

# Helping Clients Strengthen their College Search

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Helping families successfully navigate college search nearly 20 years!

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

Reduce the stress between parents and kids during this journey

# Trends impacting acceptance & cost!

Use of  
FAFSA/CSS  
profile

Acceptance rates  
are changing  
anually

Grade Inflation  
& testing

Early Decision

# Notable Increases!

University of KS  
641%

University of  
MN  
570%

University of WI  
1047%

University of  
Iowa  
460%

University of MI  
1053%

# Cost of Attendance

NYU \$93,184

Northwestern University \$89,448

Columbia University \$89,587

Johns Hopkins University \$88,976

University of Denver \$82,634

Drake University \$64,495

University of CA – Berkeley \$42,144

UT Austin \$34,470

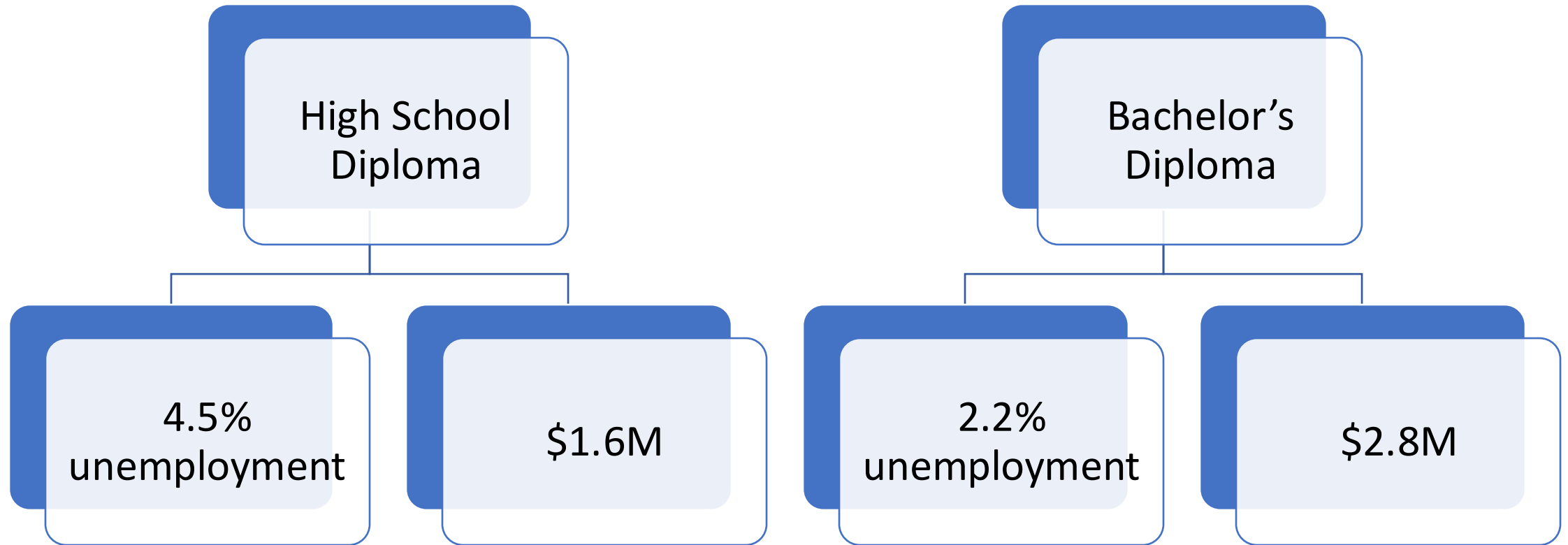
Purdue \$27,170

# What is the ROI?

Assumption –

- Starting salary \$50,600
- Average undergraduate student debt today:
  - \$37,718
- **Public school payoff: 5 years 4 mos**
- **Private Non-profit: 5 years 10 mos**
- 97% of colleges in the US get the student to 0 threshold by 10 years
- ROI on a bachelor's is the lowest of all the post secondary degrees

