

# Helping Students Understand the Gap



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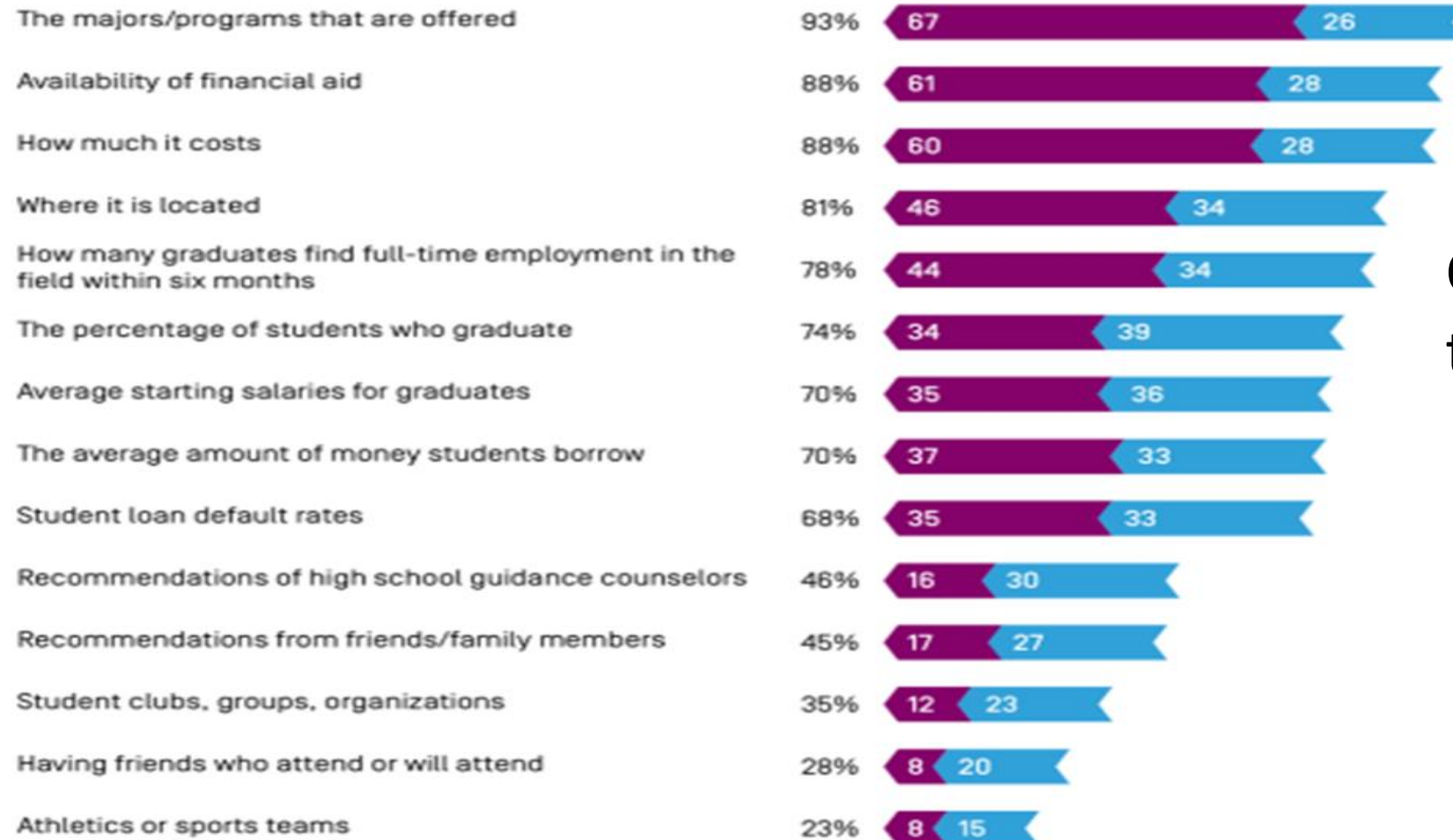
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PHAA PAForward Education Loans

# In the beginning.....

- Students aren't necessarily thinking of where to find the funds
  - **Some mistakenly think higher ed is not attainable**
- First experiences with Financial Aid
  - **Ready PA High School Activities**
  - **HS & Post Secondary Financial Aid Nights**
  - **FAFSA Programs**
  - **College Fairs / Visits**
  - **..... if they attend ....**

# What's important when making decisions



Cost is at the top of the decision process

# Tools to help find the resources .... let's review



Students and families need help in understanding costs and how to find affordable options for **'The Gap'** early in the process

