

# Major New College Planning Changes for 2023

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Helping families successfully navigate college search for 16 years

Help students identify right fit schools – Academic, Social, Financial

Reduce the stress between parents and kids during this journey

# More than 529's!

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**Late-stage college planning is a significant opportunity to provide value to your clients and build your business!**

# Quiz

As a percentage, how much has tuition increased nationally at public institutions since 1990?

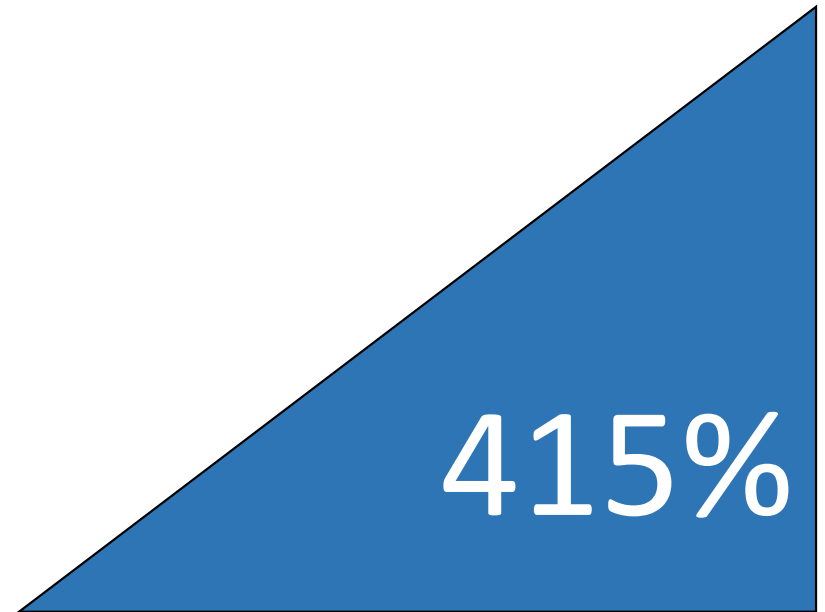
- 73%
- 106%
- 180%
- 213%
- I may need my TI-35 calculator



