

FILLING THE GAP

THE GAPS IN FUNDING UNDERGRADUATE EDUCATION

There is a gap in the way we fund undergraduate education. Tuition costs continue to rise, with private colleges costing on average \$31,915 a year with an additional \$6,653 in hidden costs. However, the average student only receives \$13,000 in funding from a combination of federal loans, grants and work study. So where do these students come up with the remaining \$25,568 a year? We examine both the traditional cost of attendance and the hidden costs, as well as how education gets funded and how students can fill their funding gaps.

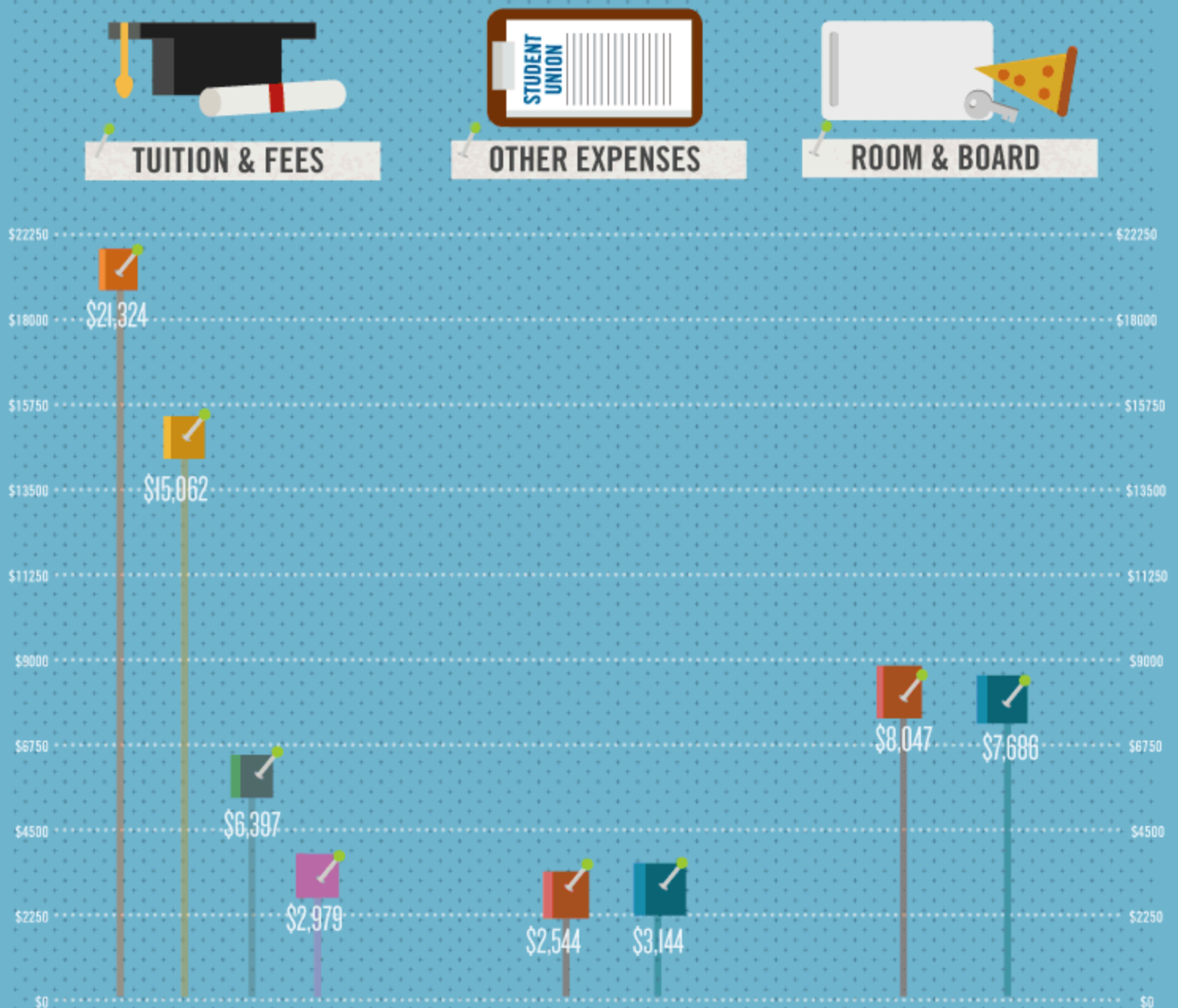
COST OF SCHOOL |

COST OF ATTENDANCE

The cost of attending college in the United States includes tuition, fees, and room and board. However, there are many other expenses that could drain your bank account.

