



2013
The College Board
Forum



Communicating College Costs, Financial Aid Options, and Contribution Expectations With Parents

College Board National Forum 2013

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Butler University, Indianapolis, IN*

About Butler University

- Founded in 1855
- A liberal-arts environment that fosters both intellectual and social growth while providing practical, "real-world" skills.
- Over 60 major academic fields of study in six colleges
- Situated in the Butler-Tarkington neighborhood on a 295-acre campus approximately five miles north of downtown Indianapolis.
- Historic Hinkle Fieldhouse and the Butler Bulldogs, who participate in the BIG EAST athletic conference and Pioneer Football League.
- Over 4200 full time undergraduates, mostly part-time graduate programs of 500

About Indiana University-Purdue University-Indianapolis

- Indiana University-Purdue University Indianapolis, or IUPUI is Indiana's premier urban university, with 19 schools and academic units which grant degrees in more than 200 programs from both Indiana University and Purdue University.
- Home of nationally-ranked programs in nursing, public and environmental affairs, law, and health
- IUPUI location within blocks of downtown Indianapolis facilitates advancement of research and teaching, and presents unique opportunities for internships, partnerships, community engagement, and more.
- IUPUI enrolls more than 30,000 students representing all 50 states and 122 countries.

How Families Learn About College Costs Today

- Media, friends, family members, counselors, teachers, etc.
- Other options...
 - College Affordability and Transparency Center at www.collegecost.ed.gov
 - [College Navigator website](#)
 - College Scorecard
 - College Websites
 - Net Price Calculators
 - Shopping Sheet
 - Financial Aid Award Letters

Example of College Navigator Data: Do Ranges Help?

	Average Tuition	Tuition Range	Average Net Price	Net Price Range
Public, 4-yr	\$6,397	\$430 - \$14,416	\$10,747	\$938 - \$24,192
Private, 4-yr	\$21,324	\$876* - \$51,300	\$19,009	\$82 - \$39,672
For-Profit, 4-yr	\$15,661	\$5,100 - \$45,628	\$23,057	\$2,785 - \$51,223
Public, 2-yr	\$2,527	\$560 - \$10,430	\$6,780	\$76 - \$23,515
Private, 2-yr	\$11,413	\$2,190 - \$45,800	\$14,906	\$1,522 - \$35,160
For-Profit, 2-yr	\$14,344	\$5,820 - \$39,750	\$19,635	\$3,183 - \$52,209
		*Zero tuition at Webb Institute (NY)		

Source: College Navigator Website 2011

College Scorecard

- Initiative of President Obama's White House
- Snapshot view of a college's costs and "success"
- Provides average net cost, graduation rates, loan default rates, median loan debt payment,
- <http://collegecost.ed.gov/scorecard/index.aspx>



Butler University

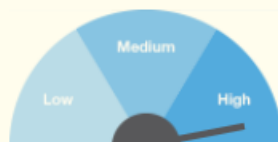
Indianapolis, IN
Primarily bachelor's degree granting
Undergraduate enrollment: 3,889

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Costs





\$29,032 / yr

What does it typically cost to attend Butler University?

The average net price for undergraduate students is \$29,032 per year. Net price is what undergraduate students pay after grants and scholarships (financial aid you don't have to pay back) are subtracted from the institution's cost of attendance.

The average net price has increased 17%  from 2007 to 2009.

 [Click here to see listings of changes in college costs.](#)

 [Click here to go to the Net Price Calculator for a better estimate of what your costs would be.](#)

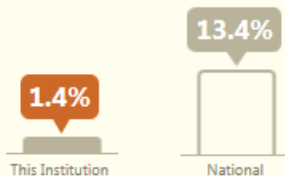
Graduation Rate



What percentage of students graduate?

71.8% of full-time students received their bachelor's degree within 6 years. Graduation rate data are based on undergraduate students who enrolled full-time and have never enrolled in college before. This may not represent all undergraduates that attend this institution.

