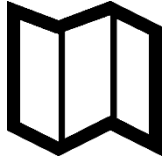


# BUDGETING FOR COLLEGE



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## Overview

This module is designed to help students understand how to access financial aid, determine what costs financial aid will cover, and identify practical strategies to make college more affordable.



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## Learning Outcomes

Upon completion of this presentation, students should be able to:

- Understand the difference between the cost of attendance vs. the total cost of college
- Identify specific ways to reduce costs
- Identify specific financial resources to pay for college
- Create a budget to pay for college



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## Materials

- Computer and speakers
- Internet access
- Projector and screen
- Student Budget Worksheet
- Resource Handout
- Evaluations
- Prezi Presentation: [http://prezi.com/jl5otzw-pmqj/?utm\\_campaign=share&utm\\_medium=copy](http://prezi.com/jl5otzw-pmqj/?utm_campaign=share&utm_medium=copy)



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## Time





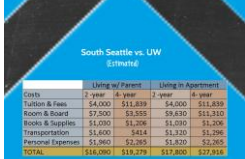

50 – 60 minutes.

## SESSION AT A GLANCE






Time	Segment	Description
5 minutes	Welcome & Introduction	Facilitator greets participants as they arrive. Introduces him/herself and states purpose of session.
10 minutes	Money Story Money Stats Money Talk	Facilitator shares the following: a personal financial story related to paying for college and recent statistics that support the need for students to budget for college. Finally have students discuss: <i>How much will college cost for them? What are their challenges in paying for college?</i>
10 - 15 minutes	Cost of Attendance vs. Actual Cost	Facilitator define the difference between the cost of attendance and actual college costs and review specific examples. Facilitator leads discussion/brainstorm: <i>Ways to cut areas of the cost of attendance How cutting cost of attendance reduces actual cost of college could be for students.</i>
10 - 15 minutes	Financial Resources	Facilitator explains: the 3 major areas students can receive financial resources to pay for college and briefly describes the financial aid process.
5 minutes	Budgeting for College	The facilitator will use a student example to explain how to develop a budget for college.
5 minutes	Resource	Facilitator uses the resources available to help students develop their own college budget
5 minutes	Questions/ Evaluations	Facilitator led Q & A. Distribute/collect presentation evaluations.

# FACILITATOR NOTES

	<p><b>Welcome</b> Introduce Self</p> <p><b>Overview &amp; Lesson Outcomes:</b> Review the outline for the class and desired outcomes</p>
	<p><b>My Money Story</b> Share personal financial story that illustrates the importance of planning for college costs</p>
	<p><b>Money Stats</b></p> <ul style="list-style-type: none"> <li>• 71% of students use Financial Aid to pay for college</li> <li>• \$29,000 = national average students borrow to pay for college; \$24,418 in Washington</li> <li>• Students now pay 19% more out of pocket for college than in previous years</li> </ul>
	<p><b>Money Talk - Discussion Questions:</b></p> <ol style="list-style-type: none"> <li>1. How much does it cost to pay for college?</li> <li>2. What are your challenges in paying for college?</li> </ol>
<p><b>Facilitation Option</b></p>	
  	<p><b>Writing:</b> Student can respond to the answer in writing and share with a partner or with the group</p> <p><b>Discussion:</b> Students can partner or meet in small groups to discuss the answers.</p>
<p>It depends...</p>  <p>Each student may have different expenses.</p>	<p><b>It depends...</b> Each student has different expenses and resources to pay for college.</p>
	<p><b>Balancing Act</b></p> <ul style="list-style-type: none"> <li>• Planning to pay for college is similar to personal budgeting; it's a balancing act between the total cost and financial resources available.</li> </ul>

