

Finding excellent and affordable colleges

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What ground am I covering today?

- College costs and your budget
- Need-based aid or merit aid?
- Different financial situations -> different groups of colleges
- Putting it all together in the college list: fit, chances, cost

Sticker shock!

COA = cost of attendance (a year) = tuition + room + board + books

SUNY \$22,000 - \$25,000 COA (instate rate) + travel

International \$15,000 - \$45,000 COA (*and* many are 3 years not 4) + travel

Out-of-state public \$35,000 - \$65,000 COA (out-of-state rate) + travel

Private colleges \$40,000 - \$75,000 COA + travel

Early reality check = avoid tears later

- What will come from your income? Savings? Relatives?
- Make a multi-year plan that accounts for college for all siblings
- Understand how federal student loans and parent loans work
- Let your child know EARLY, before making a list of colleges
- A “need-based aid” list is different from a “merit aid” list

Two types of aid: need-based and merit aid

Need-based aid is available (if you are considered “poor enough”):

- Need-based grants from the most generous colleges
- Federal need-based grants for lower income families (Pell grants)
- Tuition Assistance Program NYS grant

But ..

- There’s often no need-based aid for families with 2 professional incomes
- **Merit aid** from individual colleges can help

So ...

- Figure out as soon as possible what your need-based eligibility is

Know your Expected Family Contribution

Freshman year

- Use College Board's Expected Family Contribution calculator
- Find out your EFC for the two kinds of need based aid
 - IM = institutional methodology = many private colleges
 - FM = federal methodology = most public colleges and some private

Junior year

- Use the Net Price Calculator for each college you are actively considering.
- Use the actual tax (the one that overlaps sophomore/junior year)

What affects need-based aid eligibility?

- Combined income of the two *parents* is the main factor
- *As is the number of children in college* at the same time
- Parent savings are less of a factor
- *Student income and savings* are a BIG factor. Avoid!
- IM (private colleges) looks at value of your home equity. FM doesn't.
- IM usually looks at income and assets of both parents, whether or not they are married, divorced, separated, etc.
- FM looks at income and assets of just one parent, if the parents are divorced or genuinely separated.

myintuition.org

- New calculator from 15 of the most generous colleges
- Run your numbers once, get results for all 15 ...
- Play around with it: change your savings, your income, home equity
- Shows how private colleges interpret finances differently
- Amherst, Bowdoin, Carleton, Colorado College, Columbia, Dartmouth, Mt Holyoke, Rice, UVA, Vassar, Wellesley, Wesleyan, Washington & Lee, Williams

What is merit aid?

- Not just grades and test scores.
- The student should be in the top 20% of the college's profile, *or* be desirable in the context of the applicant pool
- Also geographic or racial diversity, boy/girl imbalance, music talent etc.
- Students with B+ average and/or mid-range or lower test scores can still get merit aid if they target the right colleges.

How do I find out who gives merit aid?

- collegedata.com, "money matters" tab
- collegenavigator.com
- kiplinger.com 300 colleges, in a sortable database

A few scenarios

- #1 Low EFC, low ability to pay.
- #2 High EFC. Little demonstrated need. But wants or needs to pay less than EFC.
- #3 Moderate EFC. Can pay EFC. But needs help with the rest of the costs.

Scenario #1: Yippee, we're poor!

- EFC < \$10,000
- Look for colleges that meet 100% of need for all students or have low net price for low-income students
- Have an open mind – don't be picky about weather, location, etc.
- Private college could end up being less than SUNY!
- HEOP and EOP. Generous programs for family income < \$40,000. Let your college counselor know so they can help you find them
- Big scholarships for strong students: Questbridge, Gates Millennium, Jack Kent Cooke

Scenario #2: too rich!?

- High EFC. Not officially needy.
- EFC > \$50,000 (usually = income over \$150,000) means you are unlikely to get need-based aid
- Focus on lower-cost sticker prices and colleges that give good merit-aid

Scenario #3: Stuck in the middle

- Moderate EFC \$20K-\$50K (often = income \$60K - \$150K)
- Cast a wide net: lower sticker prices, merit aid, super-generous need-based aid colleges
- At colleges that give merit aid, be aware that it may be either/or. Merit aid may mean that you no longer qualify for need-based aid.