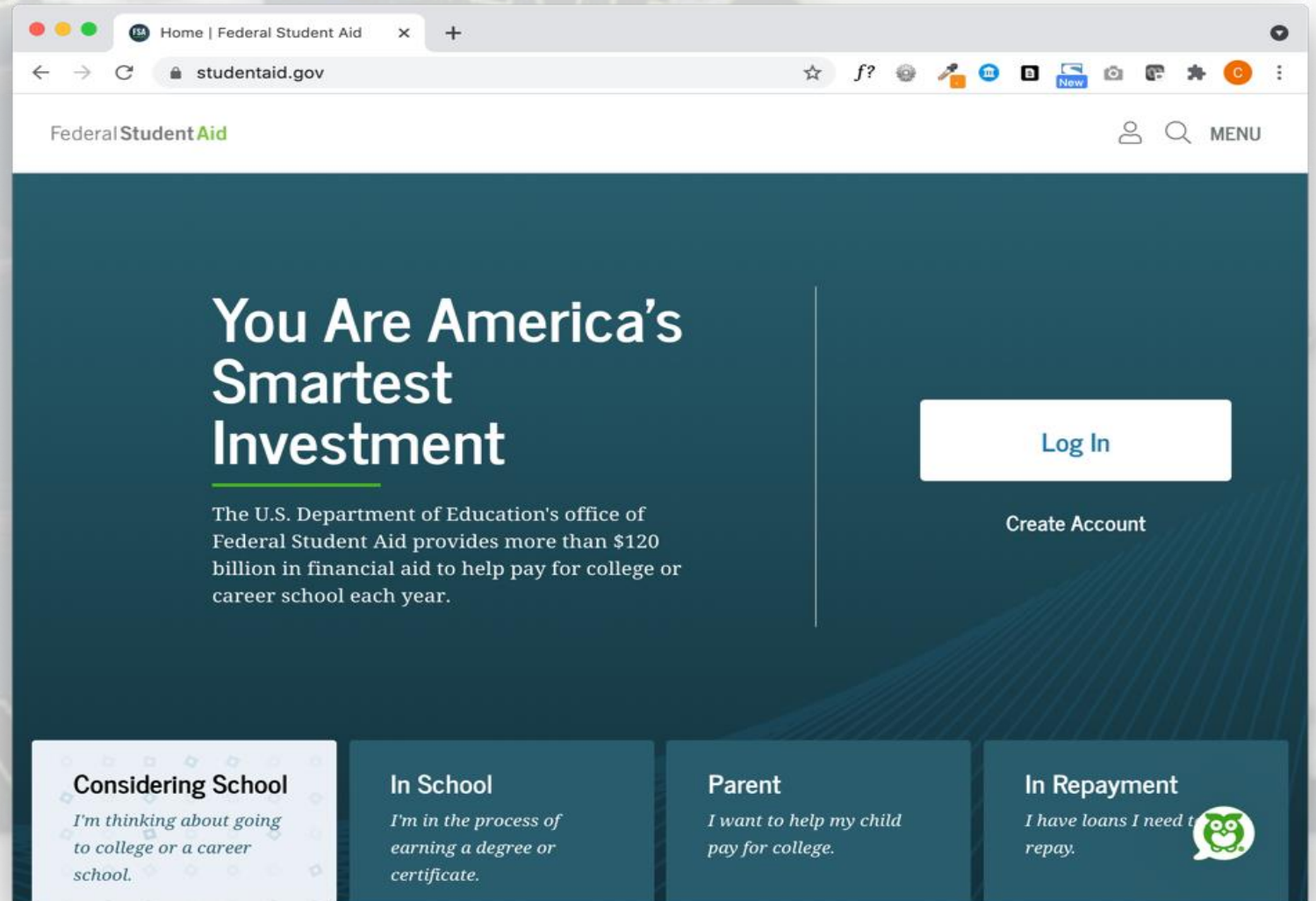
*Gap Shock* is avoided when you share more about funding solutions

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# 1<sup>st</sup> Step: FAFSA