# Let's compare



# Types of Financial Aid

- **Need Based**  
Grants/Scholarships
- **Merit Based** Scholarships



# 2 Need-based Aid Forms

FAFSA

CSS Profile

***Student Aid Index***

# Asset/Income Assessment on FAFSA

## Parents

- 5.64% assets – income up to 47%

## Students

- 20% assets – income 50%

## Grandparents

- Not assessed at all

## Tip #1

### The FAFSA cannot be manipulated

- Most parents cannot remove themselves from the FAFSA!
- No retirement accounts, don't include your home!
- Small businesses/farm must include assets of the business/farm
- Divorced parents – financial support parent fills out the FAFSA
- Multiple kids don't impact need
- Can be used to demonstrate ability to pay

# Helping your families understand their "need"

Does the family make more than \$280K

← Start with Income

Yes

No

Use FAFSA for loan

Focus on Merit

No significant need aid

FAFSA Forecast tool

Use Formula to estimate aid

May include Merit

Discussion about what they want to pay for school

Discussion about what they want to pay for school

# 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!

## Tip #2

Ditch old world thinking - Play on today's game board!

Colleges are:



FLEXIBLY PRICED



INFLEXIBLY PRICED

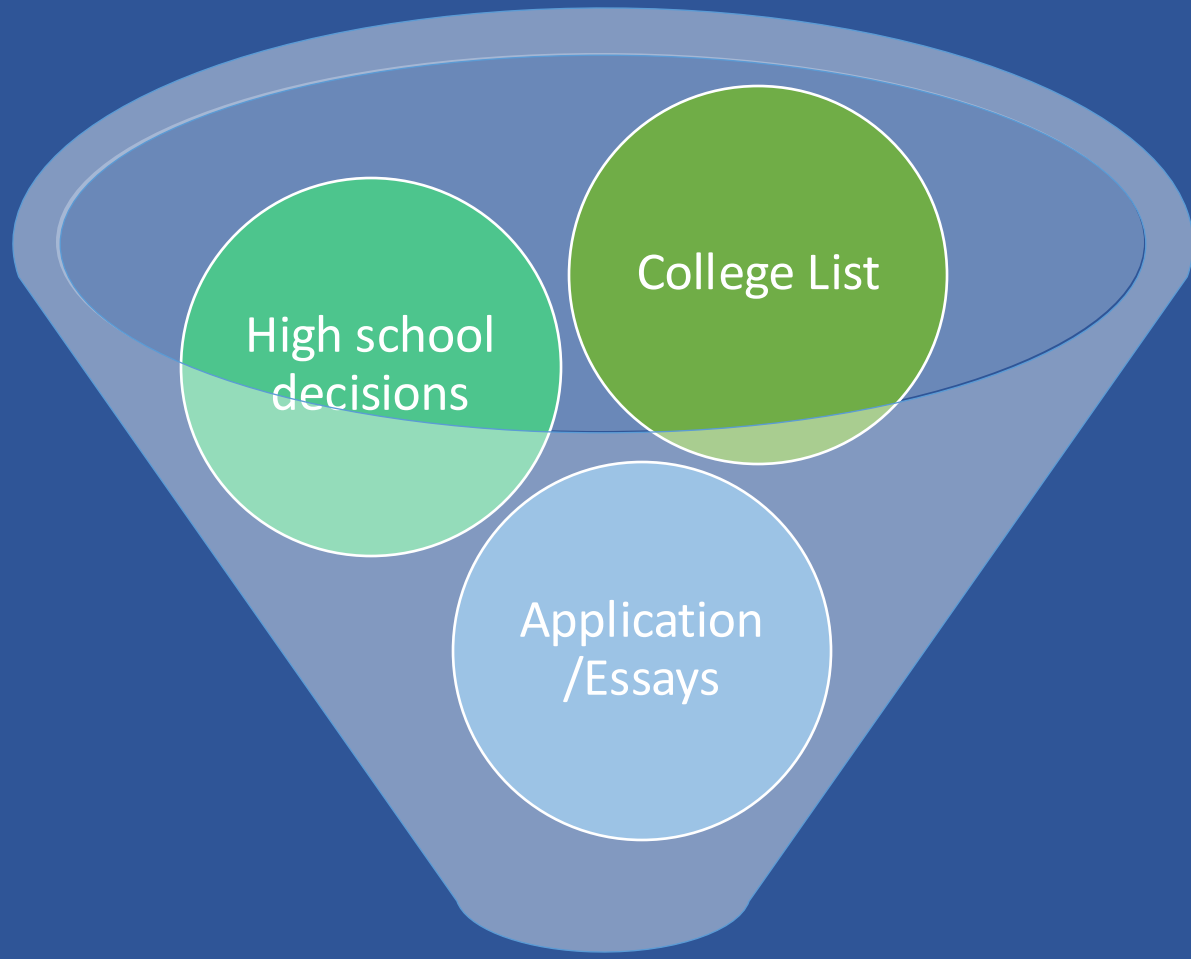


THERE ARE PUBLIC AND  
PRIVATE IN BOTH AREAS

Colleges are the  
single largest source  
of scholarships...

...not the internet or private parties!





Scholarships!

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



- Subsidized- 6.53%
  - Interest does NOT accrue while in school
- Unsubsidized- 6.53%
  - Interest DOES accrue while in school
- Payment
  - Begins 6 months after graduation on both
- Loan Forgiveness available
  - Public service jobs (teacher, nonprofit, etc.)

Federal Direct (Stafford)\*

- <http://www.gocollege.com/financial-aid/student-loans/states/>
- Vary by state significantly
- MN Self Loan – 6.35% fixed. Variable also available
  - Requires co-signature
  - Limited to \$20K total

