Piecemeal Approach to Paying for Higher Education

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PRESENTED BY

Karin Parsons, College Affordability and Financial Wellness Counselor
Jessica Whittier, College Affordability and Financial Wellness Counselor

Agenda

- Understanding the Affordability Challenge
- What is the Piecemeal Approach?
- The Pieces of the Pie
  - Savings
  - Grants and Scholarships
  - Student Employment
  - Payment Plans
  - Tax Benefits
  - Strategic Borrowing
- Supporting Students and Families
- Comparing options
- Resources and next steps

Cost of Attendance

- There is more than one cost that goes into the college bill.
- It makes sense that there would be more than one funding source.

- Tuition
- Fees
- Housing
- Meals
- Books
- Supplies
- Deodorant!

The Piecemeal Approach to Paying for College

The more pieces a family brings to the table, the more options they have.



Savings



- Provides flexibility
- Reduces borrowing
- Has little or no effect on financial aid eligibility

Possible sources:

- 529 plans
- Family savings
- Gifts from relatives
- Student savings

Grants

- Federal Pell Grant
- State grants
- Alfond Grant
- Institutional grants



- The Pell Grant and Maine State grant are determined by filing the FAFSA

Scholarships

- Merit scholarships
- Local scholarships
- Employer-sponsored scholarships
- Community organizations
- Private scholarship searches

Student Employment

Working Before and During College

- Reduces borrowing
- Builds skills, resume
- Creates ownership

Examples:

- Summer jobs
- Part-time employment
- Federal Work-Study

- Dependent students can earn $12,000/year and it will not impact FA eligibility



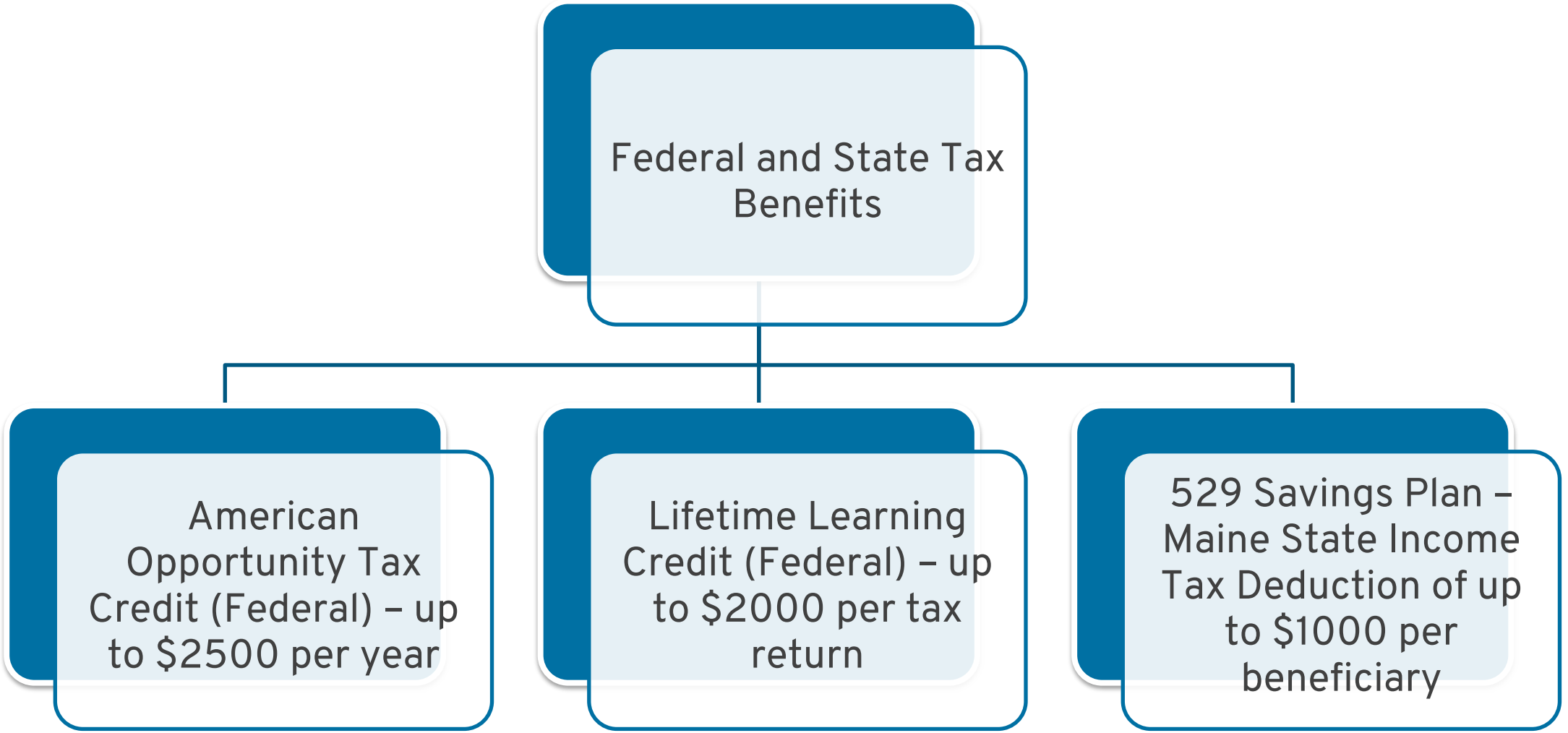
Payment Plans

Payment Plans Break Costs into Monthly Payments

Benefits:

- Often little or no interest
- Easier budgeting
- Reduces borrowing needs
- Example: $4,000 balance = approximately $400/month over 10 months

Tax Benefits



Strategic Borrowing

Informed decisions

- Federal Direct Student Loans first
- Borrow conservatively, what is needed
- Consider future income
- Manageable repayment



Conversations about Affordability

We are not financial planners.

What we CAN do:

- ✅ Encourage early conversations
- ✅ Promote FAFSA completion
- ✅ Help students identify realistic options
- ✅ Challenge affordability myths
- ✅ Refer families to experts when needed

What role can school professionals play in conversations about affordability?

Helping Students Find a Plan

- Most students use multiple funding sources
- No two funding pies look alike
- Affordability should be part of the conversation early
- Focus on net price, not sticker price
- Loans can be a slice of the pie but shouldn't be the whole pie
- Help students build stronger affordability plans



Questions?

Finance Authority of Maine
5 Community Drive
P.O. Box 949
Augusta, ME 04332

207-623-3263
800-228-3734
TTY 207-626-2717

business@FAMEmaine.com
education@FAMEmaine.com
FAMEmaine.com

Presenter Name
Presenter Title
207-623-XXXX
example@FAMEmaine.com

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