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WHAT IS THE REAL COST OF GOING TO COLLEGE?

Learn how to research and calculate the full cost of higher education.





What is the Real Cost of Going to College?

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Learn how to research and calculate the full cost of higher education.

About the Activity

You might hear people talk about “tuition” when discussing paying for college. Tuition is the cost of studying at a college - but that is only part of the overall costs. Books, room and board (lodging and food), transportation, and other fees are among the other costs of going to college. This activity will help you understand the total cost of paying to go to college, and how to find out exactly what that is at different institutions.

This is the second in a two-part series of activities about paying for college. You can see Part 2, “How to Pay for College,” [here](#).



Supplies

- Device with internet access
- A printer to print the worksheet for this activity
- Pen or pencil
- An adult or someone who can help the student navigate college websites to find information on costs.

Grades: 7-12

Topic: College Readiness

Time: 45 minutes





Activity Steps

Follow these simple steps to see how much it costs to go to college.

Pick 3 Colleges

- 1 First, print out the attached worksheet to track the information you are about to gather.
- 2 Now, look up websites for three colleges that you might be interested in attending.
- 3 Write the names of the three colleges you chose at the top row of the worksheet.

Find the Average Tuition

- 1 Look up the average tuition for each of the colleges and write them in the worksheet. You might need to explore the website a bit to find the cost of tuition. Begin by going to their Admissions page.

DID YOU KNOW? Most students do not actually pay the full “sticker price” to attend college. According to a [National Center for Education Statistics study](#), 85 percent of students receive some form of financial aid.

- 2 From there, look for information about Cost, Tuition, or Affordability.

DID YOU KNOW? In 2020, the average cost of a four-year college was roughly \$122,000, or \$30,500 per year, including tuition, fees, room and board, textbooks, and other necessities.

- 3 Once you get there, use the information and any tools on the school’s website to figure out the real cost of attending that college. Many websites will ask you a few questions to determine the cost of attending the college. For example, you might need to answer some questions like:
 - a. Where do you live? For public universities, tuition is different if you live in the state where the college is located or if you are out-of-state.
 - b. What major are you interested in? At some colleges, there are different tuition rates for different majors. If you don’t know, just select something you might be interested in.
 - c. If there are multiple campuses for a college, you will need to select which campus you are most interested in attending.

Estimate Your Expenses

Enter your estimated expenses for each of the categories on the worksheet. Look at the descriptions of each category before you estimate your total. Ask an adult in your family if you are having trouble determining your expenses in each category.

DID YOU KNOW? Community college often costs less than a four-year college. The average cost of tuition for community college in 2020 was about \$4,816 per year for in-state students and \$8,581 for out-of-state students. Other costs can also be reduced if a student continues to live at home.



Test Your Knowledge

See how well you know the real cost of college.

QUESTION 1

Which of the following is typically part of the cost of attending college, beyond just the tuition?

- a. Room and board
- b. Books and supplies
- c. Transportation
- d. Other fees
- e. All of the above

QUESTION 2

True or false? Most students pay a college's full price.

- a. True
- b. False

QUESTION 3

In 2020, the average cost for an in-state community college was:

- a. \$4,816
- b. \$52,000
- c. \$8,216
- d. \$400

QUESTION 4

True or false? The cost of attending a state university is often less if you live in that state.

- a. True
- b. False

QUESTION 4

True or false? The vast majority of students receive financial aid to help offset the full price of college tuition.

- a. True
- b. False

Reflection Questions

Questions to deepen wonder and understanding

- What are some ways that you could possibly reduce some of the costs you have found?
- What surprised you about the total cost of attending college?
- Based on what you now know, do you want to go to your state's colleges or attend one out of state? What about a private college?



Investigate & Explore



Take your new knowledge to the next level.

The cost of college continues to rise. According to one study, the cost of going to a four-year institution went up by an average of 25% from 2008 to 2018. Depending on what grade you are in, the cost of college could be even higher by the time you're ready to attend.

Many people use financial aid to help pay for college, but those loans typically come with interest, which means the amount you owe is being added onto each month that you are paying those loans off, which can make it harder to do just that - pay off those student loans.

