



**TEXAS
GEAR
UP**

**UNDERSTANDING
COLLEGE COSTS**



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Going to college would be super easy if it was right next door, totally free, and you could major in “sleep.” Sadly, this is not the case.

The reality is that you’re going to college to be a doctor, or a computer scientist, or any one of the plethora of professions that require a college degree. And that means you’ve got to put in the work to figure out where to go, and how to make it as affordable as possible.

So, let’s break down the costs of getting a college education.

ESTIMATING COSTS

First, do some research and come up with a handful of schools that match your interests—whether it’s location, academic programs, social activities, or a combo of everything.

Once you have your list, it’s time to look at costs. But don’t let the price tags freak you out. The truth is that it’s possible to make any college fit your budget.



Now, when you’re looking at college price tags, you’ve got three basic categories:

- **Low cost schools**, which are usually in-state, public universities
- **Medium cost schools**, like out-of-state, public universities
- **High cost schools**, such as private universities

Now, that total price tag includes tuition, fees, room and board (i.e. housing and food), books and supplies, and miscellaneous experiences (like entertainment)—but don’t forget to factor in those college application fees too! The **net** price—what you’ll actually pay—is the total price **minus** whatever you get in grants and scholarships. It’s important to note that private colleges typically have more money to give away than public colleges do. This means that **higher price schools** might end up having the **lowest net prices**.

You can pretty easily estimate your costs ahead of time by going to the websites of colleges on your list and using their “Net Price Calculator” (usually you can find it under the category of Tuition and Fees). Here are some things to know:

- **You’ll need to know about your family’s finances, so your parents handy.**
- **The calculator will generate an estimate of grant and scholarship money that you get at this college, as well as some possible student loan and work-study options.**
- **Remember, these are only estimates—you won’t be able to see a college’s true net price until after you apply for admissions and financial aid (and get accepted!).**
- **If you have any questions, just go ahead and call your prospective school’s financial aid office for help. After all, that’s what they are there for!**

SHAPING A LIST OF COLLEGES

It’s smart to include both public and private schools in your list, so you can compare net prices once you’re in and awarded financial aid. Remember, those high-cost schools may not be out of reach!

PRO-TIP: There are lots of great websites that will help you research colleges, such as Big Future (<https://bigfuture.collegeboard.org>). Use these sites to determine how selective each school is, then break out your list into the following categories:

- **Safeties** = 90% chance you’ll get in
- **Matches** = at least a 50% chance you’ll get in
- **Reaches** = less than a 50% chance you’ll get in

It’s possible the colleges that are easiest for you to get into (meaning you meet and exceed their criteria) might offer you the best financial aid and merit scholarships—because, hey, they want you and your many talents at their school.

MANAGING COSTS

Outside of applying for financial aid, there’s a lot you can do to help keep college costs low. For one... graduate! That’s right. If you stay in school and complete your four-year degree, the state of Texas has a **rebate program** that could get you up to \$1000 back in tuition. That’s a lot of dough!

For more info, check out: <http://bit.ly/2bidiil> or do a quick Internet search for “College for All Texans Rebate.”

Now, let’s talk about ways to budget costs before you even get to campus.

HOUSING

If you're interested in dorms, go for the cheaper ones, even if they're farther away from your classes. And stick to low-cost meal plans—you can live without having steak for lunch. Off-campus apartments can be a cost-effective option, but keep in mind you'll also be paying for utilities and maybe even transportation to and from campus.

TRANSPORTATION

Best advice? Leave the car at home. You won't need it, especially if there are good public buses and trains to get you around. And you'll also save a ton in parking permits, gas, insurance, and repairs.

BOOKS AND MISCELLANEOUS

Seek out used books, or consider even renting instead of buying. Avoid campus bookstores, where the prices are usually crazy expensive. Libraries could also save you plenty of cash. And make sure to budget for miscellaneous personal expenses, like entertainment and travel—because, even though you love it, you can't study all the time.

GRANTS AND SCHOLARSHIPS



Here's a cool factoid: most students do *not* pay for the full price of college! There are lots of ways to chop costs down, beginning with grants and scholarships. This is the best kind of aid, because it's—wait for it—**free money!** You don't have to pay it back.

Here are some of the biggest federal and state grants. Use them as a starting point, and then explore the web for other options:

FEDERAL GRANTS

- **Pell Grant:** You could get between \$588 and \$5815 in aid, but you'll have to meet citizenship requirements and demonstrate a real need for the money.
- **Federal Supplemental Educational Opportunity Grant:** Awards are from \$100 to \$4000, and the colleges themselves decide who gets the grants based on need.

