

COLLEGE AFFORDABILITY

COLLEGE VALUE EXTENDS BEYOND FINANCIAL GAIN

A college education opens doors to opportunities that wouldn't otherwise be available. Adults with postsecondary credentials are more likely to:

- Be employed and earn more than others
- Have more access to health care and retirement plans
- Engage in healthy behaviors, be active and engaged citizens, and be positioned to provide better opportunities for their children.¹



70% of Americans agree or strongly agree that they are confident having a bachelor's degree can lead to a good job



22% are confident having only a high school diploma can lead to a good job.²

EARNING A BACHELOR'S DEGREE OR A GRADUATE DEGREE LEADS TO THE HIGHEST EARNINGS, LOWEST UNEMPLOYMENT RATES, WIDEST RANGE OF CAREER OPPORTUNITIES, AND THE SHARPEST DIFFERENCE IN CIVIC PARTICIPATION AND HEALTH-RELATED BEHAVIORS.³

The benefits of college aren't just in future earnings. Students also:



Develop personally and intellectually



Engage in new and varied opportunities



Enjoy the experience of being a college student.⁴



Affordability is about more than what you can pay right now. Having a sense of the value of educational experience is critical to thinking about college affordability."

¹ *Education pays: The benefits of higher education for individuals and society.* (2016). CollegeBoard. <https://trends.collegeboard.org/education-pays>
² *Americans value postsecondary education: The 2015 GALLUP-Lumina foundation study of the American public's opinion on higher education.* (2016) Gallup, Inc.
³ *Education pays: The benefits of higher education for individuals and society.* (2016). CollegeBoard. <https://trends.collegeboard.org/education-pays>
⁴ *Understanding college affordability.* (2017). Urban Institute. <http://collegeaffordability.urban.org>

COLLEGE AFFORDABILITY

STUDENTS OFTEN OVERESTIMATE THE PRICE OF COLLEGE

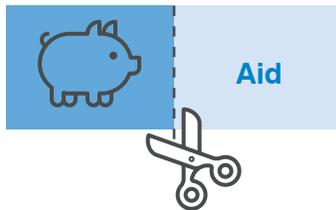


of ninth graders overestimated public tuition and fees by more than 25 percent.¹

Sticker Price



Actual Price



Most students don't pay the sticker price. Sticker price is the published tuition price, whereas net price is the amount a student actually pays to attend an institution after subtracting federal, state, and institutional grant aid that doesn't need to be repaid. The difference between the published price and the actual price a student pays can be significant and varies by institution type.

Know the Facts

- Grant aid and tax benefits lower the overall price of education for students and families, making the net price of college less than the published price.
- Some colleges with the highest sticker prices offer low-income students the lowest net price. How?! They offer more grant aid based on financial need.
- Education loans don't lower the price, but they do make it possible to spread payments out over time.²
- Despite lots of high-profile examples, few students borrow eye-popping amounts to pay for their undergraduate education. Much of the high-dollar borrowing comes from people earning advanced degrees.³ In 2016–17, bachelor's degree recipients from public and private nonprofit institutions who borrowed graduated with an average debt of \$28,500.⁴
- While students and families should pay attention to borrowing and repayment concerns, they shouldn't necessarily steer clear from borrowing altogether. A moderate amount of student debt for the successful student could represent a good investment that pays off over a lifetime, not a burden that seriously limits life choices.⁵



About 36 percent of students at four-year public universities finished their bachelor's degree without any debt, and 79 percent graduated with less than \$30,000 in debt."

—APLU Public Universities fact sheet

¹ *What high schoolers and their parents know about public 4-year tuition and fees in their state.* (2018). National Center for Education Statistics.

² *Trends in student aid.* (2017). CollegeBoard.

³ Baum, S. (2017). What colleges should know about students' borrowing patterns. *The Chronicle of Higher Education*. <https://www.chronicle.com/article/What-Colleges-Should-Know/239397>

⁴ *Trends in student aid.* (2018). CollegeBoard.

⁵ Baum, S. (2017). What colleges should know about students' borrowing patterns. *The Chronicle of Higher Education*. <https://www.chronicle.com/article/What-Colleges-Should-Know/239397>

COLLEGE AFFORDABILITY

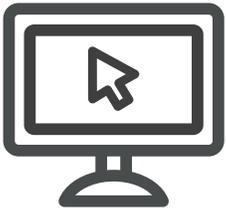
TALKING ABOUT BORROWING DOESN'T HAVE TO BE HARD

There are many ways for students and families to consider the “right” amount of borrowing to finance their college education. Your school counselor can be an invaluable resource as you search for right-fit programs.

Know the Facts

- Taking more time to earn an associate or bachelor’s degree has financial implications beyond tuition and fee expenses. The faster students complete their degrees, the more time they have to earn college-level wages and reap the financial benefits of postsecondary education.¹
- Lack of academic preparation, inadequate financial resources, or enrolling in institutions or programs that offer a limited chance of success can hinder timely college completion and delay financial success as well as personal and intellectual growth.²

Resources



- Complete the Free Application for Federal Student Aid (FAFSA) to apply for financial aid, including grants, work-study, and loans.
- Use as much “free” money such as grants and scholarships that don’t have to be paid back before taking out loans.
- Use FinAid’s Loan Calculator to get an estimate of the size of your monthly loan payments <http://www.finaid.org/calculators/loanpayments.phtml>
- Review Lumina’s “Rule of 10” when considering how much to borrow for college <https://www.luminafoundation.org/news-and-views/affordability-benchmark>
- Use the Consumer Financial Protection Bureau’s “Paying for College” tool to compare financial aid offers. <https://www.consumerfinance.gov/paying-for-college/compare-financial-aid-and-college-cost>
- Visit the Urban Institute’s online resource, Understanding College Affordability, to figure out what “affordable” means for your family.



The payoff of college remains strong.... If students can pay for college, repay any loans they take, and still live at a higher standard of living than they would have been able to reach without a college education, college is, in the most meaningful sense, ‘worth it’ financially.”

—Trends in Pricing Report, College Board

Factors that contribute to students’ college success:

- Not having to take remedial courses in college
- Applying to colleges that are a good match and fit for students’ strengths, interests, and needs
- Having one-on-one support from a caring adult throughout the college planning process.³

¹ *Trends in student aid.* (2017). CollegeBoard. <https://trends.collegeboard.org/student-aid>

² *Education pays: The benefits of higher education for individuals and society.* (2016). CollegeBoard. <https://trends.collegeboard.org/education-pays>

³ *The investment payoff: Reassessing and supporting efforts to maximize the benefits of higher education for underserved populations.* (2013). Institute for Higher Education Policy.