ScholarFITS LLC
www.ScholarFits.com

bsmith@ScholarFits.com
207-773-4142

Resources to Pay the Net Price

The net price is the bottom-line cost of college. By definition the net price is the cost after all gift aid reduces the college's asking price. As a family (student and parent(s)), the net price of four years of college is the amount you need to pay for your degree.

The only resource available to pay the net price is your income, which is earned at various points in time. We'll look at three types of income:

Prior income: This is money you've saved from income earned in the past. If your extended family is helping to pay for college, for example gifts from grandparents, this is prior income, since it's money they earned in the past and are contributing to you.

Current income: This is money earned during the college years by the parent(s) or the student. It includes work/study earnings, pay from a summer job, and money you're able to pay using a college's payment plan spreading payments over the academic year.

Future income: This is money you borrow and repay, with interest, from income you earn in the future. This is usually the most expensive way to pay for college.

Between Sessions 2 and 3

A key goal of the Deering Financial Aid Pilot Program is to estimate the debt that will be required to pay for college. To estimate debt, we must subtract resources you have available from savings and current income from the net price of the degree. Please identify any amounts available from the following sources. We'll use the information during our third meeting to project total loans, monthly and annual debt payments, and guidelines of how much income is needed to support the debt.

Description	Amount
Student savings excluding 529 plan – Identify the total amount of cash, investments, and other liquid assets in the student's name.	
529 plan balances – The total of balances owned by the student, or owned by the parent for the benefit of the student (don't count 529 balances in which other siblings are the beneficiaries).	
Parent savings – Identify the total amount of cash, investments, and other liquid assets available to pay for the student's education. Don't include savings intended for siblings' college expenses, retirement accounts, or savings intended for emergency or essential expenses.	
Possible home equity availability for college expenses.	
Student work/study – Expect about $1,500 to $2,000 per year, but keep in mind that student may use these earnings as spending money.	

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Student summer earnings – Estimate how much the student can earn during each summer before college that will be saved to pay for college expenses.	
Available from parent income – Look at your monthly income and expenses to identify if a portion of college expenses can be met by using current income or expense savings. Examples include cutting out telephone land lines, reducing cable bills, reducing expenses for eating out. If one of your car payments will be ending and you expect the car to last longer that amount could be used for college.	
Available as gifts from grandparents or other relatives.	
Any other sources of savings or current income that can be used for college expenses.	

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