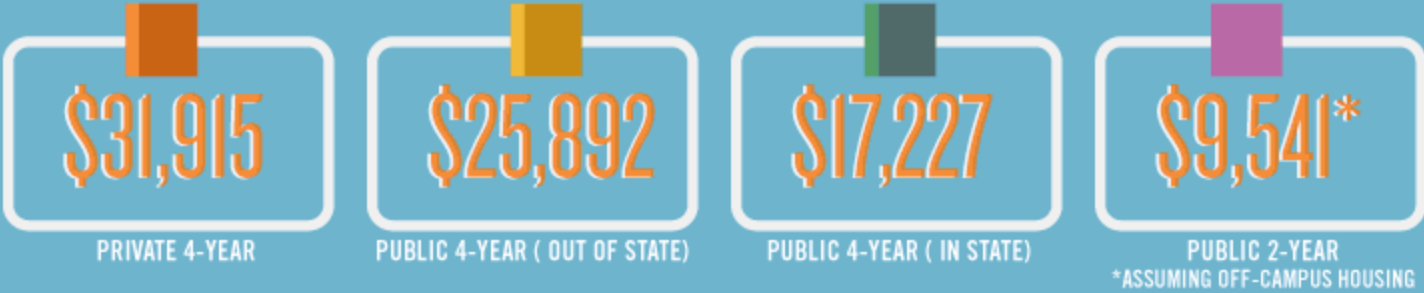
- PRIVATE 4-YEAR
- PUBLIC 4-YEAR (IN STATE)
- PRIVATE ON CAMPUS
- PUBLIC ON CAMPUS
- PUBLIC 4-YEAR (OUT OF STATE)
- PUBLIC 2-YEAR

AVERAGE ANNUAL COST, 2010



AVERAGE ANNUAL COSTS FOR 2010 WERE OBTAINED FROM THE NATIONAL CENTER FOR EDUCATION STATISTICS (NCES.ED.GOV)