Loan Default Rate



Are students able to repay their loans after they graduate?

1.4% of borrowers defaulted on their Federal student loans within three years of entering repayment.

Shopping Sheet

- Prescribed format for financial aid award notifications developed by U.S. Department of Education
- Institutions' usage is voluntary
- Uniform display of cost, aid and net costs
- Includes consumer information such as an institution's graduation rate, default rate and median indebtedness



Costs in the 2013-14 year

Estimated Cost of Attendance		\$ X,XXX / yr
Tuition and fees	\$ X,XXX	
Housing and meals	X,XXX	
Books and supplies	X,XXX	
Transportation	X,XXX	
Other educational costs	X,XXX	

Grants and scholarships to pay for college

Total Grants and Scholarships (*Gift Aid; no repayment needed)		\$ X,XXX / yr
Grants from your school	\$ X,XXX	
Federal Pell Grant	X,XXX	
Grants from your state	X,XXX	
Other scholarships you can use	X,XXX	

What will you pay for college

Net Costs (Cost of attendance minus total grants and scholarships)		\$ X,XXX / yr
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Options to pay net costs

Work options

Work-Study (Federal, state, or institutional)	\$ X,XXX
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Loan options*

Federal Perkins Loans	\$ X,XXX
Federal Direct Subsidized Loan	X,XXX
Federal Direct Unsubsidized Loan	X,XXX

*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

Other options

Family Contribution (As calculated by the institution using information reported on the FAFSA or to your institution.)		\$ X,XXX / yr
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- Payment plan offered by the institution

- Military and/or National Service benefits

Graduation Rate

Percentage of full-time students who graduate within 6 years



Loan Default Rate

Percentage of borrowers entering repayment and defaulting on their loan



Median Borrowing

Students at UUS typically borrow \$X,XXX in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately \$X,XXX per month. Your borrowing may be different.



Repaying your loans

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to: <http://studentaid.ed.gov/repay-loans/understand/plans>

For more information and next steps:

University of the United States (UUS)
Financial Aid Office
123 Main Street
Anytown, ST 12345
Telephone: (403) 455-7890

Net Price Calculators

- Maintained on all college websites by federal law
- Allows user to enter information about themselves to receive an estimate of the costs and financial aid that may be available to them at a college
- Provides estimates based on historical information
- May or may not provide idea of merit-based aid eligibility
- Educates user about college costs and financial aid terminology

What Do Information Sources Provide Families?

- Confusion?
- Help students and parents start to understand net college costs
- Helps students and parents that overestimate and underestimate college net price
- Helps students and parents consider colleges they may have ruled out due to “sticker price”
- Makes financial aid a little less mysterious
- Moves discussion to college “fit” and college “net value”