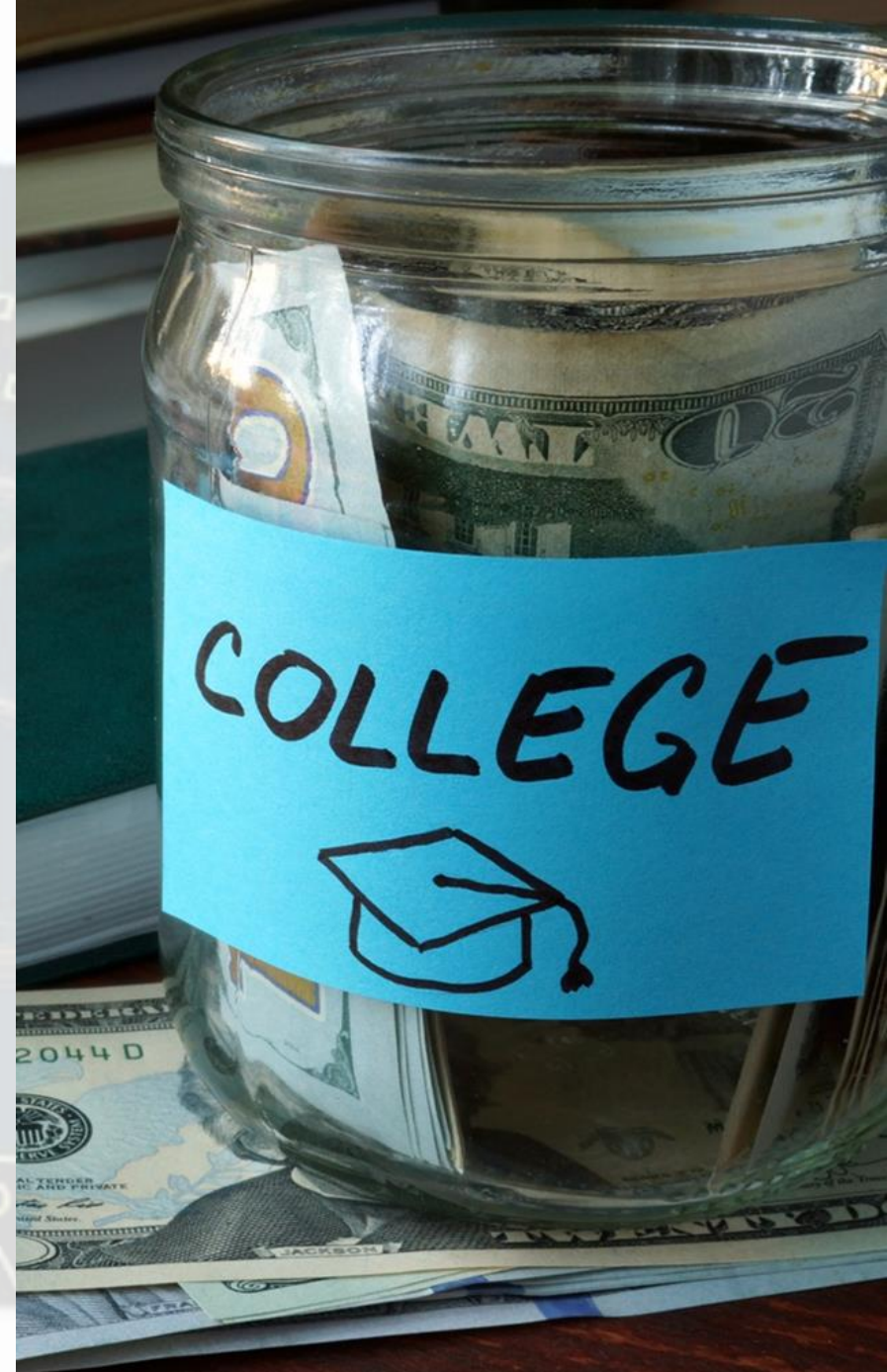
- Encourage **ALL** students to complete and understand FAFSA
- Federal Grants
- State Grants
- Scholarships
- Federal Loans
- Deadlines!
  - Do they know?



# Scholarships!

How are you telling students to search or find them?

- HS Guidance Offices
- Communities
- Your Institution
- Google Topics



# Net Price Calculators

Every institution, by law, must provide families with a net price calculator on their website to estimate net costs.

