



The Costs and Benefits of College

The College Investment

A college degree is one of the best investments you can make. In fact, you can expect to earn about \$1,000,000 more over your lifetime if you have a college degree!

The True Cost of College

There are three main costs associated with your college degree:

- *Tuition and Student Fees* Depending on your school, the total from these fees range between \$20,000 and \$80,000 over four years. The higher cost is for private school.
- *Living Expenses* Whether you live in a dorm or an off-campus apartment, food and shelter will cost between \$24,000 and \$48,000 over four years, depending on the location of your school.
- *Books and Other Expenses* With some textbooks costing over \$100 each, an \$8,000 to \$10,000 budget over four years is reasonable.

The average college degree costs somewhere, in total, between \$56,000 and \$120,000.

Sources of Financial Aid

There are five main sources of financial aid:

- *Federal Government* - Accounts for 75% of all aid, mostly from subsidized loans.
- *State Government* - A great source of reduced tuition for in-state residents.
- *Colleges and Universities* - Often have grants and other aid through university endowments and other funds.
- *Private Organizations* - Unions, churches, non-profit organizations and social clubs.
- *Banks and Other Lenders* - Many types of education loans are available without regard to financial need subject to credit approval.



Types of Financial Aid

There are five types of financial aid:

- *Educational Loans* This is by far the most common type of financial aid. Loans may be subsidized or unsubsidized.

Subsidized loans are need based, and interest does not begin to accrue before graduation, possibly saving you thousands of dollars.

Unsubsidized loans are available without regard to need, and interest begins to accrue as soon as you receive the money until it is paid in full.

- *Grants and Scholarships* Also known as "gift aid", this aid never has to be repaid. Internet scholarship searches can be a good source of leads, but never pay for a scholarship search. Be sure to ask your guidance counselor about local awards.
- *Work-Study Programs* These jobs are for students with financial need. Pay is an hourly wage and does not have to be paid back
- *Service Programs* This aid is available for all students and is not based on need. Aid is awarded based on work you do before or after college.

Programs include AmeriCorps, the Peace Corps, and military service.

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