Still, the value of going to college is undeniable - by some estimates, college graduates earn 80 percent more, on average, than those who didn't go to a four-year college. Before you make that investment in your future, it's important to know exactly how much it will cost to attend a given school. Next, you can explore options for grants, scholarships, and other ways to get financial help that don't require repayment - and then you can consider student loans as a way to pay for your education.

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HOW TO PAY FOR COLLEGE

Learn about loans, grants, scholarships, and the net cost of higher education.



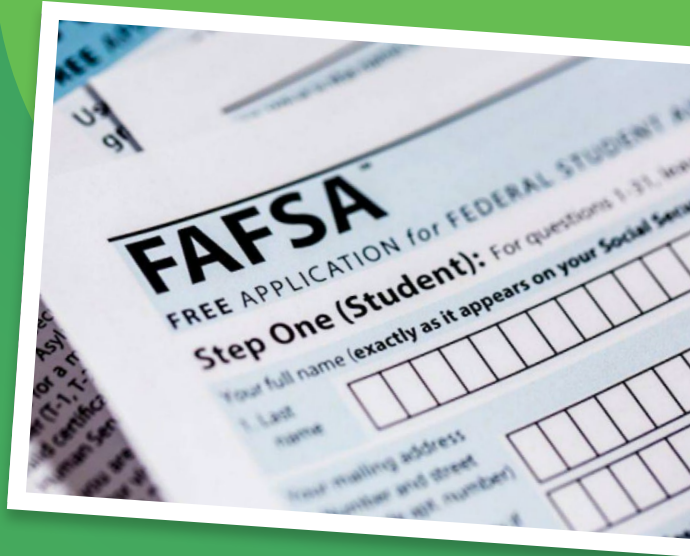
How to Pay for College

Learn about loans, grants, scholarships, and the net cost of higher education.

About the Activity

Finding financial help to pay for college can be difficult, and sometimes the process seems overwhelming. This activity helps students identify the types of financial aid that are available to them as they seek to pay for a college education.

This is the second in a two-part series of activities about paying for college. You can see Part 1, "What is the Real Cost of College," [here](#).



Supplies

- Device with internet connection
- A printer to print out:
 - The Financial Aid Process infographic
 - What You Will Need to Complete the FAFSA document
- Sample FAFSA application

Grades: 7-12

Topic: College Readiness

Time: 45-60 minutes



Activity Steps

Follow these simple steps to find out how to get financial aid to pay for college.

Before we start, think about this: There are a lot of ways to pay for college. Student loans are money you get from a bank or lender that you have to repay, but other kinds of aid like grants, scholarships, and even (of course) your own financial savings, do not need to be paid back. The good news? While college is expensive (as you learned in [the activity before this](#)), between loans, grants and scholarships, most students don't pay the full sticker price of going to college. The real cost of college is sometimes called the "net" cost of college. Look at the infographic on this page, from the College Board, to better understand the net cost of college.

Okay, Let's Get Started

- 1 Print out and review the Financial Aid Process Roadmap infographic. Your grade in school will determine what stage you are on the roadmap. If you are nearing college application time, then it is time to begin looking at what scholarships and state aid are available to you. Talk to your school counselor for help.

DID YOU KNOW? One of the sources of grants and loans is the federal government. Their Free Application for Federal Student Aid, or FAFSA, is the only way you can get federal money to help you pay for college. And many states and colleges also use the FAFSA application to determine how much financial aid you'll get.

- 2 Go to [FAFSA.gov](https://fafsa.gov) and find the FAFSA application, then download and print it out.
- 3 Now, collect your family's financial information. The application will ask for personal and financial information that only your parent or guardian might have like recent tax returns. Review what you will need to fill out the FAFSA form with a parent or another adult in your household by downloading [this informational document](#).

DID YOU KNOW? There are a lot of ways to pay for college. Work study, which is working a job on your college's campus, is one way that students offset the cost of college. Nearly 8 out of 10 students work while in college, according to the Georgetown University Center on Education and the Workforce.
- 3 Complete the sample FAFSA application. If possible, complete [this sample FAFSA application](#) with a parent. This is only a sample and cannot be mailed in for loan/scholarship consideration.