**Estimated** data provided by each institution:

- Total price of attendance
- Tuition, fees, and room and board
- Expenses (i.e., personal, transportation, etc.)
- Estimated merit and need based grant aid
- Estimated net price (attendance minus grant aid)

**Calculators don't always include institutional scholarships.**

## 2020-2021 Tuition and College Cost Estimate ×

Estimated Costs for 2020-2021	Fall	Spring	Total
Tuition	\$8,960.00	\$8,960.00	\$17,920.00
Student Fee	\$265.00	\$265.00	\$530.00
<b>Tuition and Fees Subtotal</b>	<b>\$9,225.00</b>	<b>\$9,225.00</b>	<b>\$18,450.00</b>
Rent	\$4,665.00	\$4,665.00	\$9,330.00
Meals	\$2,732.00	\$2,732.00	\$5,464.00
Books	\$920.00	\$920.00	\$1,840.00
<b>Total *</b>	<b>\$17,542.00</b>	<b>\$17,542.00</b>	<b>\$35,084.00</b>

\* Semester total does not include additional miscellaneous costs, such as transportation, laundry, clothing, dining out, utilities, medical, dental, personal, and recreational expenses.

### Billable/Non-Billable Costs

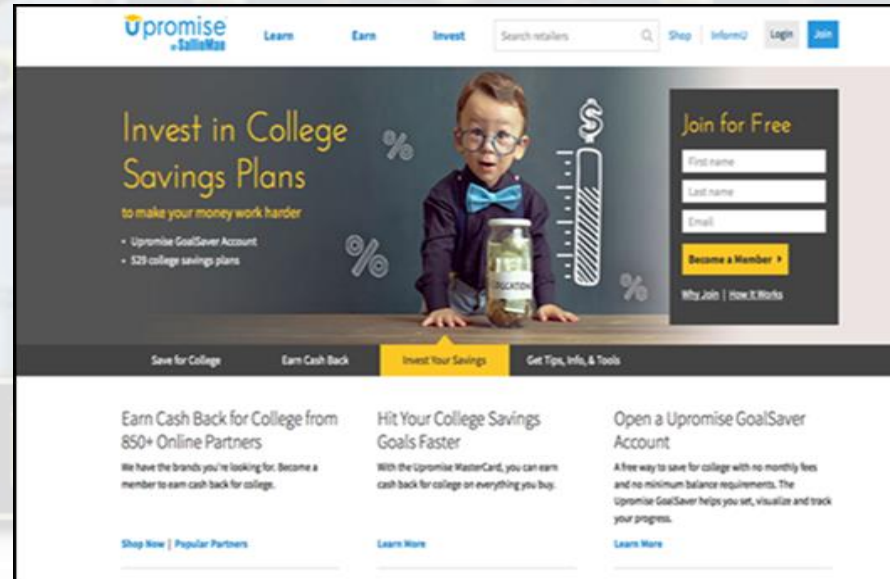
Billable Costs (Includes Tuition, Fees, Room, Meals)	<b>\$33,244.00</b>
Non-Billable Costs (Includes Books)	<b>\$1,840.00</b>



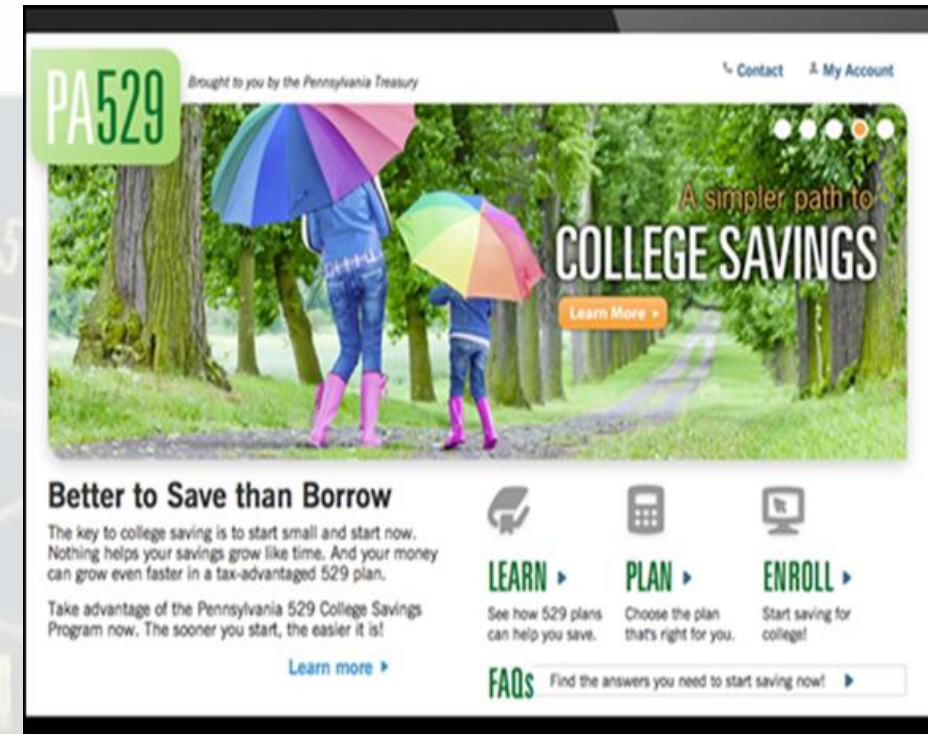
# 529 College Savings Plans

- It's never too late to save
- Opportunities to help subsequent year costs
- Are you offering this solution?