Public increase since '90



Private Schools



# Notable Increases!

UIUC  
531%

Notre Dame  
501%

UW-Madison  
1047%

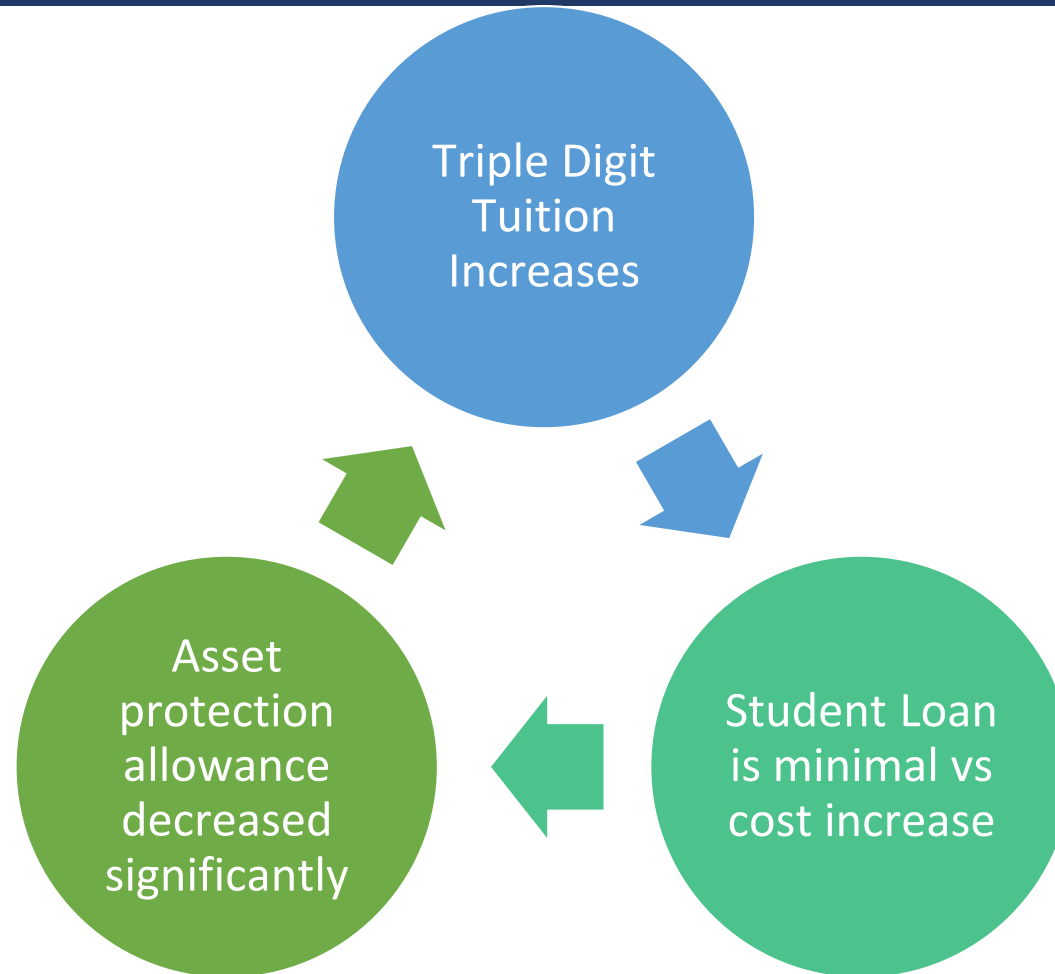
UVA  
730%

University of MI  
1053%

# Cost of Attendance

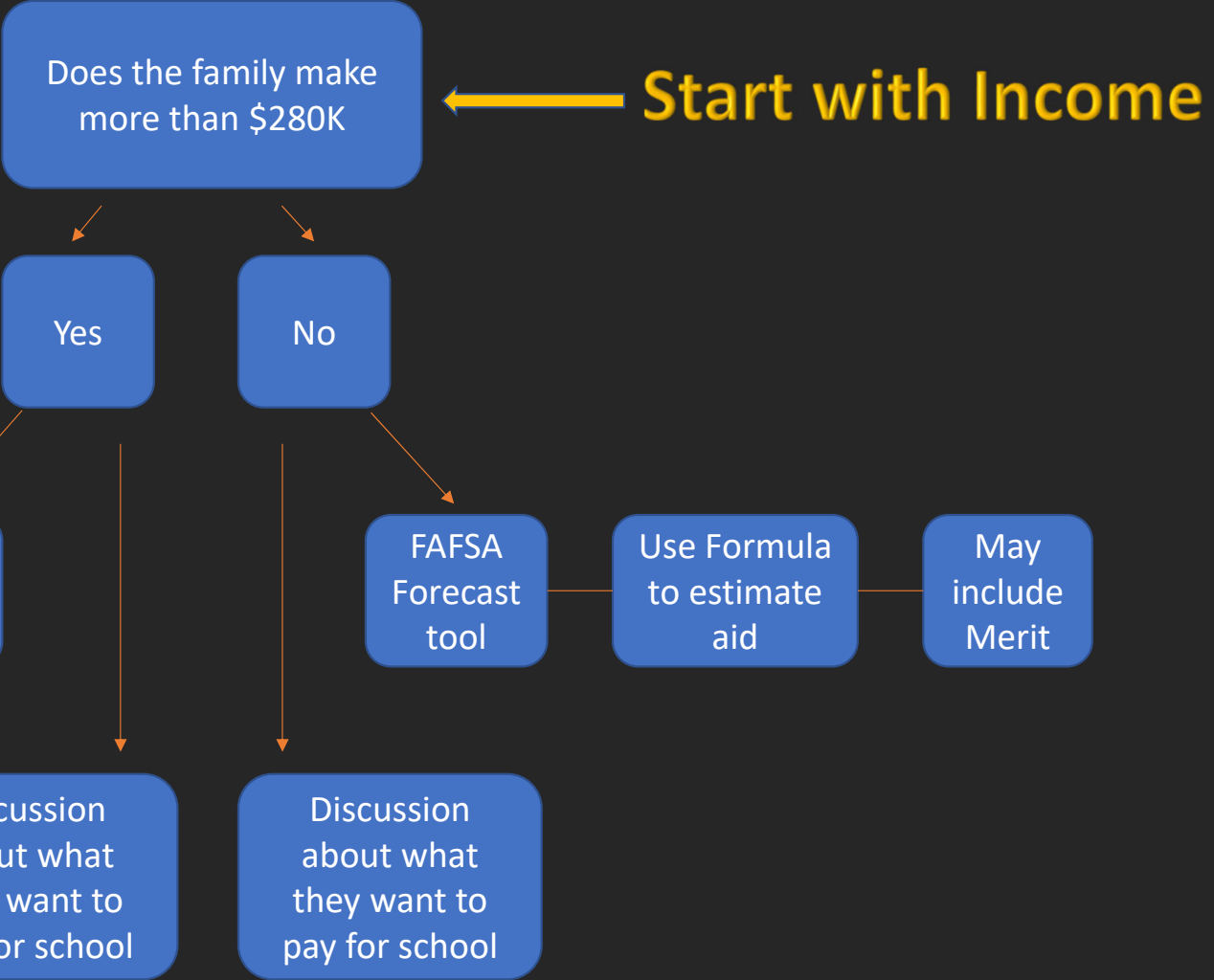
NYU	\$90,222
Northwestern University	\$86,330
Columbia University	\$86,097
University of Denver	\$80,614
UCLA	\$65,557
UC- Boulder	\$58,139
Clemson University	\$56,786
UIUC	\$34K-\$39K*
UW-Madison	\$29,453*

