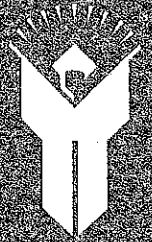



UESP NEWS



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The Real Cost of College

HIGHER EDUCATION MAY NOT BE AS PRICY AS YOU THINK

At the risk of stating the obvious, college is expensive.

Over the last decade, the sticker price of tuition and fees at public colleges and universities has jumped an inflation-adjusted 40 percent while family incomes have stagnated, according to the College Board, a nonprofit organization with the goal of expanding access to higher education.

At private colleges, tuition and fees are 26 percent higher in the 2015-2016 academic year than in 2005-2006. The average price of two-year schools is 29 percent higher for that timespan after adjusting for inflation, the College Board estimates.

But what many families don't know is that most students pay much less than what colleges and universities publish on websites and in brochures. Because of grants and scholarships, the net price of tuition and fees on average may be less than half as much as the sticker price, according to the College Board. Add in how much a family can save with a tax-advantaged 529 plan like the Utah Educational Savings Plan, and the task of financing college isn't nearly so daunting.

Because of grants and scholarships, the net price of tuition and fees on average may be less than half as much as the sticker price

"Most families do not understand this difference," said Amy Bergerson, associate dean for undergraduate studies at the University of Utah and director of the Student Success and Empowerment Initiative.

"In fact, even in my own social circle of friends—we are all sending kids off to college next fall—there is a lack of understanding that very few people who apply for aid of any kind actually pay the full price for college," Bergerson said.

Blame this lack of understanding on the media, which focus mostly on the rising

cost of a college education and not on the avenues families have for reducing the cost, Bergerson said.

But she also faults higher education institutions and says they should do a better job of informing students and families that there are many ways to help reduce the price of a college degree. The alternatives to paying the published cost of tuition and fees of a school can be hard to sort out, so many parents don't fully understand all available options. Utah, she said, has one of the lowest rates of applications for grant aid, which doesn't need to be repaid.

"A family that explores the net price of college will probably end up paying less than a family that assumes the sticker price is the only option and pays that without questioning," Bergerson said. "It's a bit like buying a car. Many of us know that most people don't pay the full sticker price for a car."

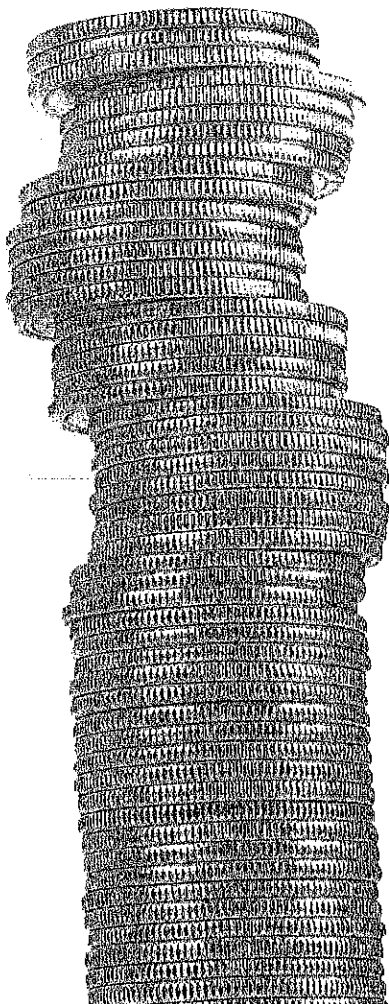
Besides paying more than required, there can be a more subtle penalty for not exploring the net price of tuition and fees. By concentrating on the published price, families risk ruling out a college or university that may be a better fit for their child, but feels financially out of reach.

"Finding the right school with the right fit is so important to persistence in college, and having the latitude to look at a broader choice set (of colleges) would

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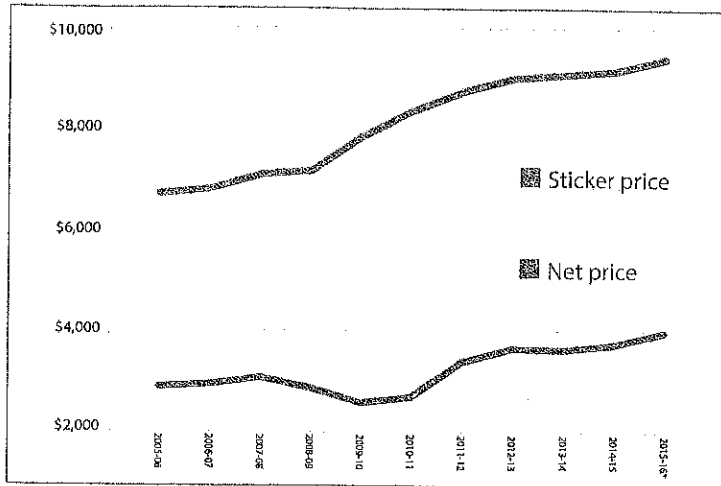
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make a difference for a lot of students who think they can't afford their dream schools," Bergerson said.