	<ul style="list-style-type: none"> <li>It's important to get a good grip on what is involved on each side of this balanced scale, so that as you're making your own pay-for-college plan, you can tip the scales in your favor as much as possible.</li> </ul>
	<p><b>Cost of Attendance</b></p> <p>So first let's talk about the cost of attendance.</p>
	<p><b>Cost of Attendance</b></p> <ul style="list-style-type: none"> <li>To attend college, you have to pay tuition. However, you also have to factor in things like fees, books and supplies, transportation, food, housing and utilities and any other personal costs including living expenses, medical expenses, entertainment, cell phone, clothes, toiletries and miscellaneous expenses.</li> <li><b>Cost of Attendance</b>- basically includes everything it costs to maintain your status as a college student.</li> </ul>
	<p><b>Cost of Attendance – Discussion Question:</b></p> <ol style="list-style-type: none"> <li>Can you think of any unexpected costs that might come up?</li> <li>What else could be missing from this list?</li> </ol>
<p><b>Facilitation Option</b></p>	
  	<p><b>Writing:</b> Student can respond to the answer in writing and share with a partner or with the group.</p> <p><b>Discussion:</b> Students can partner or meet in small groups to discuss the answers.</p>
	<p><b>South Seattle College's Cost of Attendance</b></p> <p>As you can see, the cost of college varies depending on where you live and what program you're pursuing. Remember this is just an overall <i>estimate</i> of what the college thinks it will cost to attend their school.</p>
	<p><b>Actual Cost vs. Cost of Attendance</b></p> <p>School costs can vary for each student. We know that tuition and fees can vary depending on the student's status and program, and there are many other items that factor into the cost of attendance that can be adjusted.</p> <p><b>Actual Cost</b> is the adjusted cost of attendance based on what a student's specific needs are. To calculate actual cost, you will have to review all the line items in the cost of attendance and identify areas in which you can either eliminate or reduce costs.</p>
	<p><b>How do you cut cost? – Discussion Question:</b></p> <ol style="list-style-type: none"> <li>Which specific college costs can you reduce?</li> </ol>

		<p><b>Discussion:</b> With a partner or person sitting next to you, come up with 1 – 2 ideas for cutting costs.</p>
	<p><b>Cutting Cost Intro</b> Let's take a look at what areas we can cut costs.</p>	
	<p><b>Cutting Cost</b> Here is a list of all the areas that can determine cut costs.</p>	
	<p><b>Cutting Cost: Tuition &amp; Fees</b></p> <ul style="list-style-type: none"> <li>• <b>Comparison shop</b> between schools for best financial aid package and/or lower cost and/or less time to complete a specific degree or program.</li> <li>• <b>Tuition reimbursement:</b> Some employers will reimburse your tuition. Consider this option for graduate school, or as a returning student.</li> <li>• <b>AmeriCorps</b> allows students to work in a full-time position – usually in a nonprofit or a school – for a small living stipend and a \$5500 scholarship.</li> <li>• <b>Military service</b> has some education incentives along with the responsibilities of military enlistment.</li> <li>• <b>Part-time enrollment:</b> Some students choose to enroll part-time in order to shrink their cost of attendance. There are pros and cons to this. While this is a viable option, particularly for students with jobs that provide them with enough money for living expenses, make sure you're aware of the financial aid implications for enrolling only part-time.</li> </ul>	
	<p><b>Books</b></p> <ul style="list-style-type: none"> <li>• <b>Buy used books:</b> campus bookstore, <u>several</u> online retailers, and from other students who already took the class. Check department bulletin boards for offers to buy/sell textbooks.</li> <li>• <b>Buy past editions</b> of a textbook. They can be significantly cheaper and the content usually hasn't changed that much—but make sure to check with your instructor to make sure this option will work</li> <li>• <b>Rent textbooks-</b> Pay a certain price upfront and then get partially reimbursed if you return the book at the end of the term</li> <li>• <b>Textbook Reserve</b> - Many instructors put at least one copy of the class textbook on reserve at the library; Ask about this option</li> <li>• <b>Supplies</b> - Notebooks, pens, and Scantrons are easy to buy in multi-packs and you can then split costs with another student.</li> </ul>	