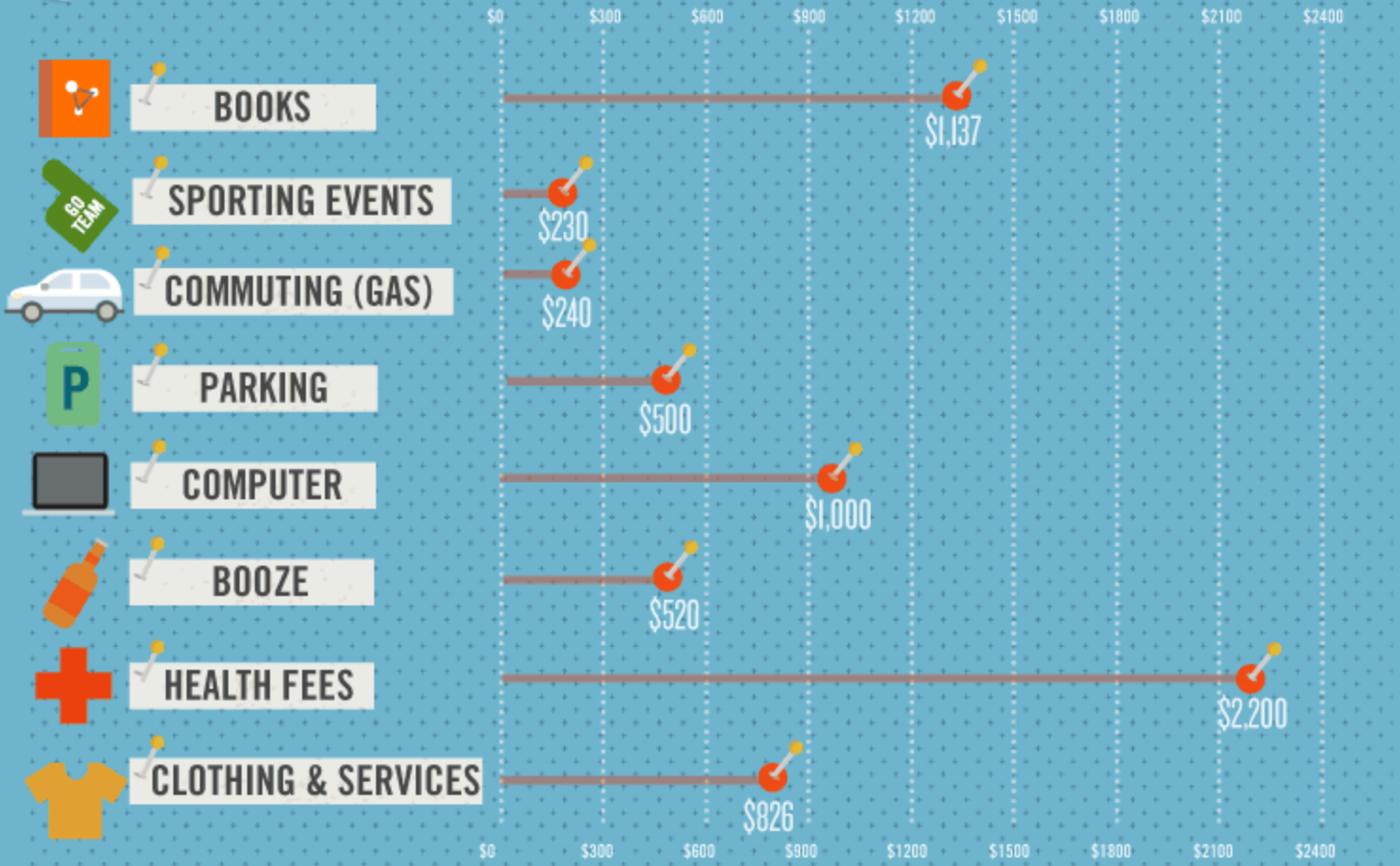
THE APPROXIMATE TOTAL FOR ONE YEAR:



HIDDEN EXPENSES

One of the priciest features of college can often times be the hidden costs that come from daily on- and off-campus living.

