)

Income/Asset Item	Federal (FM)	Institutional (IM)
Parent Income Contribution	\$3,250	\$0
Parent Asset Contribution	\$7,967	\$12,555
Student Income Contribution	\$0	\$2,000
Student Asset Contribution	\$200	\$250
Expected Family Contribution	\$11,416	\$14,805

Element 2:

Institution-Specific Financial Aid Policy

EXAMPLE

- **Goucher College COA = \$63,618/yr.**
 - Use federal methodology (FAFSA only)
 - Combo financial policy of merit-based and need-based
 - 27% of students receive merit scholarships averaging \$19,581
 - On average Goucher meets 84% of demonstrated need (CollegeBoard.org)
 - Average need-based financial aid package = \$43,850
- **Student's EFC = 11,416**
 - Institutional Grant = \$11,700
 - Work Study = \$2,000
 - Merit Aid = \$31,000

Net Price = \$18,918/yr.

Element 3:

Major & Career Choice

- Projected Cost of Attendance relative to projected earnings & demand for skills
 - **Student** = 3.7 GPA, 30 ACT, 3 AP classes
 - **Goucher Net Price (out of pocket after “free money”)** = \$75,672 (all 4 years)
 - **Money from 529 Plan** = \$69,000
 - **Possibly Borrow** = \$6,672 (over 4 years)

◦ **Average Starting Salary:**

- Teacher = \$35,249 (in Ohio)
- Engineer = \$71,153
- Lawyer = \$68,880
- Dancer = \$23,000
- Civil Servant = \$25,871 (Federal)
- Actuary = \$66,794
- Nurse = \$57,436



$\text{Net Price} - \text{Savings/Cash Flow} = \text{Funding Gap}$

Funding Gap is usually filled with student loans. ☹️

Do NOT borrow more than 1st yr. salary

Element 3:

Major & Career Choice



- **Other considerations:**
 - Tuition increases (3-4%/yr.)
 - **Required schooling for field of study**
 - Graduate school, Professional school, etc.
 - Additional training
 - **Hidden costs for field of study (i.e. How expensive is your major?)**
 - Art & Design
 - Engineering
 - Music
 - Exams (MCAT, LSAT, PRAXIS, GRE & the cost to prep and register)
 - **Cooperative Learning Experiences (Co-op)**
 - Usually paid work experiences (but not much)
 - Still owe a fee to the university while paying for living expenses

Element 4:

Value-Added Programs

- **Athletics @ the DIII level**
 - Cannot provide scholarships, but the opportunity/experience of continuing one's sport may be worth the net cost.
- **Specialty Schools (e.g. Conservatory, Art, Film, Fashion, etc.)**
 - Caliber of instructors, laser focus on chosen discipline, exposure to experts/field professionals
- **5 year Major with Required Co-Ops**
 - Drexel, Northeastern, Cincinnati (Engineering)
- **Learning Support Programs**
 - Muskingum University
 - High Point University
 - Marist College



Element 4:

Value-Added Programs

- **Greek Life**

- \$700-\$1500/semester
- Costs of t-shirts, fundraising, events, food, gifts, etc.

- **Programs for Undecided Majors**

- Usually no extra cost, but the COA of the school itself may be more. Tradeoff for the greater counseling and support to explore options.



Element 5:

Financial Health of the Institution

- **Endowment**

- National Center for Education Statistics (NCES)
- The Chronicle
- Inside Higher Education
- Forbes

- **Average Student Indebtedness**

- Money put towards gift aid (or not)

- **Graduation Rates & Outcomes Data**

- Resources (money and personnel) put toward advising and preparatory programs.





Element 6: *Bonus Elements!*

- AP course credit
- Honors Programs
- Holidays & birthdays
- Summer jobs
- Off-campus living (with roommates)

- Resident Advisor
 - Applications start early (fall semester for the next year)
- “Fast Track” programs
- Upperclassmen scholarships (departmental & school)

Questions?

Thank you!



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