DID YOU KNOW? According to a 2019 National Study conducted by Sallie Mae and Ipsos, on average, families spent \$26,226 on college and used a variety of sources of payment. A typical family paid for college this way:

- 43% savings and income
- 31% scholarships and grants
- 24% borrowing
- 2% friends and family

Test Your Knowledge

See how well you know the different ways to pay for college.

QUESTION 1

Identify the type of financial aid that needs to be paid back:

- a. Grants
- b. Loans
- c. Work-Study
- d. Scholarships
- e. Savings

QUESTION 2

True or false? Most students don't work while in college.

- a. True
- b. False

QUESTION 3

True or false? Less than half of American families whose kids go to college pay for it out of income and savings, alone.

- a. True
- b. False

QUESTION 4

The real price of college, once you deduct grants and scholarships, is called the ____ cost of college.

- a. Actual
- b. Net
- c. Deferred
- d. None of the Above

QUESTION 5

FAFSA is:

- a. The federal government's Free Application for Federal Student Aid form or FAFSA.
- b. The only way you can get federal money to help you pay for college.
- c. A form that many states and colleges also use to determine how much financial aid you'll get.
- d. All of the above

Reflection Questions

Questions to deepen wonder and understanding

- All this new information about paying for college might be hard to immediately understand. Discuss the financial aid process with an adult in your family. The infographic is a great way to start the conversation.
- Why is it important to develop a plan early to pay for college?
- Why aren't student loans deducted from the cost of college when calculating the net price?

College Costs: Sticker Price vs. New Price



Sticker Price

The college's published cost of attendance

-



Grants & Scholarships

Gift aid (free money you don't have to pay back) awarded by the college

=



Net Price

The difference between the two—the real amount your family pays (typically with loans, savings, and income)

Investigate & Explore

Take your new knowledge to the next level.

There are agencies and sources of help for students and their families to help understand the information and better calculate the difference between “Sticker Price” and “Net Price.” [The U.S. Department of Education's Office of Financial Aid](#), for instance, is a great source of information.

When you are ready to actually submit your FAFSA application, it will ask you to write three schools that you are interested in attending. It's OK to change them later. The FAFSA report will automatically be

sent to the admissions/financial aid office of those three colleges. It's okay to change your mind as the college most likely won't determine their financial aid until after you've been accepted.

Once you get your report and know the total of your grants and scholarships from all sources, federal, state, other agencies and your colleges, you can calculate the “Net” cost of college. This is the price you will have to pay for with savings, loans and other forms of payment.

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HOW LONG WILL YOU PAY FOR COLLEGE?

Student loans can help pay for college, just know that repaying those loans is a long-term financial commitment.



How Long Will You Pay for College?

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Student loans can help pay for college, just know that repaying those loans is a long-term financial commitment.

About the Activity

Student loans can help pay for college, but what about repaying those loans after graduation? This activity will help students compare potential income based on different career paths and get a sense of what it takes to pay for monthly living expenses - including repaying those student loans.

Supplies

- Device with internet connection
- Access to a printer
- Calculator or computer/online spreadsheet program (like MS Excel or Google Sheets)

Grades: 7-12

Topic: College Readiness,
Financial Literacy

Time: 45-60 minutes



Activity Steps

Before we start, think about the fact that most students use loans to pay for part of their college expenses. Those loans need to be paid back, and that repayment process starts after you graduate, typically **six months after graduation** or otherwise leave school. So, the income you earn from a job after college needs to pay for all of your basic expenses (like rent, food, and transportation), but also for monthly loan repayments.

Not surprisingly, different careers pay different amounts. So, depending on what career you pursue, you might have only a little money, or a lot, left over in your budget each month. Sometimes, but not always, what you study in college can influence what kind of job you might pursue. So, it could pay to begin thinking about what you want to major in, and what kind of job you think you'll get coming out of college, and farther down the road.

Okay, let's get started.