ESTIMATED 1-YEAR COST



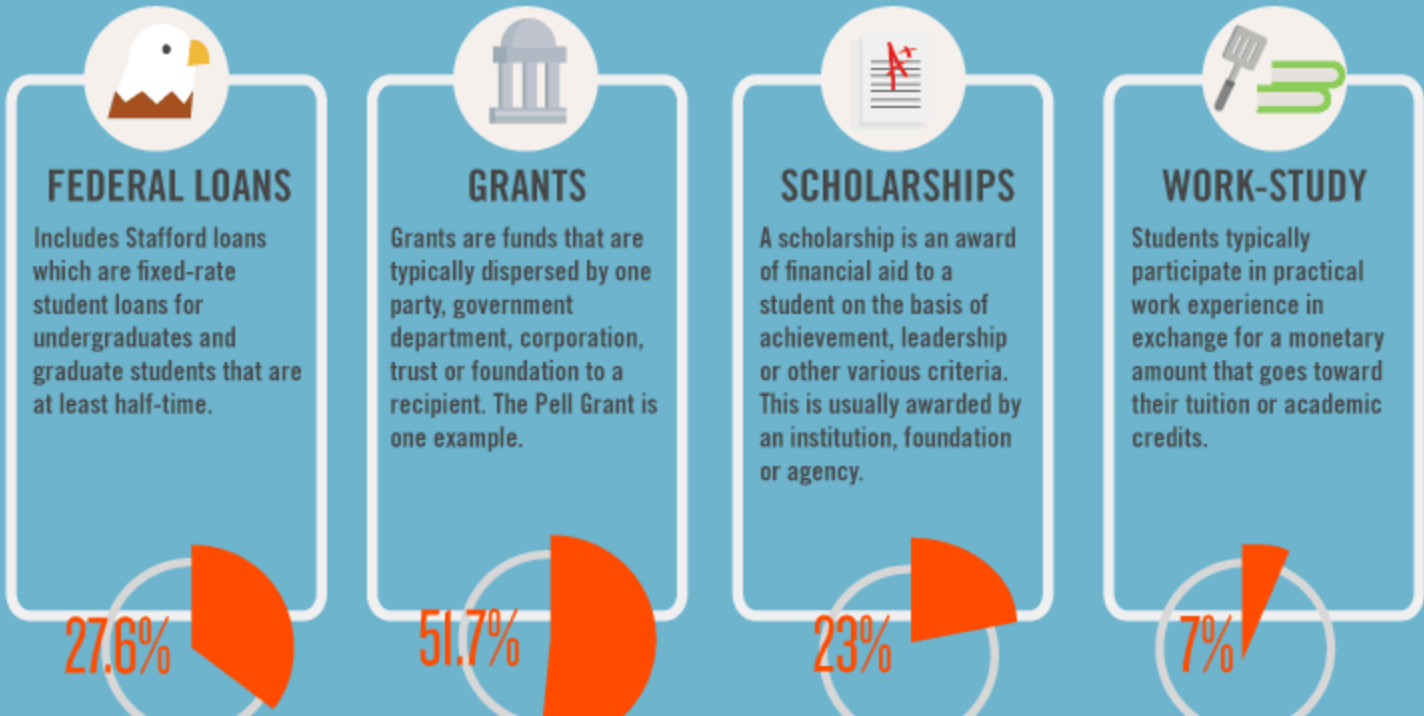
HIDDEN FEES WERE OBTAINED FROM "HIDDEN COSTS OF COLLEGE RAISE TOTAL TO EXTREME LEVEL" BY BLAIRE BRIDDY, THE FISCAL TIMES AND BLS.GOV

HOW EDUCATION IS FUNDED |

Percentage of students that used this method to pay for college as reported in "How America Pays for College" at www.thefiscaltimes.com



THE MAIN TYPES





THE GAP FILLERS



FAMILY

Many students rely on their family to pay for college. Not just for tuition, but for other expenses that pop up, such as living expenses, health costs and transportation.



PARENT PLUS LOANS

Parent PLUS Loans are often affordable financing available to parents and guardians with good credit. The loan funds can be used for tuition, supplies, housing and more.



PRIVATE STUDENT LOANS

Private loans are credit-based funds used to pay for all expenses, including books, computers, travel and the flexibility to apply whenever funding is needed. Applying with a co-signer often increases chances of approval.



COLLEGE SAVINGS PLAN

College savings plans, such as the 529 plan, are tax-advantaged investment plans designed to encourage savings.