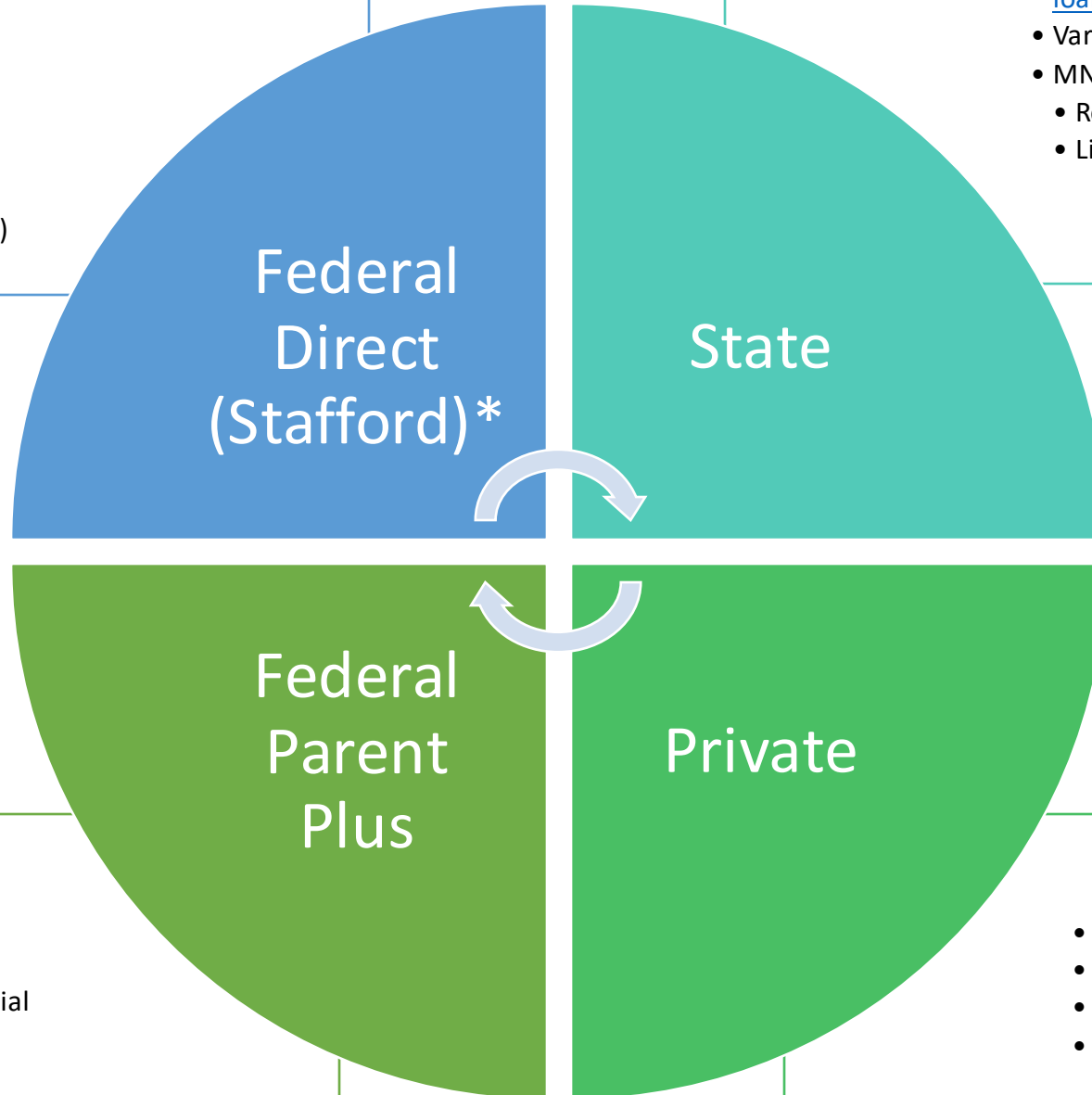
State

Federal Parent Plus

- Interest – 9.08% - Credit check required-4% origination
- Available for full amount minus other financial aid
- Can be used for all educational expenses
- Payments begin immediately
- Owned by the parent

Private

- Can be parent or student owned
- Requires parent co-signature for the most part
- Rates vary widely are common
- <https://www.nerdwallet.com/best/loans/student-loans/private-student-loans>





Be clear about the terms of both federal, state and private loans!

## LOAN Limits

- Federal Student loan – maximal set amount
- Freshman - \$5500
- Sophomore - \$6500
- Junior - \$7500
- Senior - \$7500
  
- Full amount does not have to be taken
  
- ONLY loan the student owns alone
  
- Parent Plus vs HELOC

# Guidelines for Debt

- Never take out more in loans than a first-year salary students' chosen field
- For every \$10,000 in loans clients take out, it will be roughly \$100/month loan payment
- Federal loans are only available for the year they are offered, so consider the entire 4 years before declining loans

## Tip #3

# Think all the way around the 529 plan!

### Uses

- Tuition
- Room and Board
- Books & Fees
- Study Abroad for Credit

### Secure Act/FAFSA Changes

- \$10K Lifetime limit to pay back loans - beneficiary and siblings
- Excess rollover to IRA - Beneficiary only - IRA income rules do not apply
- No longer must claim all 529's just student the FAFSA is for

### Strategic Use

- Lower amounts - spread across all 4 years
- Higher amounts - do they want to save some of it to help decrease grad school debt (much higher interest rates)