Fortunately for families, there is an easy way to estimate the true cost of a higher education. Most colleges and universities publish a user-friendly "net cost calculator" online that asks about household income and other family matters. The result—the amount that a family must pay with savings or loans—does not represent a final cost, but is usually a reasonable approximation.



Source: The College Board

The average sticker price vs. the net price of tuition and fees for one academic year paid by a full-time student at a public four-year college or university.

"I strongly encourage families to use the calculator to get a ballpark idea of net cost, and then make an appointment to talk with someone at the institution to learn more about what their options for aid are," Bergerson said.

An important note: Bergeson urges every student to fill out the Free Application for Federal Student Aid (FAFSA) form. If a student is offered a loan that he or she doesn't want, it can be turned down. But the net cost calculator of most schools assumes that families will apply for federal financial aid. So if a family does not fill out a FAFSA, their net price estimate might not be accurate.

Education Is the Best Gift

As graduation season approaches, you may find yourself wondering how you'll pay for your child or grandchild's future college expenses. Consider rallying your family and friends to contribute to your Utah Educational Savings Plan account.

The money you invest can grow over time and help your child or grandchild achieve his or her dreams. To send out a gifting message, log in to your Account Access online at uesp.org and select Gift Program. A link to your personal gift page and a unique gift code will appear on the screen after you've activated your account. Then simply share the link with family and friends.

Your children will thank you when it's time to start withdrawing those funds for college.

Learn about your UESP
giving experience!
myourstory@uesp.org.



Utah Educational
Savings Plan®
SAVE FOR COLLEGE. INSPIRE THEIR FUTURE.®

Be College Smart - 10 Tips for the Student

Congratulations! You've been accepted to college. Anticipating the next phase of your education can be exciting, but there is much more to consider beyond academics.

To aid college preparation, ask your parents to "take a backseat" during your senior year of high school so you can start actively managing your own life, suggests counselor Cindy Watkins from Utah's Herriman High School.

Here are 10 ideas to consider before school starts.

1 Manage your money. Open checking and savings accounts at a bank or credit union with branches in your hometown and near campus, so you and your parents can have access. Practice creating a budget and sticking to it.

2 Manage your time. College takes more effort than high school did, and you're going to be on your own. Set a schedule to figure out how to balance classes, studying, work, athletics, extracurricular activities, and sleep.

3 Practice communication and self-advocacy skills. "Learn how to use office hours [to meet with professors]. It's easy to ask questions when your class has 15, 20, 30 people, but if it has 150 students, you have to be able to advocate for yourself," said Joel Karpowitz, English department chair at Ravenscroft School in Raleigh, North Carolina.

4 Practice problem-solving skills. "Too many times, college freshmen have no idea how to handle problems with roommates, balancing jobs and classes, and other situations," Watkins said.

5 Improve active listening skills. In high school, students expect teachers to catch them up if they aren't paying attention, but you can't expect the same courtesy in college.

6 Consult with an academic advisor before you register for classes to map out a game plan. "The biggest surprise for freshmen is how little time they spend in the classroom versus how much time they spend on independent work. The ratio [they're used to] is opposite," said Brittanie Weatherbie Greco, composition instructor at the University of Massachusetts Boston. "They're trying out so many new things freshman year—trying to balance the social, emotional, and the scholastic—it can get overwhelming."

7 If you do feel overwhelmed at school and need to talk to someone, know that free counseling is usually

available for academic concerns and mental health issues.

8 Spend time on campus more than once before you start school "to make sure it's the best fit for you," said Cyndi Lemke, English adjunct faculty at Lone Star College in Kingwood, Texas.

9 Don't buy all the books listed on the syllabus before your first class—go to class first to determine which books you'll need. You can also rent books, buy used books at the campus bookstore or online, or check them out from course reserves at the library, said attorney Felicity Murphy, head of reference at Brigham Young University's Howard W. Hunter Law Library.

10 Rethink taking your car. Cars can be costly to maintain, and expensive to park. Consider taking public transit or campus shuttles, biking, or walking.