	<p><b>Transportation</b></p> <p>There are lots of ways to shrink your transportation costs:</p> <ul style="list-style-type: none"> <li>• If possible choose a school closer to where you live or near public transportation.</li> <li>• If you have the option of not using a car, biking, or walking can save you lots of money. Check out college discounts for student bus passes.</li> <li>• If you drive, you could carpool or drive a few days a week and park in free parking zones vs. paying for parking passes</li> </ul>
	<p><b>Housing &amp; Food – Discussion:</b></p> <p>1. How could you reduce some of the costs for housing and food expenses?</p>
	<p><b>Housing</b></p> <p>There are a few ways you could reduce household expenses, including:</p> <ul style="list-style-type: none"> <li>• Rent vs. purchase a home</li> <li>• Live with family or with housemates</li> <li>• Check out low-cost utilities/Internet–Seattle Public Utilities and other community organizations offer low-cost options</li> <li>• Figure out what household services are must-haves and which ones you could live without.</li> </ul>
	<p><b>Food</b></p> <ul style="list-style-type: none"> <li>• Avoid eating out</li> <li>• Look for student deals and food at college-events throughout the year</li> <li>• Shop at lower-priced food stores instead of shopping at Whole Foods or QFC, check out the Dollar Store, Grocery Outlet, Albertsons</li> <li>• Shop with a list; don't shop hungry</li> <li>• Compare prices, buy store brand vs. name brand items, use coupons</li> </ul>
	<p><b>Other Costs</b></p> <ul style="list-style-type: none"> <li>• Ask around or visit your student services office for ideas about local deals for students. It's always worth asking – most movie theaters that serve college students have student discount nights, and restaurants may have student discounts as well.</li> <li>• Join clubs or attend school events for free or at a small cost. You could join an activity-based club, like a hiking club or a book club. Also, check out FREE campus, cultural, and performing arts events and festivals.</li> <li>• Check out FREE community events and festivals.</li> <li>• Know where the nearest health clinic is and what services can be covered there. Check out King County's Health website for specific information about low cost or free health services</li> <li>• To save money on phone costs, you may consider scaling back on your phone use, choosing a different provider or plan or joining a family plan</li> </ul>



**Career**

It’s important to begin thinking about what you want to do after you leave college because that could impact how you spend money while in school. Here are questions you’ll want to consider:

- How long will it take to graduate?
- What will my job prospects be upon graduation?
- What will my earning potential be upon graduation?

**Career – Discussion:**

1. Have you asked yourself these kinds of questions? Why or why not?

**Facilitation Option**



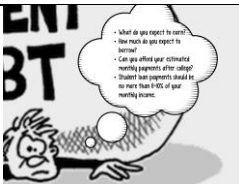
**Writing:** Student can respond to the answer in writing and share with a partner or with the group.



**Discussion:** Students can partner or meet in small groups to discuss the answers.



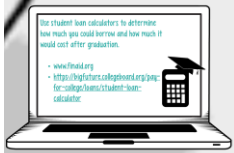

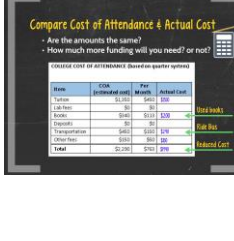


**Computer:** Students can use [WOIS.org](http://WOIS.org) to research education requirements based on career choice, job prospects, and earning potential.



**Student Loans**


Your career plans and jobs after college could impact your ability to pay back any loans Here are questions you’ll want to consider before borrowing money for school:


- **What do you expect to earn?** This is a very important question. If you don’t plan on being a doctor or a lawyer, then don’t borrow at the levels a doctor or a lawyer would. **As a general rule, don’t borrow more money than the annual starting salary of your intended career.**
- **How much do you expect to borrow?** Based on your first year’s financial aid package, you can probably get a good idea of how much you can expect to borrow over the rest of your college career. Remember that the cost of attendance is likely to rise. If you don’t receive additional scholarships, you will likely have to borrow more each year.
- **Can you afford your expected monthly payments after college?** Figure out what the average college graduate with your degree makes upon graduation. Estimate your payment based on how much you expect to borrow, and estimate your other monthly expenses to see the impact. TIP: *Finaid.org* has loan calculators you can use to estimate this.
- **Student loan payments should be no more than 8-10% of your monthly income.**



