



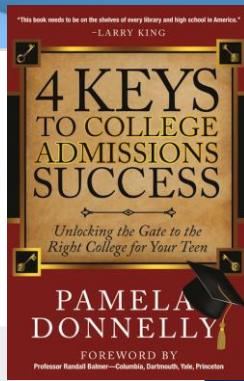
# How to Fund a College Education Today

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Pamela M. Donnelly Consulting LLC





As Seen On  
**CNN FOX NBC abc CBS** The New York Times



- Admissions Specialist
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"As a dad, there is nothing I want more than help my children fulfill their potential. Pamela Donnelly's expertise helps parents like you and me optimize the futures of our sons and daughters."

- Larry King

<https://www.linkedin.com/in/pamelamdonnelly/>



# How Much Per Year?

Trick Question:  
Do you just  
multiply by 4 to assess  
tuition cost?



Tuition Only 2024  
UNLV \$9,453 (in state)  
UNR \$7,875 (in state)

## TUITION ONLY 2024

Columbia University	\$65,524
Reed College	\$64,450
Vassar College	\$63,840
Tufts University	\$63,804
University of Southern California	\$63,468
Boston College	\$62,950
Haverford	\$62,850
Brown University	\$62,680
Harvey Mudd College	\$62,516
Northwestern University	\$62,391
University of Chicago	\$61,179
Wellesley College	\$61,584
Oberlin College	\$61,106
Sarah Lawrence College	\$60,700
Dartmouth College	\$60,687
University of Rochester	\$60,550
Johns Hopkins University	\$60,480
Claremont McKenna College	\$60,480
Barnard College	\$60,478

# Acronyms You Need To Know

FAFSA

COA

EFC/**SAI**



## Did You Know?

The EFC for the average American household with an AGI around \$50,000 in 2022 ranged from \$3,000 to \$4,000 per year.

# Acronyms You Need To Know



## FAFSA

The **Free Application for Federal Student Aid** is the form you need to fill out to get any financial aid from the federal government to help pay for college. Parents of seniors are advised to complete with 2 years of tax returns as close to October 1<sup>st</sup> as possible. Student needs to have their list ready of up to 10 schools complete to add at FAFSA.GOV at time of filing.

## COA

**Cost of Attendance** is a college's total estimated expenses for one year including tuition, room and board, books, supplies, transportation, loan fees, and miscellaneous expenses.

## EFC

**Expected Family Contribution** Until 2023 this has been used by colleges to determine a family's financial need. That need was calculated by subtracting the EFC from an institution's cost of attendance for one year, which includes the college's tuition. The “gap” often occurring is a family's need, which can sometimes be bridged through federal grants, which do not have to be repaid, and student loans that do (Stafford: 2 types).

# FAFSA Changes Coming Dec. 2023



- First FAFSA changes in 40 years.
- Expands federal aid eligibility.
- Replaces the Expected Family Contribution with the Student Aid Index.
- Expands Federal Pell Grant eligibility.
- Automatically populates federal income tax data from the IRS.
- Simplifies questions that determine the independent status of students in unusual circumstances, such as homeless students, orphans or former foster youth.
- Translating the application so it will be available in more languages.



# How did the Old FAFSA Determine Federal Aid Eligibility?

## Old FAFSA Formula

Cost of attendance – EFC  
= Financial need

**How it used to work:** if school's cost of attendance was \$20,000 and EFC was zero, student was be eligible for \$20,000 in need-based institutional aid.