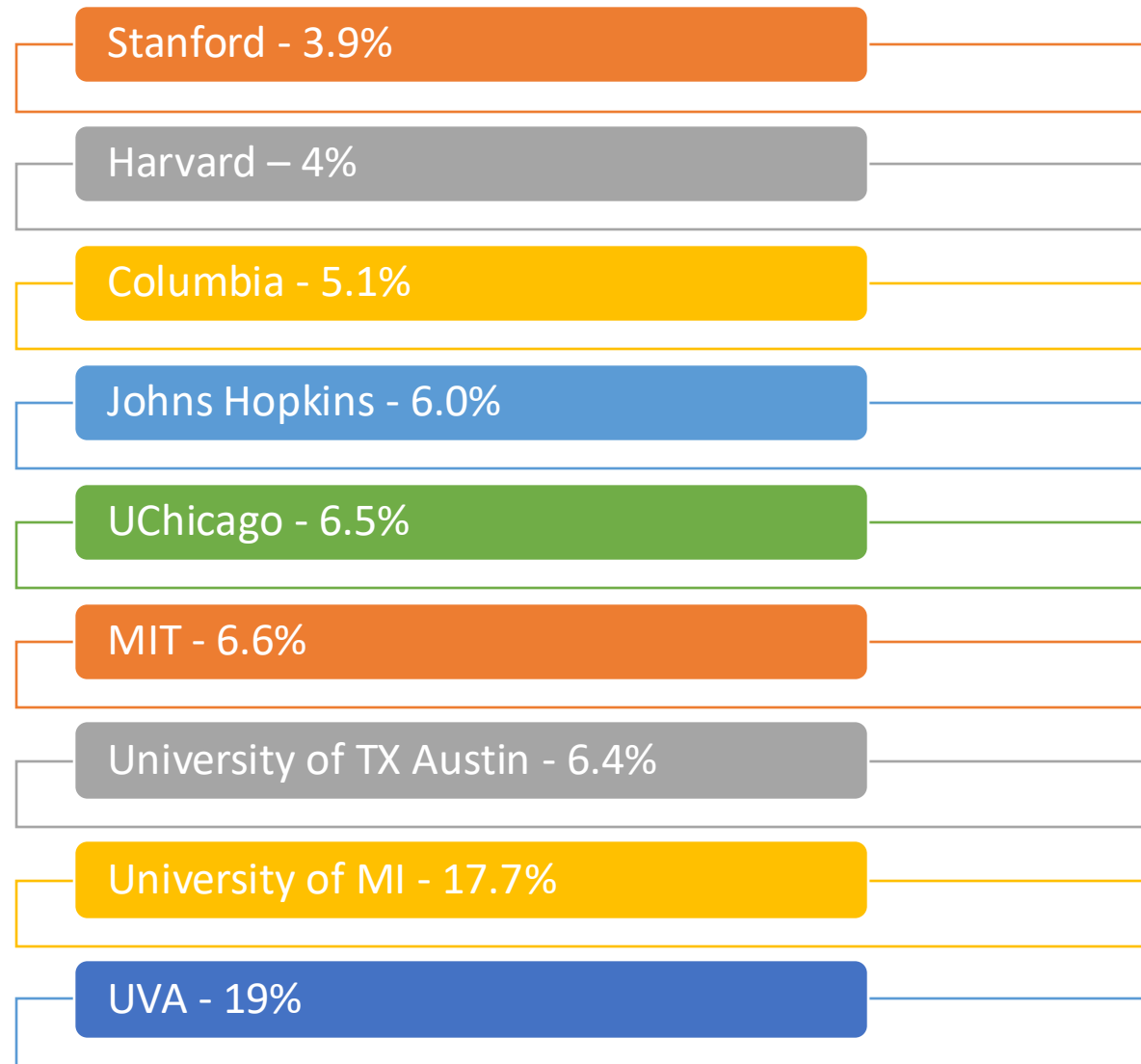
# Quiz

In 2002 there were 134 perfect ACT's, how many were there in 2022?