# Why is it harder for families to afford college?





# Helping your families understand their "need"



# Types of Financial Aid

- Need Based  
Grants/Scholarships
- Merit Based Scholarships
- Loans

## 2 Need-based Aid Forms

FAFSA

CSS Profile

***Student Aid Index***

# FAFSA Review

- Filled out fall of senior year and each subsequent fall
- Determines need at both Federal and Collegiate levels
- May be a factor in the addition of merit grants & scholarships
- Application for the Federal Student Loan Program
- Creates a great deal of confusion and stress

# Asset/Income Assessment on FAFSA

## Parents

- 5.64% assets – income up to 47%

## Students

- 20% assets – income 50%

## Grandparents

- Not assessed at all

# How is the FAFSA used by colleges?

- FAFSA is used to determine need based aid by the *college*
- Families can be need based at some schools and not at others





## Get a FAFSA forecast tool – help your clients understand their actual need

- Child assessed at 20% - UGMA/UTMA
- Parent rate at 5.64% - 529/Coverdell

Two mistakes to avoid –

No retirement and no home value on FAFSA  
Assets are not the major influencer – income is

# FAFSA Changes

Expected Family Contribution  
becomes  
*Student Aid Index*

No discount for the # of students in  
college

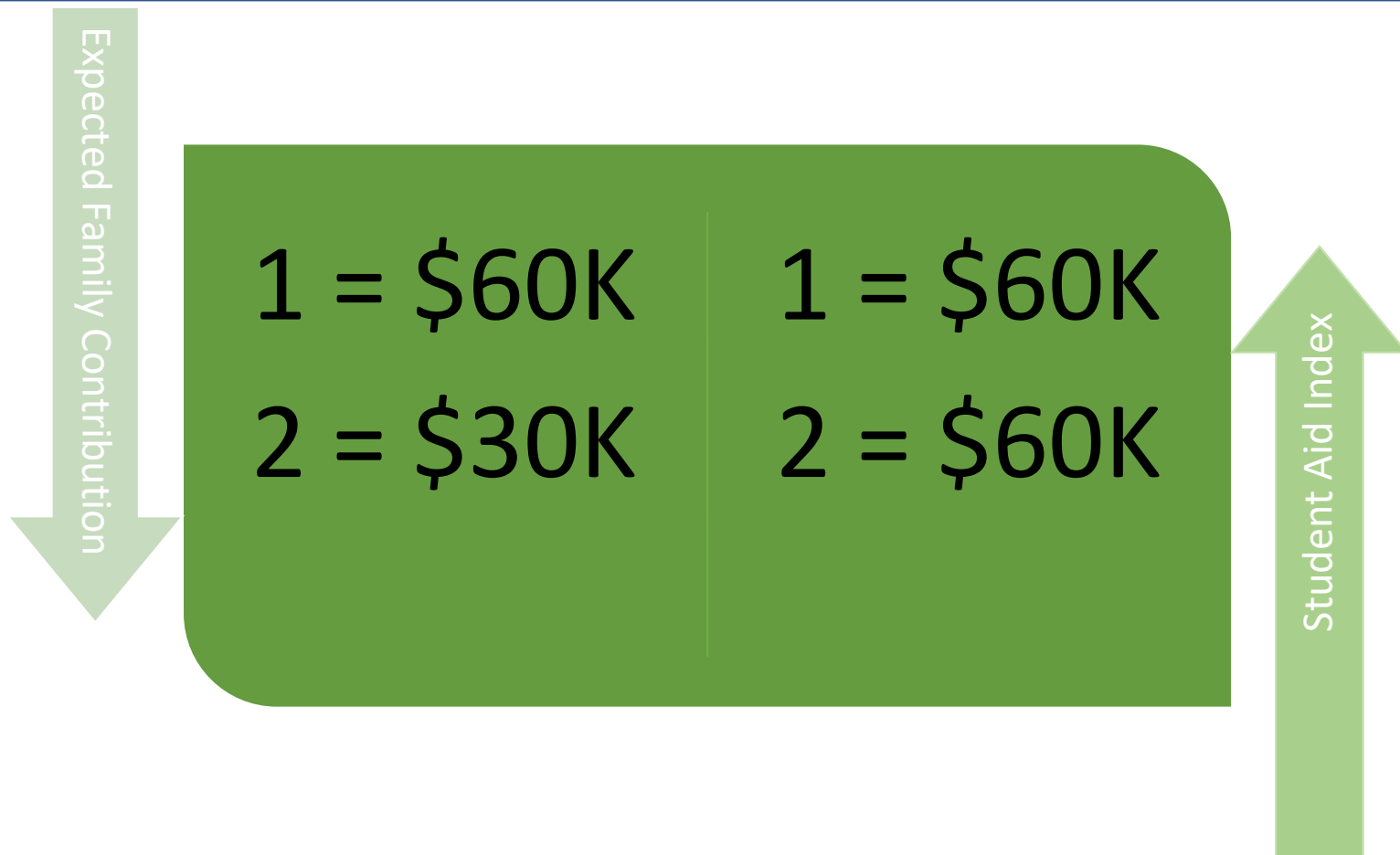
Divorce Formula changing from  
primary residence to financial  
support

Small business definition changing

Grandparent contributions no longer  
negative impact



# # of Students in College



## Family with EFC of \$60K and 2 students in college

### Old FAFSA

University cost = \$50,000  
Student #1 = \$30,000 EFC  
qualifies for \$20,000 need

Student #2 = \$30,000 EFC  
qualifies for \$20,000 need

Family qualifies for  
\$40,000 of financial need

### New FAFSA

University cost = \$50,000  
Student #1 = \$60,000 EFC  
qualifies for \$0 need

Student #2 = \$60,000 EFC  
qualifies for \$0 need

Family qualifies for  
\$0 of financial need

# Divorced Families

## Current Day

- Where the Student lives 51% of the time
- Not tied to who claims dependency on taxes

## New Formula

- Who has the bulk of financial support
- If equal - household with highest income

## How things count

- Must be legally separated or divorced
- Alimony no longer counts as income
- 47% vs 5.64%

# Grandparent Impact Change

## Previously

- If access to need – negative impact
- Counted as income for the student – 50% impact
- Can decrease aid potential for student

## On FAFSA 2024/25

- No impact to student
- Real world implications for families saving for college
- Opportunity for advisors to connect w/ next gen!

