

The Path to Affording HIGHER EDUCATION

The key to affording higher education is to start planning early. The longer families have to save, the better, and starting early also gives families more time to get “financially fit.” Early planning can also help students understand the importance of good grades and the role of scholarships. Follow the path to see how you can better plan ahead to afford higher education!



Consider the **PIECEMEAL APPROACH**

Families who take a piecemeal approach find paying for higher education more manageable. More “pieces” lead to more options and less reliance on any one source of funding. Here are some of the “pieces” families use to pay for higher education:

- Financial Aid (need-based grants and scholarships)
- Merit Scholarships (offered by the college)
- Private Scholarships (for example from your high school or employer)
- Savings
- Parent Earnings
- Student Earnings
- Tuition Payment Plans
- Tax Credits
- Federal Direct Loans
- Private Student or Parent Loans



SAVE

For most families, financial aid doesn't cover the full cost of education. Having savings available can make a big difference and has little or no impact on financial aid eligibility. Remember that family contributions and gifts to college savings can also help, as will a student's own earnings.



Get FIT

Families who start thinking about how to pay for higher education when their student starts high school have more options. Start by paying down debt and resisting the urge to take on new expenses. This helps make room in the monthly budget for a tuition payment plan.



Have a CHAT

It's a challenging conversation to have, but families who have an early discussion to clarify who is paying for what and how much the family can afford will find the final school selection process easier.



BUILD A LIST of Affordable Schools

Many factors determine which schools might be a good fit, but too often affordability isn't considered until late in the process. When searching for schools, focus on net price, not sticker price. To get a sense of net price, use each school's Net Price Calculator which can usually be found on the school's financial aid website. Make sure that list includes a school that is affordable even without great financial aid. For some students, community college and/or trade-based certificate programs are a good solution.



COMPARE Financial Aid Offers

All financial aid offers look different, making them hard to compare. To help get an “apples-to-apples” comparison, families can use [FAME's Comparing Costs and Financial Aid Offers Worksheet](#). If borrowing is needed, families should use FAME's Student Loan/Salary Calculator to get a better understanding of the return on investment.

See the reverse side for some conversation starters to help families have a productive discussion.

CONVERSATION STARTERS

Savings, Direct Payments, and Tuition Payment Plans

- Are you (the parents or family members) saving for higher education? If so, how much will be available when your student graduates from high school?
- Are you (the student) saving for higher education? What are the savings expectations when you receive birthday or holiday gifts or money from work?
- Do you (the parents or family members) plan to use tuition payment plans to help pay for higher education? If so, how much per month can you afford? Is there a strategy to make more money available? Is it possible to pay down debt or other obligations to free up money in the future?
- Considering all sources, how much can you (parents or family members) contribute per year?
- Considering all sources, how much can you (the student) contribute per year?

Scholarships

- Are you (the student) applying for scholarships? What is the expectation related to the number of applications?
- Do your grades open up the possibility of merit-based scholarships?

Borrowing

- How do you feel about borrowing? No borrowing? Limit borrowing to only Federal Direct Loans (\$5,500 for the first year)? Will you consider additional borrowing (which will have a credit component)? Are parents or family members willing to co-sign a private loan?
- How much total debt is acceptable (for all years of education)?
- Who will be responsible for repaying the debt?

Pathways

- Is there agreement that you (the student) can apply to any school, including those that appear to be a financial reach? What happens if you get accepted but it is not affordable?
- Are you (the student) open to considering multiple pathways (i.e., community college for a year or two, starting at a more affordable school with a plan to transfer, or attending school locally and living at home)?

Have questions? FAME has resources and knowledgeable teams who can help. Reach out!

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