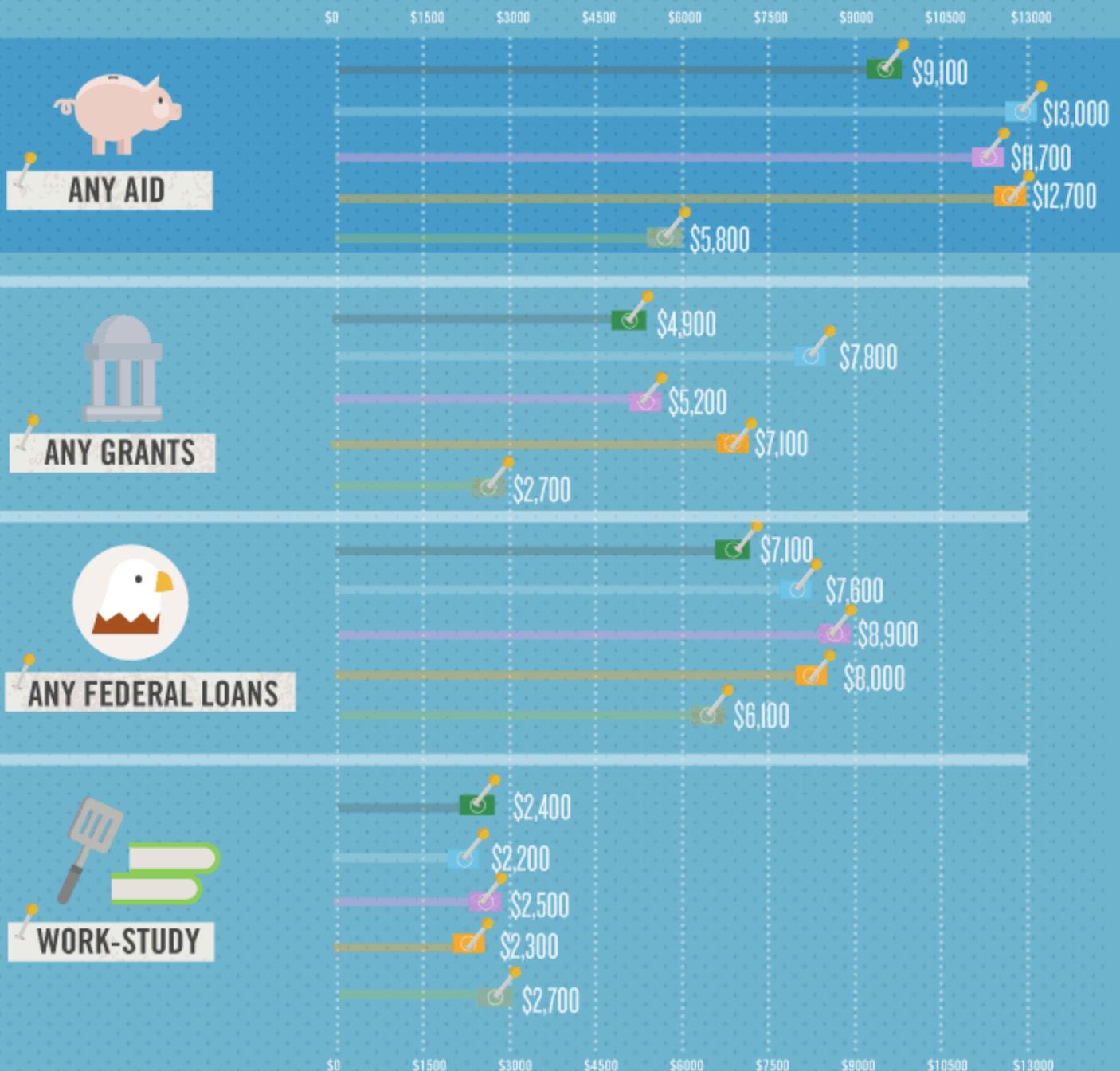
HOW MUCH ARE STUDENTS RECEIVING?

ALL UNDERGRADUATES

DEPENDENTS
INDEPENDENTS

FULL-TIME STUDENTS
PART-TIME STUDENTS

AVERAGE FINANCIAL AID AMOUNT, 2008



AVERAGE FINANCIAL AID AMOUNTS WERE OBTAINED FROM THE NATIONAL CENTER FOR EDUCATION STATISTICS (NCES.ED.GOV)

CALCULATING WHAT YOUR GAP WILL BE

Knowing how much you will still be responsible for after financial aid and your expected family contribution will give you time to make a financial plan for filling the gap. Here is an example of how to calculate your financial gap.

\$40,000



\$10,000



\$20,000



\$30,000

COST OF ATTENDENCE

The COA includes tuition, room and board, other fees, and expenses.

HIDDEN COSTS

The hidden costs that come from daily on campus and off campus living.

EXPECTED FAMILY CONTRIBUTION (EFC)

Amount you or your family can contribute. This amount is calculated on the FAFSA form.

FINANCIAL NEED

Simply put, your financial need is your COA minus your EFC. This is the amount of financial aid you may be eligible for.

FINANCIAL AID

It is possible you will be awarded less than your financial need.

\$10,000

GAP TO BE FILLED

Subtracting the amount awarded from the amount needed equals the gap to be filled.

\$20,000