# FAFSA Areas of Significant Change



# of Kids In  
College



Small  
Business



Divorced  
Families



Grandparents

# Quiz

What school path is the least expensive?

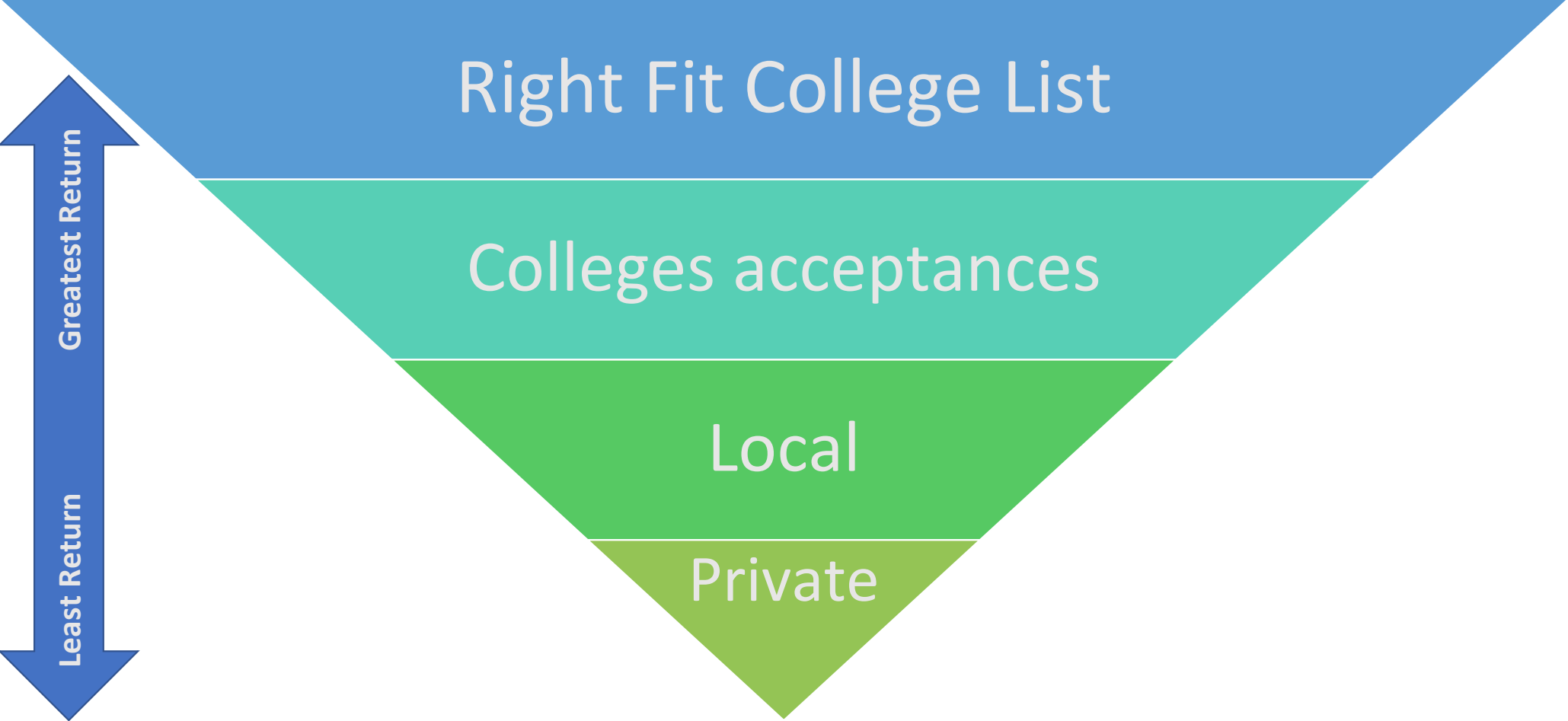
- Choosing a 4-year public college
- Starting at a 2 year and transferring to any kind of 4-year college
- Starting at a public college and transferring to a private college
- Starting at and finishing at a 4-year private university



All the above could be true  
based on the student and  
the circumstances!