 <p>Use student loan calculators to determine how much you could borrow and how much it would cost after graduation.</p> <ul style="list-style-type: none"> <li>• <a href="http://www.finaid.org">www.finaid.org</a></li> <li>• <a href="https://highlights.collegeboard.org/2016/for-college/basics/student-loan-calculator">https://highlights.collegeboard.org/2016/for-college/basics/student-loan-calculator</a></li> </ul>	<p><b>Student Loan Calculators</b></p> <p>Use student loan calculators before you borrow any loans. These calculators will assist you in determining how much you could afford to borrow and how much you would need to earn to pay these loans off.</p>																								
 <p><b>Other Costs</b></p> <p>Icons: Books, Transportation, Other</p>	<p>We now know how we can cut back on the cost of attendance to determine our actual cost.</p>																								
 <p><b>Compare Cost of Attendance &amp; Actual Cost</b></p> <p>Are the amounts the same? How much more funding will you need? or not?</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2016 Estimated Cost</th> <th>Pay</th> <th>Actual Cost</th> </tr> </thead> <tbody> <tr> <td>Tuition</td> <td>\$1,350</td> <td>\$0</td> <td>\$1,350</td> </tr> <tr> <td>Books</td> <td>\$200</td> <td>\$200</td> <td>\$0</td> </tr> <tr> <td>Transportation</td> <td>\$240</td> <td>\$0</td> <td>\$240</td> </tr> <tr> <td>Other</td> <td>\$300</td> <td>\$0</td> <td>\$300</td> </tr> <tr> <td><b>Total</b></td> <td><b>\$2,190</b></td> <td><b>\$200</b></td> <td><b>\$1,990</b></td> </tr> </tbody> </table> <p>Legend: <span style="color: green;">█</span> <b>Books</b>, <span style="color: red;">█</span> <b>Other</b>, <span style="color: blue;">█</span> <b>Transportation</b></p>	Item	2016 Estimated Cost	Pay	Actual Cost	Tuition	\$1,350	\$0	\$1,350	Books	\$200	\$200	\$0	Transportation	\$240	\$0	\$240	Other	\$300	\$0	\$300	<b>Total</b>	<b>\$2,190</b>	<b>\$200</b>	<b>\$1,990</b>	<p>Using South Seattle College's cost of attendance, let's use what we've learned about cutting cost to determine actual costs:</p> <ul style="list-style-type: none"> <li>• Tuition will stay the same at \$1350</li> <li>• Reduce books by buying used books. \$200</li> <li>• Ride the bus to school; \$240 per quarter</li> <li>• Let's recalculate the cost of attendance; the new actual cost of attendance for this student is \$1940</li> </ul>
Item	2016 Estimated Cost	Pay	Actual Cost																						
Tuition	\$1,350	\$0	\$1,350																						
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 <p><b>Financial Resources</b></p> <p>Icons: Family, Government, Community</p>	<p><b>Financial Resources</b></p> <p>Shrinking costs should be your first line of defense and most important strategy when trying to figure out a pay-for-college plan. Now that we've talked about things you can personally do to shrink the cost of attendance, let's talk about where to find financial resources and how to stretch them</p>																								
 <p><b>Family</b></p> <p>What can you and your family contribute to your college education?</p> <ul style="list-style-type: none"> <li>• Savings</li> <li>• Investments</li> <li>• How many people are in your family?</li> <li>• How many people are in your family who are going to college or will be in college?</li> <li>• What kind of financial reports do you have?</li> </ul>	<p><b>1. Financial Resources: Family</b></p> <p>With family financing, funds are coming mainly from you or your family's savings, income and investments.</p> <ul style="list-style-type: none"> <li>• <b>Savings:</b> While you can't instantly generate savings or investments, if you're going to be in school for a while, it's a good idea to put a little away from every paycheck (\$20, \$50 or a set % like 10% or 15%). Putting a little away with every paycheck ensures that <b>you are paying yourself first</b> and that money isn't going to anything else that is less important. Saving regularly is also a really good lifetime habit to develop.</li> <li>• <b>Income:</b> Your income is something you have more control over. While you don't want to overload yourself with work at the expense of school, most students work part time to put themselves through school. Some students may choose to have more than one job at a time. How much you work is up to you, but this is definitely a place where you can make choices to expand your financial resources.</li> <li>• <b>Work and Work Study:</b> Keep in mind the consequences of working while in college. If you work full-time and go to college, you may not have as much time for college and your grades could suffer. Also, you may be put in an awkward position if you have to ask for time off during finals.</li> </ul>																								