College Cost Perception

LOW

HIGH

LOW

Confirms
Perception

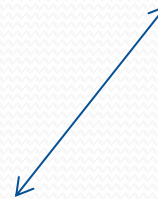
Pleasantly
Surprised

**College
Financial
Aid
Expectations**

Disappointed
But Informed

Confirms
Perception

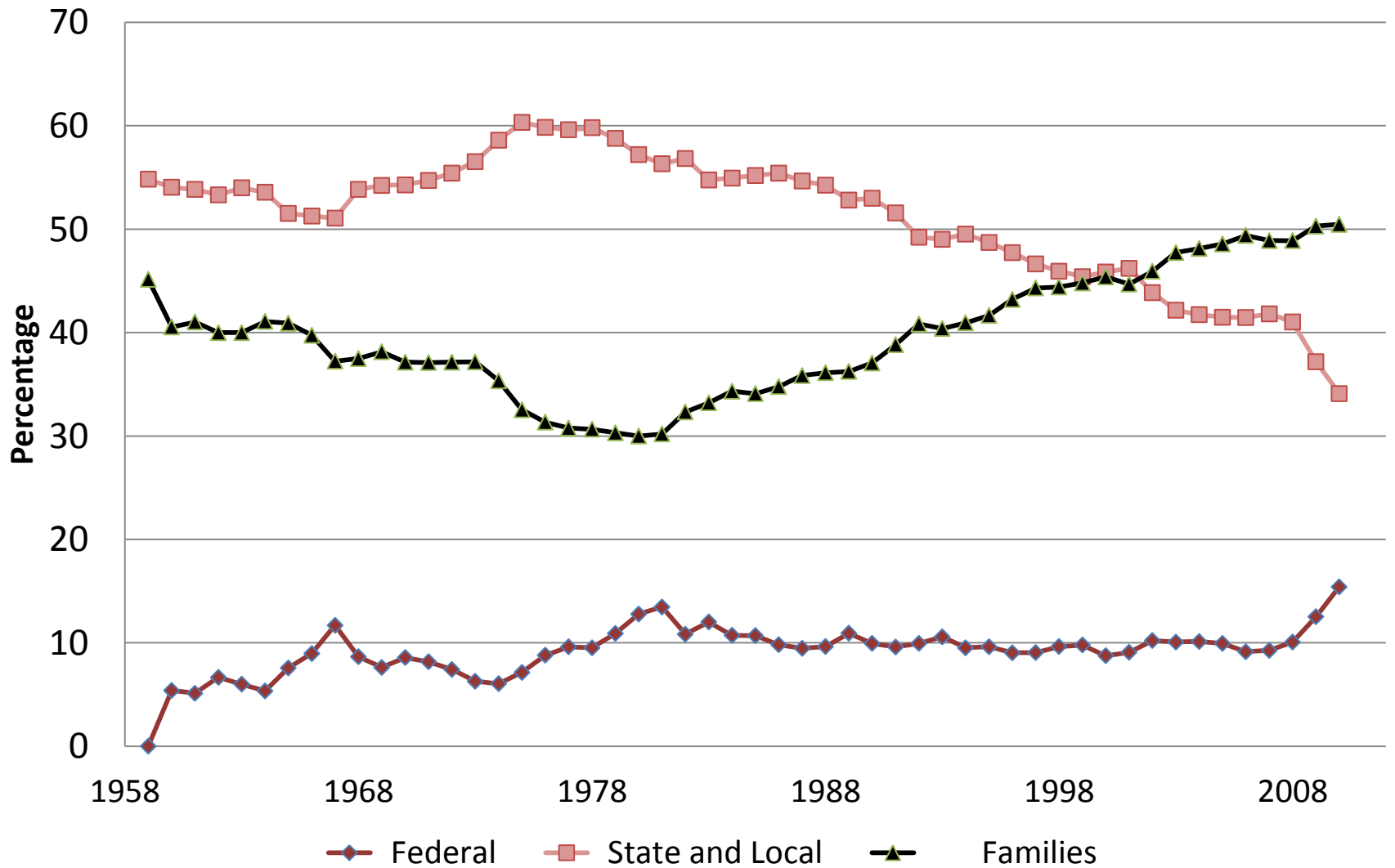
HIGH



Information Source Limitations

- Sources are not financial aid applications
- Sources cannot guarantee or promise of financial aid
- Sources cannot provide precise award information
- Sources can require navigation of multiple sites
- Sources provide estimates only based on historical information
- May or may not provide idea of merit-based aid eligibility
- Only as good as information entered
- Financial aid officers nervous about complaints of being misleading
- New concept for many aid offices so will require fine tuning

Who Pays the College Bill? 1958 - 2010



Communicating With Parents

- High School Night Outreach Efforts
- Special FAFSA Filing Outreach
- Paper Award Letter Mailings
- Webinars
- Social Media

The Expected Family Contribution

- What is it?
- How do we explain it?
- How do we explain unmet need gap?
- How do we promote college savings?
- How do we describe “pay as you go” plans
- How do we describe parent borrowing plans