- 306
- 585
- 1257
- 2542

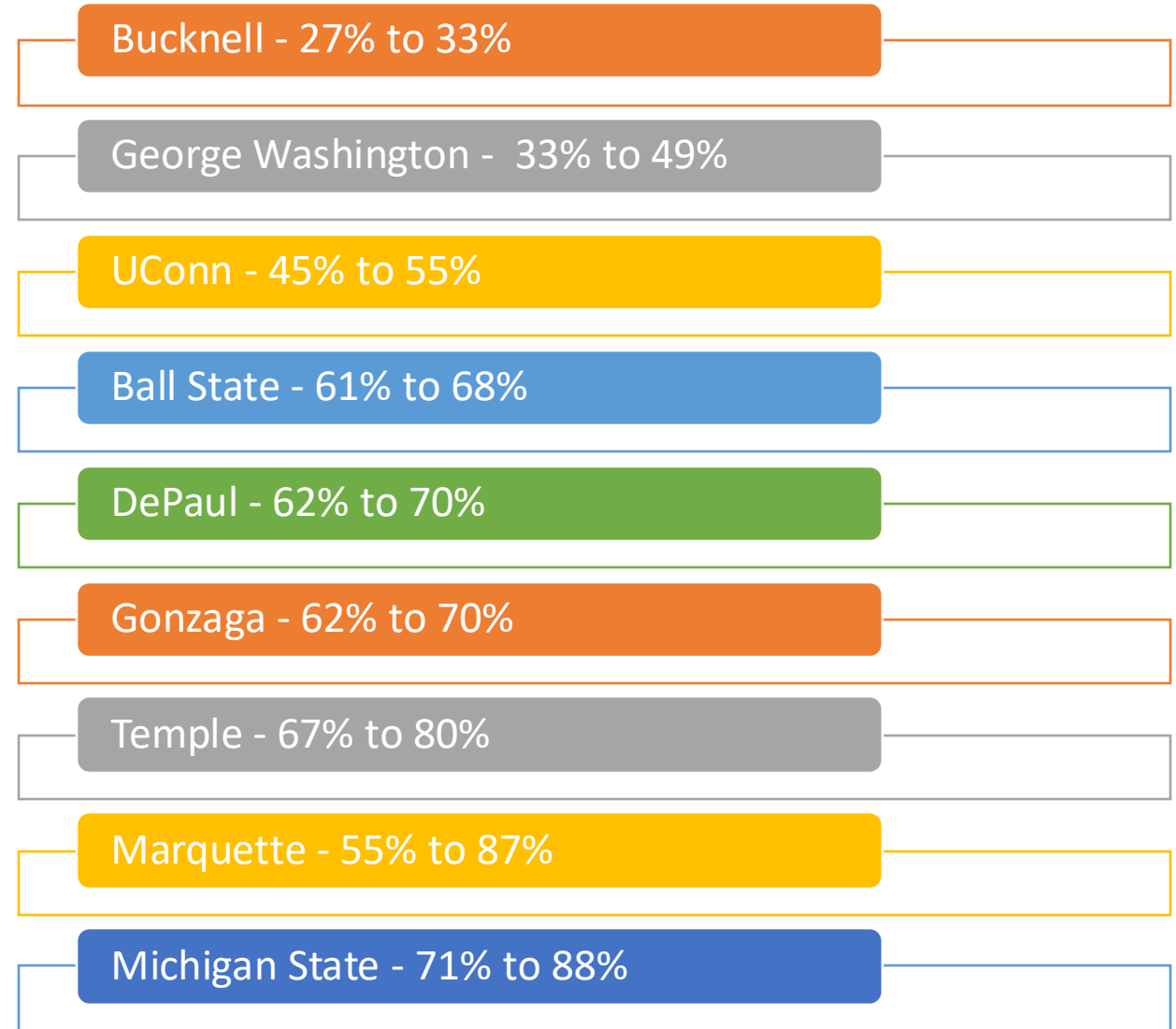


Acceptance rates  
continue to drop  
at some schools...