	<ul style="list-style-type: none"> <li>• While many students can work part-time and still do well in college, you may want to investigate work-study positions and on-campus jobs, which tend to be more flexible around class schedules</li> <li>• Sporadic work is also an option. Think about babysitting on the weekends or doing yard work or seasonal or summer work. These could options could help you get a little extra money to help with your college expenses.</li> </ul>
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	<p><b>2. Financial Resources: Community</b></p> <p>Think about community financing as community investment in your future. If you can show that you have been a good citizen and community member, the community will invest in your future endeavors.</p> <p>If you belong to a religious or faith organization, consider asking that community to help support your education</p> <p>Scholarships: There are scholarships for everybody! These can be based on income, academics, athletics, community service, and heritage – anything you can think of! No matter where you are in school, a new or a returning student, start looking for scholarships. The more time you invest researching and applying for scholarships, the better you get at identifying which options are the best for you.</p> <ul style="list-style-type: none"> <li>• Housing/Utilities: There are many non-profits and local companies that offer discounts for individuals who need assistance with housing and utilities. You can find many of these resources in the college WorkSource office.</li> <li>• Books– (Refer back to book options in the lowering cost for books.)</li> </ul>
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	<p><b>Government/Institutional</b></p> <p><b>FAFSA/WASFA</b></p> <ul style="list-style-type: none"> <li>• To access these funds, fill out the Free Application for Federal Student Aid (FAFSA) or Washington State Application for State Aid (WASFA).</li> <li>• The FAFSA determines your eligibility for need-based and non-need-based federal aid.</li> <li>• The WASFA only evaluates your eligibility for state aid.</li> </ul> <p><b>You will fill out the FAFSA or WASFA every year that you are in college. Your eligibility for aid could change from year-to-year.</b></p> <p><b>Work Study</b></p> <p>In order to be considered for federal and state work-study money, there is a question on the FAFSA that asks if you would like to be considered for work-study. Answer yes. Some colleges will have their own institutionally-based work-study funds. Ask the college financial aid office about your eligibility.</p> <p><b>Loans</b></p> <p>You may also be eligible for student loans. When borrowing student’s loans, it’s important to only borrow what you need. Student loans stay with you for life or</p>
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	<p>until they're repaid. Which is why it's important to only take out what you can possibly pay back.</p> <p><b>Financial Aid Advising and Support</b></p> <p>Additionally, it is a really good idea to get familiar with the folks at your financial aid office. Introduce yourself to them, check in often and let them get to know you. They decide who receives the scarce funds they have available. Sometimes funds are freed up if another student switches schools or becomes ineligible. If funds become available and financial aid staff know who you are, it may help you take advantage of opportunities as funds become available. Aside from that, it is a good idea to create good relationships with financial aid staff because they can offer you expert advice, assist you in selected the best aid package, and, in some cases, advise you about how to convert loans to work-study.</p>
	<p><b>Financial Aid 101</b></p> <p>Let's review the financial aid process and how to apply and receive financial aid.</p>
	<p><b>Part 1:</b></p> <ul style="list-style-type: none"> <li>• <b>Complete the Free Application for Federal Student Aid (FAFSA) or Washington Application for State Financial Aid (WASFA);</b> WASFA is a specific Washington state financial aid form for those students who are undocumented, eligible for HB-1079 and plan on attending a Washington state college.</li> <li>• <b>Complete all Additional Forms</b> – Besides the FAFSA or WASFA many colleges require additional financial aid forms or documents in order to receive financial aid. Your financial aid office will let you know through their online portal, email, or letter indicating what additional documents you'll be required to submit. If you're unsure, contact the financial aid office of the college where you have applied for aid.</li> </ul>
	<p><b>Part 2:</b></p> <ul style="list-style-type: none"> <li>• Once the application and additional information is processed, the financial aid department will create a financial aid package for you.</li> </ul> <p><b>Note: If the Financial Aid department is requesting more information or documents, respond ASAP. Delayed responses may result in you not getting your financial aid package!</b></p>
	<p><b>Part 3</b></p> <ul style="list-style-type: none"> <li>• Accept or decline Financial Aid package – It's important to let the financial aid office know that you want to accept the aid they are providing you or that you plan to decline those funds. You can also request to only accept a partial amount of the aid offered.</li> <li>• Complete the loan application (<b>ONLY</b> if you plan on borrowing loan)</li> </ul>



**Part 4**

- Financial aid gets disbursed in terms. So while your aid award covers the full year, it will be disbursed in halves or in thirds—depending on whether or not you’re attending a semester or quarter system college. Here’s how the financial aid disbursement process works.
  1. First, the college creates a bill of tuition and fees for the coming term.
  2. Next, several days before the term begins, the college or university will disburse financial aid in the form of grants, loans and scholarships to your account.
  3. If you have been awarded work-study, contact the financial aid office and/or your college’s work-study office to find a work-study job. Work-study money will be disbursed to you as though you are working a part-time job. You’ll receive a paycheck on a regular basis.
  4. When that financial aid money is disbursed, the college will keep the amount for tuition and fees.
  5. The amount that gets transferred to your bank account as the term begins is the amount of your financial aid MINUS tuition and fees. This amount is what has to stretch over the rest of the term to cover your expenses.