## New FAFSA Formula

Cost of Attendance – SAI = Financial need



- Unlike the EFC, the new SAI calculation *can drop below zero*.
- The SAI can be as low as negative \$1,500.
- A family with significantly fewer financial resources will now receive more aid in the 2024-25 academic year.
- Having a \$20,000 cost of attendance and an SAI of negative \$1,500, students can be eligible for \$21,500 in need-based aid—an increase of \$1,500.
- Downside: sibling discounts are ~~KAPUT~~. Many parents are unhappy



# The new SAI calculation makes it easier to qualify for the Pell Grant.

- The annual income limit for automatic zero EFC for the 2023–24 academic year is **\$29,000** or less.
- If a student's SAI is between negative \$1,500 and zero, they qualify for the maximum Pell Grant.
- If the SAI is greater than \$0 but less than the maximum Pell Grant award, they could qualify for the maximum Pell Grant, minus their SAI.
- If the SAI is greater than the maximum Pell Grant award, students could still qualify for a Pell Grant depending on family size, adjusted gross income, and poverty guidelines.
- A recent \$500 increase to the maximum Pell Grant means the maximum Pell Grant award for the 2023-2024 award year is now **\$7,395**.



# One More Acronym to Know: CSS



- The **CSS Profile**, short for the College Scholarship Service Profile, is an online application created and maintained by The College Board. It allows college students to apply for non-federal financial aid.
- It is primarily designed to give colleges a very comprehensive look at the financial and family situation of students and their families for institutional financial aid.
- <https://profile.collegeboard.org/profile/ppi/participatingInstitutions.aspx> features a list of all colleges and universities requiring this report to be filed.
- Plan ahead if your target schools require the CSS – very time consuming.

# Three “banks” of financial aid you need to know



Taking notes  
or screenshots  
encouraged





# Need-Based Aid

These aid options are calculated based upon the FAFSA  
(**Free Application for Federal Student Aid**)

1. **State-Based Grants** can offer thousands, based on income, major, and other factors. Silver State Opportunity Grant (SSOG, NV State Access Grant, NV State University Grant, NV State Opportunity Grant.)
2. **Direct Loans** – From government, currently up to \$20,500 per semester, interest rate 5.5% + small loan fee of 1.057%.
3. **PLUS Loans** – Avoid! High 8.05% interest + origination fee of 4.228%.
4. **Stafford Loans** – From lenders partnering with government, up to \$20,500 per semester
  - a. Subsidized – federal government covers interest
  - b. Unsubsidized – student covers interest (currently 4.99%)
5. **Pell Grant**
  - a. Does *not* have to be repaid, for students from families making less than \$30k per year in most cases
  - b. Maximum award \$7,395 does not cover 100% of tuition. See <https://fsapartners.ed.gov/>





# Institutional Aid

Colleges and universities operate as businesses. They target wealthy families to sustain their revenue.

Institutional aid is one way they incentivize applicants from that demographic.

In 200+ popular private colleges, this is directly tied to the CSS Profile application in addition to the FAFSA.

<https://cssprofile.collegeboard.org>

## Action Items →



1. Determine which colleges students are targeting that require the CSS.

2. Have students ask financial aid departments or research online:

“What percentage of students receive institutional aid?”

“What awards do you have for which I might be able to apply, given my GPA, scores, athletics, and/or talents?”