U- Promise savings  
add up



The screenshot shows the U-Promise website, which is a partnership between the University of Pennsylvania and the University of the Commonwealth of Pennsylvania. The main headline reads "Invest in College Savings Plans to make your money work harder". Below this, there are three main sections: "Earn Cash Back for College from 850+ Online Partners", "Hit Your College Savings Goals Faster", and "Open a Upromise GoalSaver Account". Each section has a brief description and a "Learn More" link. The website also features a "Join for Free" button and a "Become a Member" button.



The screenshot shows the PA529 website, which is a Pennsylvania 529 College Savings Plan. The main headline reads "A simpler path to COLLEGE SAVINGS". Below this, there are three main sections: "Better to Save than Borrow", "LEARN", "PLAN", and "ENROLL". Each section has a brief description and a "Learn More" button. The website also features a "FAQs" section and a "Contact" link.



# Payment Plans

- Most schools have payment plan options
- Small balances covered
- Less debt
- Can they find it – how do they know?
- Not everyone can afford it, or can they..

## Payment Plan Benefits



Easy online enrollment



Flexible payment options



No interest

## Participation in the Installment Payment Plan

Enrollment in the Installment Payment Plan should be completed immediately upon receipt of the University invoice. The current outstanding balance will be divided into three equal installments for the Summer Semester and five equal installments for the Fall and Spring Semesters, with the first payment due August 15th for the Fall semester. Access to the plan can be made via Wilkes' secure Web site located under the Student Services tab/My Account. Students must enroll each semester.

## Participation in the Employer Tuition Deferment Plan

Deferred payments for employer reimbursement and third party payer arrangements will be permitted, provided the student has made application and received approval for this plan at least two weeks before the first day of the semester. Applications for Deferred Employer Tuition Deferment are available on the Wilkes Web site. Graduating seniors are not eligible for the deferred payment option.

## Enrollment in a Third Party Sponsored Tuition Coverage Plan

If the student is expecting to receive financial support from ROTC, Veterans Rehabilitation, The Bureau of Vocational Rehabilitation, or other third party sponsored tuition plan, which is not already listed on the invoice, deduct the approved amount from the "Calculated Total Due." Please indicate the source and the anticipated amount of coverage on a copy of the invoice when remitting payment for the adjusted balance.

# Work Study

- How is it portrayed on your Award Letter?
- Most students think it's an 'award'
- Don't understand: Out of pocket expenses until earned
- Increases Gap confusion if not explained!
- Where are instructions to sign up?



# Federal Loans

- Help meet the gaps when FAFSA is completed
- Included on Award Letters
- Undergraduates/Graduates are eligible
- Parent options are available
- Do your families understand that 'fees' are deducted
  - Causes small balances due

Usually balances still exist ...





# Private Education Loans

- Helpful gap funding
- Can offer better or competitive rates
- Often have benefits to lower rates and fees
- **Lender Lists** – help your families find equitable solutions
  - **Increases comfort levels using trusted resources**
  - **Easy to use**
- Using Google – Creates more confusion



# Cost obstacles:

- Admission Confusion
  - Why bother, price is too high
- Enrollment Fears
  - Can I afford it if accepted?
- Student/Family Communication
  - What's the options for paying
  - Planning tools
- Unclear Award Letters
- No breakdown
  - Direct vs Indirect



# Ideas to use the TOOLS

Be clear, concise, offer multiple solutions – address Gap upfront, not in the End. One size doesn't fit All.

1. Evaluate Aid communication / steps
2. Involve enrollment, admissions, faculty
3. Include all options available for balances
4. Upfront work reduces Back End tasks





# 1. Award Letters

## The best way to reduce Gap Confusion

- A family's first campus cost exposure
- Is it causing or relieving family stress
- Are overall /annual costs understandable
- Did you package PLUS loans
- Is work study noted as “earned” money
- Are you including comprehensive correspondence about how to cover balances and consequences of having a balance
- Timelines for applying for Aid; Deadlines?