Transferring often adds about \$14,000 to the cost of the degree!

The best scholarship money goes to the smart searchers!





# Anatomy of a College's Merit Scholarship Recipe

• Demonstrated Interest	\$3,000
• Lives out of state	\$2,000-\$15,000
• Every "A" on the transcript	\$62 per "A"
• Rigorous class	\$400 for every AP, IB, etc.
• Excellent letter of recommendation	\$1,800
• Increase ACT score	\$425 per point above avg.
• FAFSA	\$1,800
• CSS/Profile	\$2,500
• Essay	\$1,100-8,500 for excellent

Look for  
schools  
who...

- Offer merit aid
- Where student would bring something interesting:
  - Grades and test scores in the top 25-33%
  - Extra-curricular talents
  - Demographically interesting



# Trends impacting the cost of college!

The shift toward  
Early Decision

Complexities of  
getting into the  
selective schools –  
the list got bigger!

Test optional

# The numbers are changing!

- Applications are up by 32% since 2020
- Big Brand Schools increasingly more challenging to get in
  - 30+% applicant increase to the Tier 1 (less than 20% acceptance)
  - 26% increase to Tier 2 (20-30% acceptance)
  - 18% increase in all other schools
- Public Flagship schools increasingly harder to get into for non-residents

# 529's

## Use during college is limited to qualified expenses

- Tuition, Room & Board, Books, Fees, Computer, Disability equipment

## Plan for all 4 years to maximize the value of the 529

- Consider whether using it now or later is their best option
- Consideration around Federal Student Loan/FAFSA
- With the current interest environment – consider other low interest loans at 4% or lower
- Consider saving \$27K for use during grad school


## New use to help pay down loans!

- \$10K lifetime limit to apply to student loan payment
- May have state tax implications if you live in a state that is non-conforming – check with your tax accountant
- Potential use for grandparent 529



Tip #2


ACT/SAT testing still matters – plan appropriately

- SAT/ACT – the colleges view equally
  - PSAT digitized this fall - SAT digitized as of spring
  - Get prep that fits you
  - Make decisions about sending after taking a couple of tests
- 



Tip #3


Make college selection more of a business decision!

- Assure school teaches for your student's success
  - Look at multiple programs available
  - Big Brand/Selective schools need your student to be more than smart!
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Tip #4

Create a family philosophy to pay for college

- 4-year plan to pay for college and the budget
  - Define expectations for all people paying
  - Discuss early in the process
- 



# Quiz

What percentage of students transfer at least once?

- 6%
- 14%
- 25%
- 38%
- 42%



The national transfer rate:

38%

Average Cost of 1 Transfer	\$14,000
Cost for 2 transfers	\$24,000*

# What we do!



- College is a business, like real estate, investing etc.
- College Inside Track helps families navigate the college search & application landscape to assure students are choosing schools for fit.
- Families can do it on their own, but often cost themselves thousands!

## How to leverage college as a value-add!

- Lean on your CRM! Start clients at the right time
- Sophomore/Junior families – recommend our family consultation
- Grandparents want to help grandkids – 529s and generational wealth planning
- Client event- Navigating a Strategic College Search
- Monthly content from advisor newsletter for you to use





## Free Family Consultation

Value-add to your brand

Answer questions, discuss goals, suggest strategies

Rough SAI – FAFSA outcome

Suggest the right path – need vs merit or both

Share “what to do and when” for best practices



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Questions?

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anyone with questions around search