Communicating College Affordability

- Direct versus Indirect Costs
- College Investment Value
- Paper Award Letter Information
- Publications
- Media

Butler Parent Communication

- Begins with student's application to the University
- Just in Time approach
- Letter and email series; including "Mail Bag" videos
- Sessions and presence at organized group visit events
- Partnership with Admission staff
- Facebook
- Registration days:
 - Campus employment, billing & financial aid shared session
 - Parents only session
- Paper aid notification & supplements

BUTLER UNIVERSITY

OFFICE OF FINANCIAL AID

8-May-13

72000198

Personal Planner especially for: **Jim Sample**

Costs in the 2013-2014 year

Estimated Cost of Attendance for full-time enrollment	\$49,008
Tuition*	\$33,490
Fees*	\$ 878
Housing and meals*	\$11,240
Books and supplies	\$ 1000
Transportation	\$ 850
Other education costs	\$ 1550

Grants and scholarships to pay for college	\$21,500
Total Grants and Scholarships ("Gift" Aid; no repayment needed)	\$27,508

Net Costs	\$ 5500
Cost of attendance minus total grants and scholarships	\$24,108
Loan options	\$18,608

Family responsibility
 Direct costs minus grants and scholarships (no loans)
 Direct costs minus grants, scholarships and federal loans

Family responsibility is a realistic estimate of what will be reflected on your bill.

- Military and/or National Service Benefits
- College Savings Plans
- Outside Scholarships

- Other options**
- Payment Plan
 - Federal Direct Parent PLUS Loan
 - Non-Federal Private Education Loan

Please see the enclosed *Guide to Financial Aid* for program details and how to apply.

<p>Graduation Rate</p> <p>Percentage of full-time students who graduate within 6 years:</p> <p>71.8%</p> <p>*The National average is 56.7%</p>	<p>Loan Default Rate</p> <p>Percentage of borrowers entering repayment and defaulting on their Federal Student Loan(s):</p> <p>1.4%</p> <p>*The National average is 13.4%</p>	<p>Median Borrowing</p> <p>Students at Butler University typically borrow \$23,200 in Federal loans over 4 years. The Federal loan payment over 10 years for this amount is approximately \$267 per month at 6.8% interest. Your borrowing may be different.</p>	<p>Repayment</p> <p>To learn about loan repayment choices and work out your Federal loan monthly payment go to: http://studentaid.ed.gov/repay-loans/understand-plans</p>
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Butler University • Office of Financial Aid • 877-940-8200 (toll free) • finaid@butler.edu • www.butler.edu/financial-aid

Family Responsibility Worksheet

This worksheet is intended to help you and your family compare the options available to design a plan to pay for a Butler education. You are not obligated to participate in any of these programs; they are simply options we have made available to help you maximize your resources.

Family responsibility from the previous page

Monthly Payment Plan

- Offered by the Office of Student Accounts
- No interest or finance charges
- \$50 (\$25 per semester) fee to participate in the fall four-month payment plan and the spring four-month payment plan

- Family responsibility
- Number of months for payment plan
- Divide line 1 by number on line 2

This will be your estimated monthly payment each month; 4 months for fall term and 4 months for spring term

Family responsibility from previous page: \$ _____

Number of months for payment plan: _____

Estimated monthly payment: \$ _____

Loan Only - Federal Direct PLUS Loan or private education loan option

You may choose to borrow only the family responsibility amount

You may choose to include other costs such as books, transportation, and miscellaneous expenses

The combination of all aid cannot exceed the Total Cost of Attendance

www.butler.edu/financial-aid/financing-options/education-loans

of Attendance (2013-2014 academic year)

Financial Aid Notification letter

that may be borrowed

Family responsibility from previous page: \$ _____

Financial Aid Notification letter: \$ _____

that may be borrowed: \$ _____

Payment Plan and Loan (Federal Direct PLUS Loan or a private education loan)