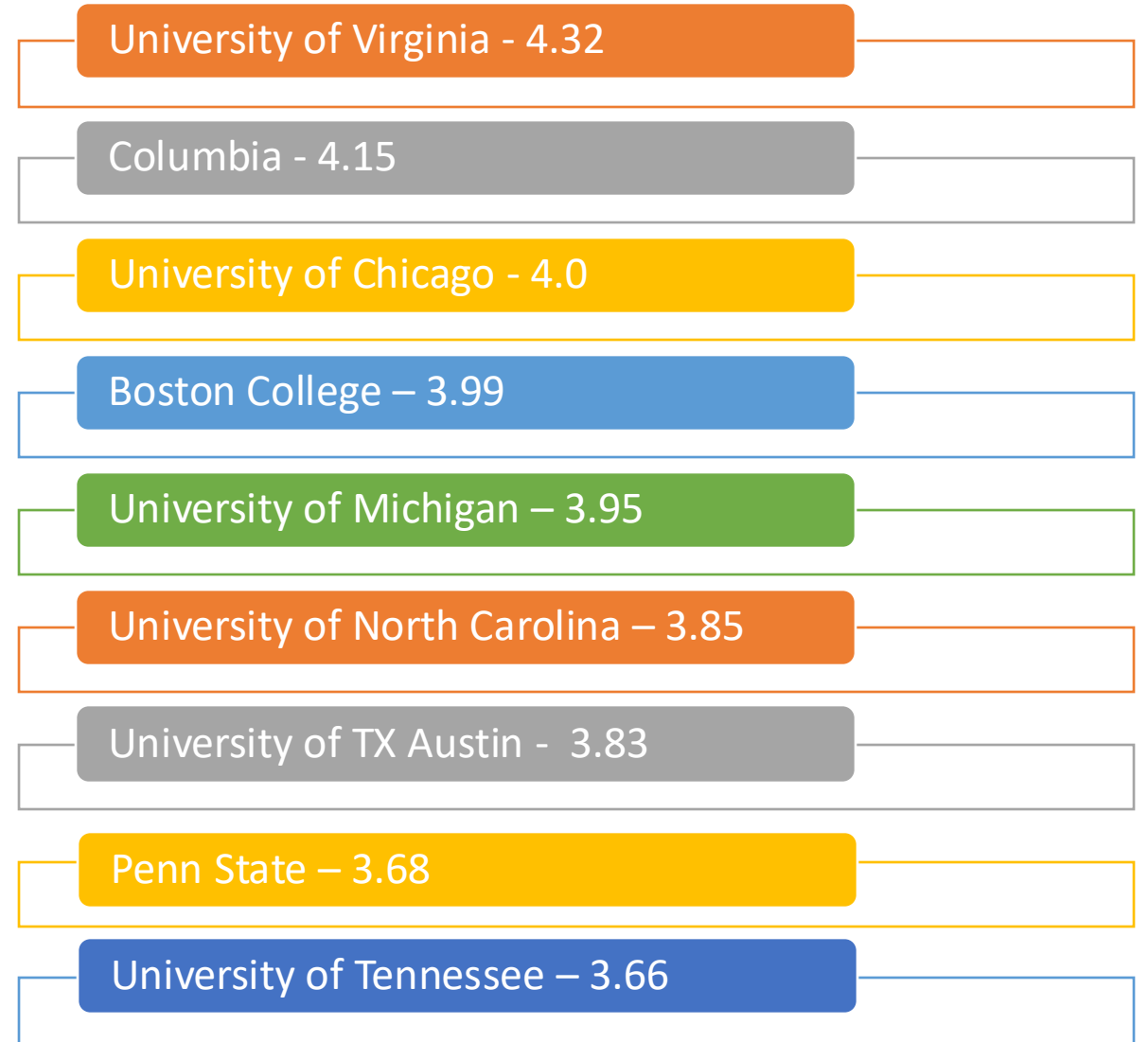




...while rising at others



# Average incoming GPA's



# Should you pay?

- Can the family cashflow the cost?
- What is the student's ultimate goal?
  - Higher acceptance into selective schools for grad school
  - Only hunting ground for some of the elite companies in the market
  - Politics/CEO's
  - Top of their class increase their chance at the 1% income earners by 60%

If a family defines success differently, going anywhere else is just fine and in fact smarter!

A person with long hair, wearing a striped sweater and blue jeans, is jumping joyfully on a rocky mountain peak. Their arms are raised high in the air, and they are smiling. The background shows a vast, hazy landscape of rolling hills and mountains under a clear blue sky. The person is the central focus of the image, positioned in the upper right quadrant.

## Tip #4

### Search for Success not Brand

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- Acceptance is more than grades and test scores at many schools – look for schools where numbers put student in the top third
- Teaching format/academic style
- 80% change major – plan for it
- Activities that match the student

**Match to be made, not a prize to be won!**

## What we do!

College is an industry, 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!