### 2020-2021 Financial Aid Offer



Student Name: Buckingham U Badger  
Date Issued: 01/02/2020

Campus ID: 908XXXXXX

#### COST OF ATTENDANCE

Estimated Direct Costs			Estimated Indirect Expenses <sup>1</sup>				
	Fall	Spring	Total		Fall	Spring	Total
Tuition & Fees <sup>2</sup>	\$6,063	\$6,063	\$12,125	Housing & Meals (on or off-campus)	\$5,779	\$5,779	\$11,558
				Books & Supplies	\$575	\$575	\$1,150
				Transportation	\$412	\$412	\$824
				Personal	\$1,178	\$1,178	\$2,356
Total Direct Costs			\$12,125	Total Indirect Expenses			\$15,888

<b>ESTIMATED Total Cost of Attendance</b>	<b>\$14,007</b>	<b>\$14,007</b>	<b>\$28,013</b>
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<sup>1</sup> Students need to budget for these expenses as they are not billed through UW (except for those living in UW housing). Our estimates are to help you plan, but your expenses will vary depending on your particular needs and lifestyle.  
<sup>2</sup> Tuition and fees are estimated with the assumption of full-time enrollment.

#### ESTIMATED FINANCIAL AID OFFER<sup>3</sup>

Grants & Scholarships (Automatically Accepted, Not Repaid):	Fall	Spring	Total
Federal Pell Grant	\$473	\$473	\$946
UW Engineering Alumni Fund	\$350	\$350	\$700
UW-Madison Grant	\$500	\$500	\$1,000
UW-Madison Resident Grant 2	\$1,000	\$1,000	\$2,000
Total Amount of Grants & Scholarships	\$2,323	\$2,322	\$4,645

<b>ESTIMATED NET COST (Cost of Attendance minus Grants &amp; Scholarships)</b>	<b>\$11,684</b>	<b>\$11,685</b>	<b>\$23,368</b>
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Student Loans (Accept or Decline in Student Center, Must be Repaid):	Academic Year	Fall (minus fees)	Spring (minus fees)	Total (minus fees)
Direct Subsidized Fed Loan 6	\$5,500	\$2,721	\$2,721	\$5,442
Direct Unsubsidized Fed Loan 6	\$2,000	\$990	\$990	\$1,980
Total Amount of Loans		\$3,711	\$3,711	\$7,422

<b>Cost of Attendance minus Grants, Scholarships, &amp; Loans</b>	<b>\$7,973</b>	<b>\$7,974</b>	<b>\$15,946</b>
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<sup>3</sup> These offers are contingent upon continued funding from federal, state, and institutional sources, as well as state legislative decisions regarding tuition. Offers are subject to change and may be rescinded or reduced if funding is insufficient or discontinued, or if tuition amounts change.

#### OTHER RESOURCES

##### Parent Loan for Undergrad Student (PLUS)

A credit-based loan from the Department of Education that a parent can apply for to help supplement your own financial aid offer. More information and the application are online - [www.studentloans.gov](http://www.studentloans.gov).

##### Private Educational Loans

Credit-based loans offered by private banks or credit unions that can supplement your financial aid offer. Most students will need a credit-worthy cosigner to be approved. More information and a comparison tool are online - <https://financialaid.wisc.edu/types-of-aid/private-loans/>.

##### BadgerPay Payment Plan

A convenient option for paying tuition, fees, and on-campus housing charges through regularly scheduled payments. More information and enrollment details are online - <https://bursar.wisc.edu/student-tuition-account/payment-methods/badgerpay>.

# U.S.D.E. Shopping Sheet

Elements of cost of attendance appropriate  
for the specific student

Grant aid (Free money)

Net price after grants

Work-study options

Federal Direct Loans

General listing of other types of funding that can be  
used to meet net costs (including family contribution)

University of the United States (UUS)  
Student Name, Identifier

MM / DD / YYYY

Download

### Costs in the 2014-15 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 education costs	X,XXX

### Grants and scholarships to pay for college

Total Grants and Scholarships ("GRI" Aid; no repayment needed)	\$X,XXX / yr
Grants and scholarships 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** \$X,XXX / yr  
(Cost of attendance minus total grants and scholarships)

### Options to pay net costs

#### Work options

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

Federal Perkins Loan	\$ 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	\$X,XXX / yr
(As calculated by the institution using information reported on the FAFSA or to your institution.)	
• Payment plan offered by the institution	• Military and/or National Service benefits
• Parent or Graduate PLUS Loans	• Non-Federal private education loan