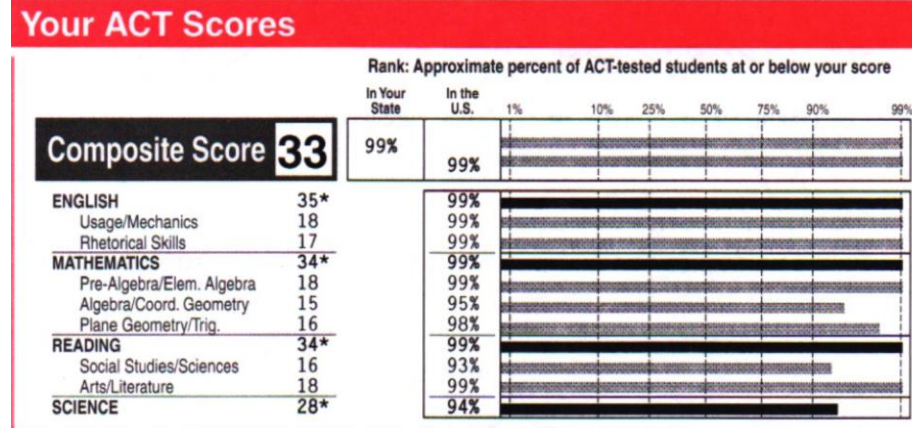
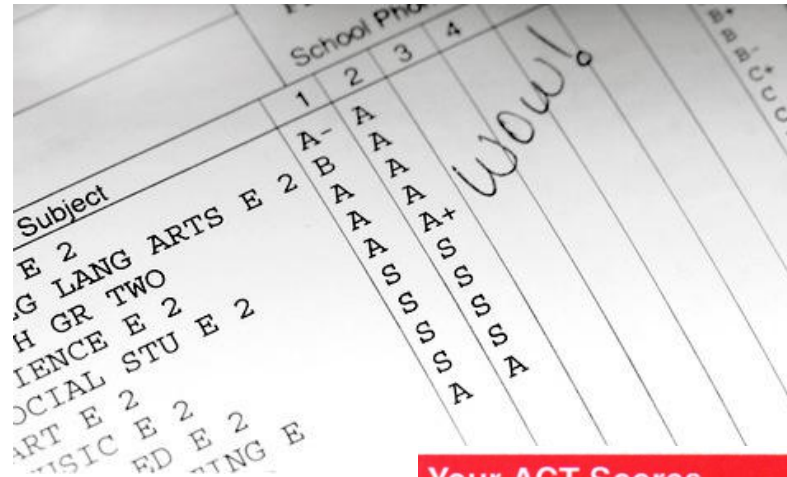
“Which of these awards recur annually (versus one-time allotment)?”



# Merit-Based Aid

This aid is usually calculated based upon:

- **GPA (3.8 or higher, unweighted)**
- **Course rigor (significant honors, AP, IB often preferred)**
- **SAT or ACT exam scores (1470+ SAT, 31+ ACT often preferred where policy is not test blind)**



## Action Items →

1. Research last year's average GPA (and possible SAT/ACT scores) for admitted applicants online
2. Encourage application to schools where profile falls between 25<sup>th</sup> and 75<sup>th</sup> percentile
3. If possible: start offering support as early as possible to ensure these numbers are as competitive as possible



# Finding the Right-Fit College Needs to Be Job #1



- Don't assume your student has to settle for public in-state schools.
- Remember well-endowed private colleges can often cover 100% of need.
- Never believe the sticker price – with more than one acceptance offer students can then *negotiate aid!*
- Best EFC optimization tip: have the parents pay down a home equity loan with any significant cash sitting in a checking account or other liquid assets.



# So...How Best CAN You Fund a College Education Today?

# 3

# The Big Three

- **NEED-BASED AID**

Carefully place assets by 10<sup>th</sup> grade so that prior-prior year calculations of Student Aid Index will not require over-paying for tuition. Moving liquid assets to pay down primary home is one such strategy.

- **INSTITUTIONAL AID**

Identify generous schools with annually recurring awards for your profile type and apply early in grade 12.

- **MERIT-BASED AID**

Build the right-fit list, ensure high performance on SAT/ACT exams, commit to course rigor (honors, AP) with tutoring when needed to secure the A on your transcript and a 4 or 5 on AP exams.





# Now Trending: SCOTUS Impact

On June 29, 2023, the U.S. Supreme Court struck down affirmative action in college admissions.

1. Black and brown students are projected to see a drop in admissions chances at selective colleges
2. Asian and White students are projected to see a modest increase in admissions odds.
3. Effective college essays are expected to play a larger role in admissions decisions.
4. Test-blind policies could increase, completely removing the SAT and ACT from admissions decisions (already in place at the University of California, California State University, Caltech, Pitzer, Reed, Dickinson, the University of San Diego, and others.)



# In Case This Helps You

## Allow me to offer three complimentary 30-minute consultations



Text parent name,  
student name, & grade  
level now to  
**(702) 551-4772**

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# Q & A Time

*Email me at*

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*or call/text (702) 551-4772*