How to find generous colleges ...

... and avoid stingy ones

Private colleges tip #1. The really famous colleges offer need-based aid only

- NO merit aid at Harvard, Yale, Princeton, Stanford, MIT, Amherst, Wesleyan, Williams, Amherst
- Many are very generous with need-based aid. “Meet 100% of need”
- Some even have “no loan” policies.
- But most of these are “highly selective”, suitable for strongest students
- Most are need-blind in admissions policies

Private colleges tip #2: Some well known names meet 100% of need AND offer merit aid

- Examples: Harvey Mudd, Rice, Vanderbilt, University of Richmond, Smith, Oberlin, Davidson, Grinnell
- Some students get both need-based and merit aid at these colleges
- Still for the strongest students - “highly selective” and “very selective”

Private colleges tip #3: Find the ones that offer generous merit aid

- Some examples: Tulane, Case Western, Clark
- More examples from *College That Change Lives*: Eckerd, Denison, Rhodes, Kalamazoo, Beloit
- Students with B+ average and/or mid-range or lower test scores can still get merit aid if they target the right colleges.

Private colleges tip #4: Find a lower sticker price

- Some have kept tuition lower deliberately, but give out less aid
- Some examples: Elon (COA \$45K) , U Tampa (COA \$42K)

Private colleges tip #5: Beware colleges that meet a low %age of need AND are stingy with merit aid

- Students leave with a lot of debt
- Parents often end up with a lot of debt too
- Some only meet 60% or 70% of need ... or less

Public colleges: out-of-state flagship universities

- Out-of-state tuition is often *not* a good deal
- Some cost as much as private colleges: Berkeley, U Michigan
- Watch out for impacted majors --> graduating in 5 or 6 years
- Many are around \$50K: UNC, U Conn, U Maryland, Georgia Tech
- A few "bargains" \$35K-40K: U Minnesota, UNM, U Idaho

Public colleges tip #1: Net Price Calculator

- A few give merit aid: U South Carolina, Ohio State, UVM, U Alabama
- Net price calculators may show you the likely merit award, often a grid of grades/test scores
- Even a few genuine “full-tuition” scholarships and a handful of “full rides”

Public colleges tip #2: out-of-state regional universities (not the flagships)

- Often a bargain \$35K-40K. Many give merit aid for B students
- New College (FL), James Madison (VA) , University of Southern Florida, University of Central Florida, University of New Orleans, Towson (MD), UNC-Wilmington, Western Carolina, U Charleston
- Some have honors college or honors program

Rachel's tip of the day: Go global!

- The Netherlands \$20k – \$45K COA
- Canada \$30K - \$45K
- Scotland \$35K - \$50K
- England (3 years) \$35K - \$45K, Oxford/Cambridge \$40K - \$50K
- Sciences are more expensive than Humanities

Putting it all together: a final balanced list

- End of junior year good time to assess “chances” - GPA, rigor of classes, class rank, test scores.
- Naviance scattergrams and history of acceptances from your high school. These are *way more* important than national statistics.
- Find at least 2 “financial safety” schools – student likely to get in, student loves the school, family can afford it. “Likely” means the student’s stats are in the top 25% for the college and it accepts > 40%

What is a balanced list?

- Colleges that accept < 15% are a "high reach" for everyone!
- "Reach" colleges, acceptance < 25%. And only a handful of students with your stats from your high school have been admitted.
- "Target" colleges – your stats are in the 50th – 75th percentile and the school accepts more than 20% of applicants. Many students with your stats have been admitted from your high school.
- Summer before senior year: find at least 3 "likely" and 4 "target" schools that you are happy with. Then add "reaches" and "high reaches". Max 15

Thank you!

Questions?

Please contact me for a complimentary consultation.

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