### Graduation Rate

Percentage of full-time students who graduate within 6 years

XX.X%

Low Medium High

### Loan Default Rate

Percentage of borrowers entering repayment and defaulting on their loan

X.X%

This institution National

### Median Borrowing

Students who borrow at UUS typically take out \$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.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: (123) 456-7890  
E-mail: [financialaid@uus.edu](mailto:financialaid@uus.edu)

Customized information from UUS

Suggested  
Not  
Required

# Communication

- Start early to address balances
- Each stage of enrollment can discuss costs.
- Deposited: look for scholarships and grants; timelines
- Orientation: introduce all funding options, where to find them
- Bills: Provide ways to cover costs and deadlines

## Financial Aid

- > [Apply for Aid](#) ▼
- > [Scholarships & Grants](#) ▼
- > [Loans & Financing Options](#) ▼
- > [Student Employment](#) ▼
- > [Veterans Information](#)
- > [Forms](#)
- > [Publications](#)
- > [Costs](#)
- > [Private Outside Awards](#)
- > [Helpful Resources](#)
- > [Tuition Exchange](#)
- > [Contact Us and Staff](#)
- > [Bursar's Office](#)
- > [View My Status/Third Party Access](#)



## 2. Involve other Campus Departments

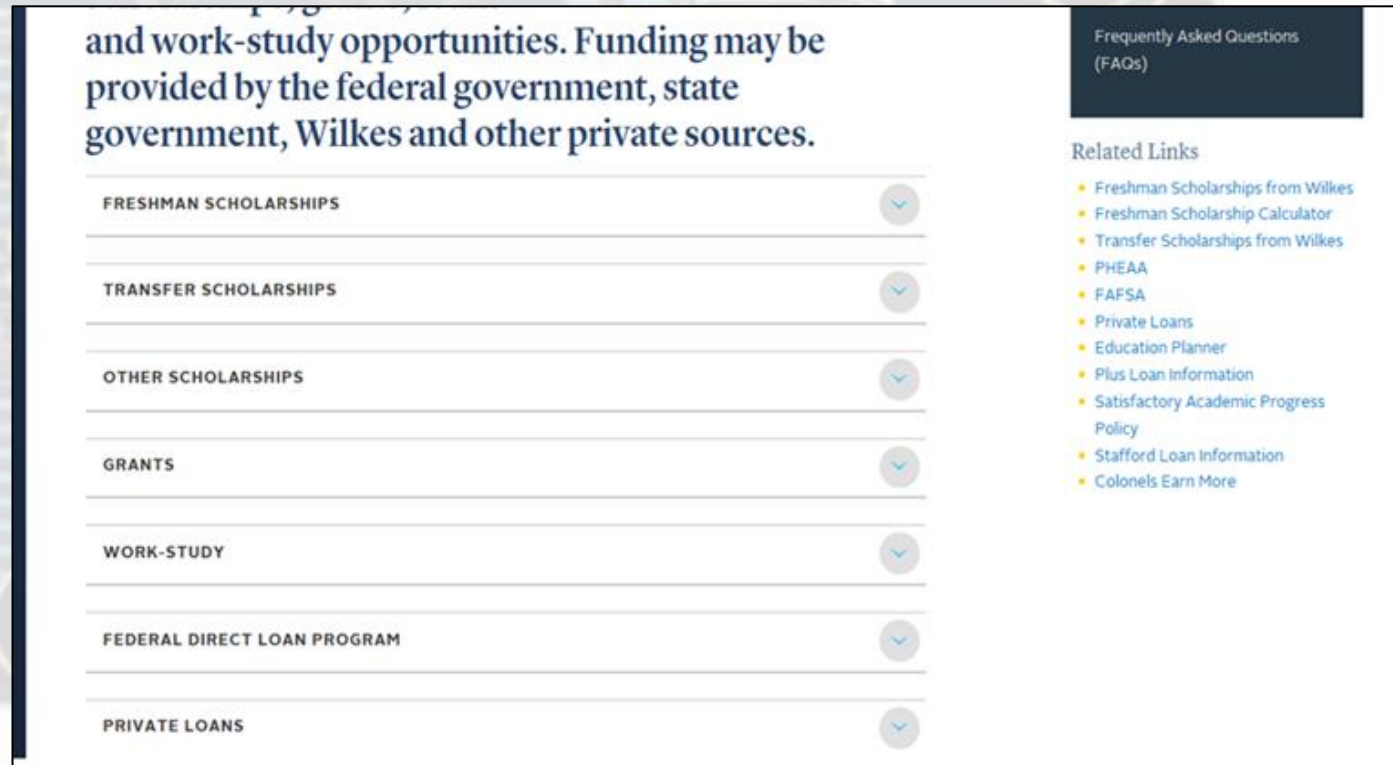


- Educate Admissions on financing options for upfront conversations
- Increase options for Financial Aid discussions
- Admit Day; Orientation; Information Tables; Move In Day; anytime on campus
- Do Faculty and Dept. Chairs understand Financial Aid and Options?
- Encourage Campus Departments to be positive, and realistic, in affordability discussions to avoid empty promises

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### 3. Options available for balances

- Families want guidance from a trusted source
- Are they aware of appeals for circumstances?
- Include comprehensive information to avoid doubts and where to find it
  - Handouts
  - Websites
  - Discussions
  - Tours
  - Newsletters



and work-study opportunities. Funding may be provided by the federal government, state government, Wilkes and other private sources.

FRESHMAN SCHOLARSHIPS	▼
TRANSFER SCHOLARSHIPS	▼
OTHER SCHOLARSHIPS	▼
GRANTS	▼
WORK-STUDY	▼
FEDERAL DIRECT LOAN PROGRAM	▼
PRIVATE LOANS	▼

Frequently Asked Questions (FAQs)

Related Links

- [Freshman Scholarships from Wilkes](#)