# Free Family Consultation

- Value add for you to brand
- An hour of free advice for your clients
- Answer their questions around college search
- Share timing and pacing for great search
- Leave them with great ways to continue



# Leverage us to add value

- Start your clients in the right time - sophomore/junior years!
- Recommend our family consultation
- Client Events
- Monthly content you can use
- Grandparents want to help!

# Services

Work with an individual consultant

List Creation and Evolution

Coach to increase acceptance/scholarships

Application and Essay work

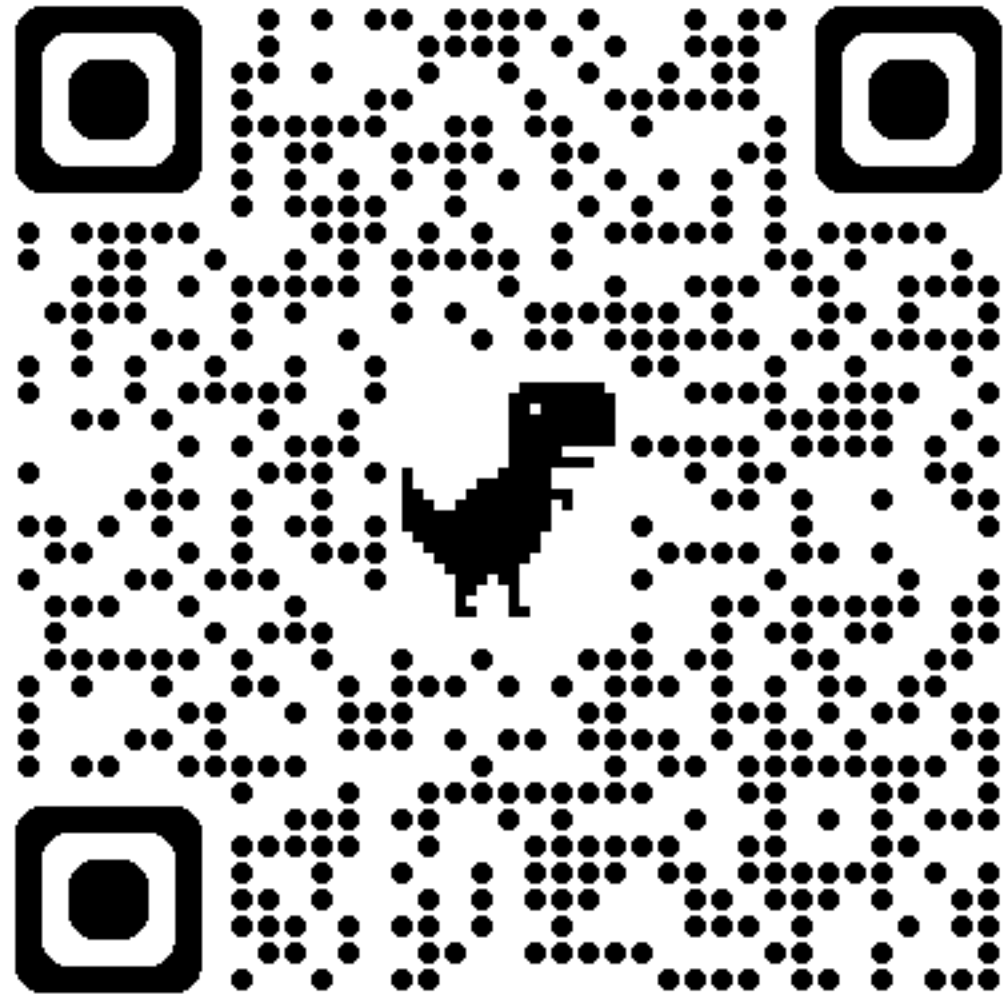
Financial Aid consulting

Decision Support



Use this code for:

- Advisor newsletter
- Copy of the deck
- Request time to connect around:
  - Partnership
  - Family Consultation



Questions?



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