

FACT AND FICTION ABOUT COLLEGE COSTS

With all the publicity about elite private colleges with \$30,000-a-year price tags, many students and parents have misconceptions about how much it actually costs to attend college. One California study found that high school students overestimated the tuition cost of public universities by several thousand dollars! Such perceptions can have negative effects on students' and parents' ambitions.

Fiction: My family can't afford the \$20,000+ a year that it takes to go to college.

Facts: Full-time tuition at Florida public universities is around \$5,000 a year. A four-year degree costs less than a new car and will pay for itself many times over in graduates' higher incomes. At Florida College System institutions, tuition is even lower, generally under \$2,500 a year. Living expenses are extra, but you'd have those even if you didn't go to college!

Fiction: Tuition fees pay for the full cost of running public colleges and universities.

Facts: Only out-of-state students pay the full cost. Florida resident tuition is set at about 25% of the cost of instruction. The state pays 75%. In effect, every resident receives a 75% "scholarship." It's a bargain you shouldn't miss!

Fiction: If I don't have money for tuition and living expenses, I can't go to college.

Facts: Money should not be a reason for a qualified student not to go to college. Most students in Florida received some kind of financial aid. Those who qualify for the Florida Bright Futures Scholarships are paid a flat cost per credit hour at an eligible Florida postsecondary institution. The federal Hope Tax Credit also helps some families get reimbursed for the first two years of college. Many sources of need-based aid are also available. On- or off-campus jobs and low-interest loans can help pay living expenses for some low- and middle-income students. Many students with few resources manage to work their way through college. Before saying you can't afford it, call a college financial aid office to discuss your options!

Fiction: Students and parents shouldn't take out loans for college.

Facts: Most financial planners agree that if you're careful and don't take out too much, student loans, unlike car loans or credit cards, can be "good debt." That is, they represent an investment that will pay for itself. A student who graduates with \$25,000 in student loans and gets a job paying \$30,000 a year will have a higher standard of living than a student who doesn't attend college and has a job paying \$20,000 a year. Many families qualify for subsidized loans with low interest and flexible repayment plans. Student loans are also easier to get than many other loans.

Fiction: Private colleges are for rich kids.

Facts: Some private colleges are more expensive than others. Many of the most expensive ones also have the most generous financial aid programs for low-income families. Even middle-income students who attend private colleges often receive "discounts" from full tuition. Getting into selective private colleges isn't easy, but qualified students shouldn't shy away for financial reasons. Colleges want students with diverse backgrounds and may make generous financial offers to low-income students with good academic credentials. In addition, Florida offers tuition assistance grants to resident students who attend in-state private colleges. Some families find out that when financial aid offers are considered, a seemingly "pricey" private college is less expensive than a public one.

How do I apply for federal student aid?

1. Gather the documents you need.
 - ✓ Social Security card
 - ✓ Driver's license (if any) – student only
 - ✓ Permanent Resident Card, Resident Alien Card, or Alien Registration Receipt Card (if applicable)
 - ✓ W-2 forms and other records of money earned
 - ✓ Income tax return (see the instructions on the FAFSA if the tax return has not been completed)
 - ✓ Records of child support paid
 - ✓ Records of taxable earnings from Federal Work-Study or other need-based work programs
 - ✓ Records of student grant, scholarship and fellowship aid, including AmeriCorps awards, that was included in your (or your parents') AGI
 - ✓ Current stock, bond, and other investment records
 - ✓ Current business and farm records
 - ✓ Current bank statements
2. Print and complete the FAFSA on the Web Worksheet (optional).
3. Apply for an FSA ID if you do not have one (replaced the PIN).
4. Parents of dependent students should apply for an FSA ID if they do not have one.
5. Fill out your FAFSA online at www.fafsa.gov on or after October 1st