- [Freshman Scholarship Calculator](#)
- [Transfer Scholarships from Wilkes](#)
- [PHEAA](#)
- [FAFSA](#)
- [Private Loans](#)
- [Education Planner](#)
- [Plus Loan Information](#)
- [Satisfactory Academic Progress Policy](#)
- [Stafford Loan Information](#)
- [Colonels Earn More](#)



# Ways to Pay

Families don't always remember they can choose combinations to cover balances

Mix &  
Match

- Federal & State Grants
- Private scholarships
- Job/work-study
- 529 College Saving Plans
- Upromise credits
- Family savings
- Tuition Payment Plans
- Federal Direct Student Loans
- Federal Direct PLUS Loans
- Private Student Loans
  - PA Forward Student Loans
- Institutional Loans
- Home Equity Loans
- Employers tuition reimbursement programs
- 401K withdrawals or loans (See a financial advisor or your HR dept)
- Credit Cards (Be cautious)



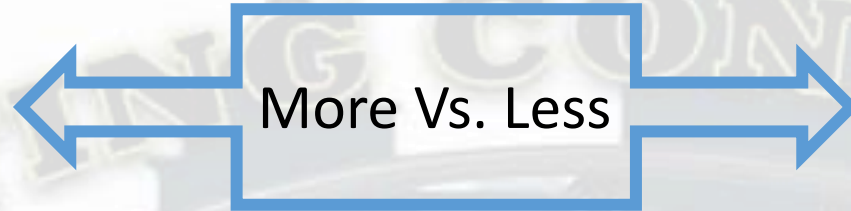


# Comprehensive Suggestions



- Allow parents and students to find funding solutions in one place
  - No jumping from site to site for topics
  - Links on your websites to the solutions
    - FAFSA; Scholarships; Loans; Payment Plans, ELM Select....
- Offer Financial Literacy programs
  - Net Price Calculators – found in one click or three
  - Campus clubs; NSLDS info; RA Assignments
- KISS – Keep it Simple Silly
  - Help Headline Readers; Avoid Frustration; clear Award Letters
- Help Families be comfortable with their choices
  - Families need direction to avoid the unknown

## 4. Upfront Work, Reduces Back End Tasks



### Doing More:

- More receivables
- Less calls (hopefully)
- Less withdrawals
- Less Tracking
- Less financial changes
- Increases Retention
- Creates a Can Do attitude
- Creates better customer service
- Track trends to address the need
- Better Financial Literacy

### Doing Less:

- Enrollment Fear
- Affordability Confusion
- Students don't research
- Families using random sources, affecting defaults
- Admission promises
- Award Letter confusion
- More account adjustments
- More balances due
- Collection Fees
- Families choosing a school that offers more help

# Your comments and info:

## *Audience participation*

- How do you avoid Gap Shock on campus
- Best practices
- Issues / Concerns
- What's working, not working



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# *Thank you* for attending and participating!

Your hosts:

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