**Part 5**

The financial aid process must be completed every year you plan on attending college. It’s very important that you submit all required forms **ON TIME**. Always check the financial aid website for upcoming deadlines.



**General Financial Aid Timeline**

Spend a few minutes to review—ask if any questions?

Step 1: MONTHLY INCOME

Item	Amount
Fixed income	
Grants	\$780
Scholarships	\$1000
Work Study	\$790
Loans	
Other income	
<b>Total</b>	<b>\$2576</b>

**South Student Example:**

Let’s look at an example of a South Student scenario.

**Step 1: Financial Aid package**

This student was awarded the following types of aid.

- \$780 – Grants
- \$1000 – Scholarships
- \$790 – Work-study
- Total = \$2576

Step 2: COLLEGE COST OF ATTENDANCE (based on quarter system)

Item	COA (estimated cost)	Per Month	Actual Cost
Tuition	\$1800	\$450	\$1350
Lab fees	\$0	\$0	
Books	\$140	\$117	\$200
Scholarships	\$0	\$0	\$67
Deposits	\$0	\$0	
Transportation	\$400	\$160	\$80
Other fees	\$180	\$80	\$150
<b>Total</b>	<b>\$2,200</b>	<b>\$767</b>	<b>\$1947</b>

**Step 2: Review Cost of Attendance vs. Actual Cost**

This is what we had calculated earlier. Let’s break it down into monthly expenses.

- Tuition - \$450
- Books- \$67
- Transportation - \$80
- Other Fees - \$50
- Total per month is \$747

Category	Monthly Expense	Setting Cost
Room	\$500	
Food	\$500	
Transportation	\$500	
Utilities	\$500	
Personal	\$500	
Health insurance	\$500	
Student loan	\$0	
Textbook	\$500	
Insurance	\$500	
Travel costs	\$500	
Entertainment	\$500	
Miscellaneous	\$500	
<b>Total</b>	<b>\$1375</b>	<b>\$0</b>

**Step 3: Personal Budget**

Creating a personal budget will help you determine what additional costs you'll have to consider while attending school. Here are the students' personal expenses per month. Let's look at areas in which this students can cut back.

- Auto expenses – this student has decided to take the bus to school so we can eliminate that expense.
- Haircuts – the student could find somewhere cheaper to cut his/her hair or only get their hair done every other month.
- Entertainment - let's reduce this line item by half. The student can attend free events to cut back on costs or find other cost free activities while he or she is school.
- Miscellaneous – These items are your toiletries and/or emergencies. We can also reduce this line item by half and after a month determine if that's an area you'll need more funds or not.
- Our new total for monthly expenses is \$1375.

Total Monthly Income	\$2576	What would you do with the extra money?
Total Monthly Actual Costs	\$747	
Total Monthly Personal Expenses	\$1375	
<b>Total Extra</b>	<b>\$454</b>	

**Step 4: Calculating all your income and expenses**

Now that we've determined what our costs are and how much funds we'll have available to pay for these expenses, we'll need to determine if we have enough money in the end of the day or not. And if we don't, then we need to identify areas that need to be cut.

- Total Monthly Income (financial aid package) minus your Total Actual Cost and Total monthly personal expenses.
- In the end this student has \$454 extra each month



**Student Scenario - Discussion:**

1. What would you do with the extra money?
2. What would you recommend this student do?



**Discussion:** Students can partner or meet in small groups to discuss the answers. Then share out to class.



**Resources**

There are a lot of online calculators and many other resources that you can use to create a budget and better understand how much money you'll need to pay for college.



**Questions?**



**Next Steps:** Have each participant identify 1 action step they can take to help them pay for college or begin planning to pay for college.