Amount you wish to pay through the payment plan and borrow the remaining amount

Amount you wish to pay through the payment plan and borrow the remaining amount

Amount you wish to pay through the payment plan and borrow the remaining amount

Amount you wish to pay through the payment plan and borrow the remaining amount

Amount you wish to pay through the payment plan and borrow the remaining amount

Provided with
 paper financial
 aid notification

Butler Student Communication

- Letter and email communication series upon application
- Paper aid notification & supplements
- Campus Wide
 - BU Be Well
 - Cash Course
- Loan information sessions (entrance counseling)

Butler future plans

- Financial literacy course or component in required course
- “Payment Language” project
- Early outreach in community

Parent Communication @ IUPUI

- Publication Series: Financial Success Planning
- Two Day Orientation Agenda:
 - Day 1 Afternoon: “Money Smarts @ IUPUI” discussion with parents/family members
 - Day 2 Morning: Money Smarts @ IUPUI discussion with students, introduction of Financial Success Planning tools
 - Day 2 Lunch Session: Money Smarts @ IUPUI and Student Financial Services updates with both students and families

IUPUI

FINANCIAL SUCCESS PLANNING

OFFICE OF STUDENT FINANCIAL SERVICES

Calendar



Helping IUPUI students along the journey to financial freedom

INDIANA UNIVERSITY-PURDUE UNIVERSITY INDIANAPOLIS

Money Smarts @ IUPUI Orientation Goals

- Introduce students to resources available
- Introduce students to money management expectations and responsibilities
- Get students to think about how they are going to learn about money management
- Get students to think about how they are going to manage resources and self-advocate
- Provide specific tips to parents

Promote Parent Role in Financial Literacy Efforts

- Financial literacy is an essential life skill for the 21st century. *This is especially true for today's college students since they will face more financial choices and opportunities than any generation before.*
- *How can families help?*

1. Encourage Smart College Choice Decisions

- Is college good financial fit?
- How much loan debt family facing?
- Be transparent as possible
- IUPUI sent special letters to low income nonresidents

2. Have the “Money Talk”

- Define expectations
- Decide how much parents are willing to pay for college
- Find out how much scholarship, grants, and loans will be needed to make up the difference
- Determine if student employment can be used to help offset costs
- Calculate future loan repayment by using online calculators
- Define financial emergencies and how they will be managed

3. Encourage Money Management Skills

- Use of planner/calendar
- Student needs to decide...
 - How meals will be purchased
 - If can use campus computers instead of buying own
 - If car really necessary on campus
 - On banking options with no hidden fees
 - Personal spending habits

4. Encourage Student Employment

- Research shows student employment can help student persistence
- Students learn job skills, time management, get to know people that look out for them, develop a sense of responsibility, earn money, etc.
- It is typically recommended that full time students work about 15-20 per week.

5. Encourage Smart Borrowing

- Students should only borrow what they absolutely need in student loans
- Remember that every thing bought with student loan money or credit will cost you twice as much
- Build good credit
- Avoid credit card pushers
- Take control of your credit card
- Get help if you get into debt trouble



6. Contribute As Much As You Can

- Families are expected to pay for college expenses to the extent they are able via savings, current earnings, and future earnings (student loans and tax credits)
- The Expected Family Contribution (EFC) from the filing of the FAFSA is an estimate of a family's ability to contribute for college expenses over a 9 month period of time (2 semesters)
- Determining how much you can contribute is a challenge.
- Remember financial aid programs built on partnerships

7. Remember Tax Credits at End of Year

- Significant tax credits available for middle class families
- Each year colleges will send out 1098T notices in January showing payments less scholarships and grants received
- Families could receive a tax credit for as much as \$2,500
- Consult tax advisor or IRS for guidance



Feedback

- Suggestions?
- Problems?
- Ideas?
- Questions?