1

Take a Career Interest Survey

What you study in college can influence your career path. Taking the time to complete a career interests survey can help you better understand what careers and college majors to consider. This survey is free: [Free Career Test for Students Online: High School, College, Teens, Adults](#)

DID YOU KNOW? The top 3 most popular majors are business, nursing and psychology.

2

Find the Starting Salaries for a Career

- Download the worksheet and print three copies.
- Using results from the survey above, write down a possible career on each worksheet.
- Then, go to the [U.S. Bureau of Labor Statistics](#) and search for each job. Use the search box on the left side of the screen about halfway down if you can't find your career on the first page.

- When you find the right job, click on it. Then, scroll down to "Percentile wage estimates" for the job.
- Find the estimated annual salary listed in the 10% column. This number is generally the starting salary for that career.
- For this activity, you want a monthly income, so take the estimated annual salaries you already found and divide by 12.
- Write each monthly salary on the corresponding worksheet.

DID YOU KNOW? 7 in 10 college students graduate with nearly \$30,000 in student loan?

3

Calculate Your Budgets

- Using the budgeting template, fill in monthly income and expenses. Ask a parent or another adult to help you estimate the cost of various items.
- For the purpose of the exercise, assume your monthly student loan debt after graduation is \$300.
- Using a calculator or spreadsheet program, add up all those expenses in your budget

DID YOU KNOW? The average student loan monthly payment is \$393, according to the Federal Reserve Bank of New York.

4

Compare Your Budgets

Compare the three estimated starting salaries with the expenses in your monthly budget. What does your bottom line look like in each scenario?

Test Your Knowledge

See how much you learned about paying for college with student loans.

QUESTION 1

What is the average amount graduates repay in student loans?

- a. \$3,000
- b. \$75
- c. \$393
- d. \$222

QUESTION 2

Fill in the Blank: _____ in 10 students graduate with more than \$_____ in loan debt.

- a. 2, \$100,000
- b. 7, \$30,000
- c. 4, \$50,000
- d. 8, \$12,000

QUESTION 3

Usually, when do graduates begin to pay back their student loans?

- a. One year
- b. Immediately
- c. Six months
- d. Three months

QUESTION 4

Fill in the Blank: In the Bureau of Labor Statistics salary survey, the 10% figure is _____.

- a. The typical starting salary.
- b. What the worst performers make
- c. The salary in the least expensive parts of the country

QUESTION 5

Fill in the Blank: The three most popular college majors are business, nursing, and _____.

- a. Computer science
- b. Engineering
- c. Liberal Arts
- d. Psychology

Reflection Questions

Questions to deepen wonder and understanding

- Did the starting salaries you researched cover all your expenses including your monthly \$300 student loan repayment? Did any fail to cover your budget?
- If you found a career that you think you are interested in pursuing, what would be an appropriate college major to consider?
- Do you think the amount of money you will pay for college will be worth your expected salary for your chosen career/major? Why or why not?
- Is financial compensation all that you should consider when choosing a career or major? What are other considerations?

Investigate & Explore

Take your new knowledge to the next level.

You should choose a career that matches your interests and abilities, not one that will simply pay the bills – because you should enjoy what you do every day! But it is important to consider the types of careers you’re interested in and what those career prospects look like so that you can be realistic about your life after college in terms of how much money you will earn, how much you will owe, and the lifestyle you want to lead. Here are a few things to consider:

Find a college offering the major: If this activity helped you find a major or two you might be interested in exploring further, that’s great! But how do you find a college that offers that major? You can search for colleges with top-ranked programs by major [here](#).

Jobs in the future: If you are unsure about a major or career, that’s okay! A lot of students begin college without declaring a major. In-demand careers in the future might be different than what is popular today. Here is a helpful [article about future careers](#).



Budgets depend on where you live: The cost of living and lifestyle varies greatly in different parts of the country. For instance, **\$1000 a month might get you a tiny apartment in New York**, but you could rent a whole house in Kansas. Likewise, you can do the same job in different parts of the country and earn different amounts. That is because the cost of living varies depending on where you live. If you know you want to live in a certain city after graduating college, you can use a [cost of living calculator](#) to learn more about costs there and what your monthly budget might look like.

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