STATE GRANTS

- **Texas Educational Opportunity Grant (TEOG):** awarded for the first two years of college
- **Texas Public Educational Grant (TPEG):** eligibility determined by individual colleges
- **TEXAS Grant:** available for all students pursuing a Bachelor's degree

Other: For students who come from military families, children of various public service workers, kids coming out of foster care, and other unique situations, check out the various waivers and exemptions you may qualify for at: <http://bit.ly/2bgWb6D>

INSTITUTIONAL GRANTS

Colleges themselves have their own grants to offer students who meet certain criteria. Check out their

websites to learn more about how to qualify, and when to apply.

PRIVATE GRANTS/SCHOLARSHIPS

Lots of outside organizations offer dollar bills for college. These include corporations, foundations, professional associations, and non-profit organizations. But there aren't any ready-made lists of these opportunities, so you're going to have to use your Internet skills to seek them out. As a note, deadlines for these grants are often in the **fall of senior year**, so it's a good idea to start your search as soon as you enter high school.

PRO-TIP

For private scholarships in general, use these sites to learn more: www.scholarships.com, www.fastweb.com, and specifically for Texas, <http://www.collegeforalltexas.com>

There may even be private scholarships offered in your local community. Hit your guidance counselor up for help—they likely have all the details.

WORK-STUDY



Most colleges offer part-time jobs, usually on campus, to help you cover basic personal expenses. Work-study gigs are often 5 to 15 hours a week, can provide valuable job experience, and can even help you get to know the faculty and staff better.

STUDENT AND PARENT LOANS

Loans are often a necessary part of paying for college—and, you **do** have to pay them back after you get out of school.

FEDERAL DIRECT LOAN PROGRAM

- **Direct Subsidized Loans:** available for undergrads only. These loans are based on financial need and your year in college, and are subsidized (interest-free) while you're still a student. You could get up to \$3500 for year one, \$4500 for year two, and \$5500 each for years three and four.
- **Direct Unsubsidized Loans:** available for both undergrads and graduate students. Since they aren't subsidized, interest will accrue while you're still in school. Then, all that interest gets added to the total loan right before you begin repaying them. You may end up with a combo of both subsidized and unsubsidized loans, and the max amount you could get for both is \$5500 for year one, \$6500 for year two, and \$7500 each for years three and four.

- **Direct PLUS Loans:** These are loans for graduate students and parents of undergraduate students. Now, you've got to have excellent credit, but if approved, you can borrow up to the cost of attendance, minus whatever other financial aid you've already received.

STATE OF TEXAS LOAN PROGRAMS

- **College Access Loan (CAL):** Students with a co-signer who's got excellent credit can borrow up to the cost of attendance, minus any other financial aid they've received. These loans are not based on need, have fixed interest rates, and can only be used for Texas colleges.
- **Texas Armed Services Scholarship Program (TASSP):** This hybrid scholarship-loan is meant to encourage Texas students to become members of the National Guard.



PLANNING HOW TO BORROW

Think of it this way: student loans are an investment in your future. If you have solid career goals, and stay on

track all the way through school, then a great job will be worth the money you borrowed. Just make sure to calculate ahead of time how much your monthly loan payments will be, so there are no surprises.

EDUCATE YOURSELF

Be smart. Do the research for the college you want to attend. Know what percentage of students graduate on time, and what percentage of students find employment after—this will tell you how well that particular school prepares its students for the “real world.”

LOOK AHEAD

Start estimating what you'll need to borrow for the entire time you're at college. For instance, make sure you know how much financial aid you'll get each year. You may not get the same amount each year, so that might mean you'll have to borrow additional funds.

CALCULATE PAYMENTS

Do a little math (*just a little*) and find out what your monthly loan payments will be after you graduate. Online student loan repayment calculators are your friends—a quick Internet search will produce a solid handful of calculators to choose from.

AVOID TOO MANY LOANS

A good tip is to keep your total student loan debt to less than what you estimate your starting yearly salary would be. You can research future salaries (*and more!*) in the Browse Careers section of the Texas GEAR UP website.

The government offers a variety of flexible repayment options to help—check them out at: <https://studentaid.ed.gov/sa/repay-loans/understand/plans>.

And know that private loans have less flexible repayment schedules, so be sure to get all the info if you consider using them as an option.



HOPEFULLY, you've now got a better understanding of basic college costs, as well as where to start looking to help you pay for them. One final piece of advice: If you or your family knows someone who is either in college now, or has recently graduated, then track that person down and ask them as many questions as you can. We're willing to bet that they'll be happy to help.