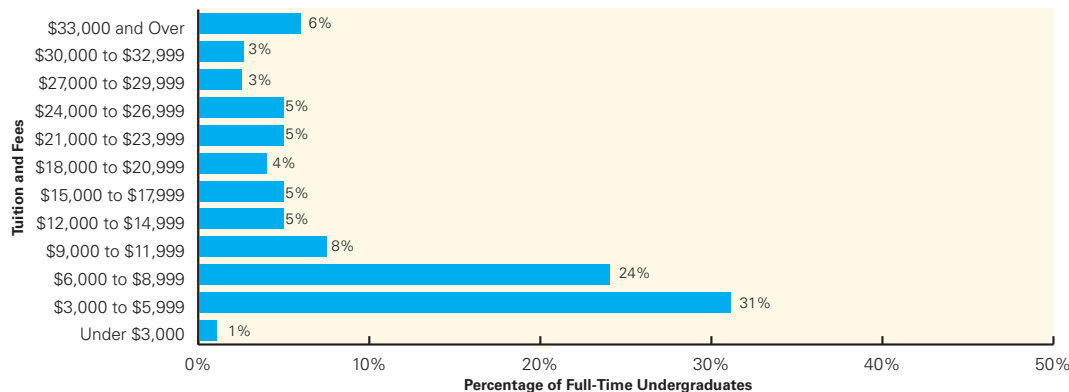


What Every Parent Should Know About Paying for College



Distribution of Full-Time Undergraduates at Four-Year Institutions by Published Tuition and Fees, 2007-08

There are many different types of U.S. colleges and universities. They offer a wide variety of educational experiences and there is considerable variation in tuition and fees.

- About a third of full-time college students at four-year colleges attend institutions with tuition and fees below \$6,000. Less than 10 percent attend college with tuition and fees higher than \$30,000. You can find tuition details about specific colleges on their Web sites or at www.collegeboard.com.
- Here are the national averages for tuition and fees for 2007-08:
 - At public two-year colleges: \$2,361 in 2007-08.
 - For in-state students at public four-year colleges: \$6,185
 - For out-of-state students at public four-year colleges: \$16,640
 - At for-profit colleges: \$12,089
 - At private nonprofit four-year colleges: \$23,712
- Average tuition and fees are different in every state and in every region of the country. For example, average tuition and fees for in-state students at public four-year institutions range from \$5,018 in the South to \$8,076 in New England.

Because of financial aid, the published price of college overstates what most students and families actually pay for college. About two-thirds of all full-time college students receive grant aid to help them pay for their education.

- Last year, 5.2 million college students received Pell Grants from the federal government averaging \$2,494. Among those recipients who were dependent on their parents, 86 percent came from families with annual incomes below \$40,000.
- Colleges and universities themselves provide about 41 percent of the grant aid students receive. Grant aid is also available from other federal programs, from state governments, and from employers and other private sources.

(over)

- The portion of tuition and fees that students and families pay after grant aid at public colleges and universities requires a relatively small proportion of income — less than 6 percent on average — for families at all levels of income. However, the total cost of attending college also includes room and board, books and supplies, and other living expenses.
- Another form of student aid that reduces the prices students and families actually pay for college is federal education tax credits and deductions. The tax credits benefit primarily taxpayers with incomes between \$25,000 and \$100,000 a year. Almost half of the benefit of the tuition and fee tax deduction goes to taxpayers with incomes between \$100,000 and \$160,000 a year.
- Students can use collegeboard.com's free Scholarship Search program to locate scholarships, internships, grants and loans that match their education levels, talents and backgrounds.

Planning and saving for college can ease the burden.

- A family that saves \$100 a month for 18 years in anticipation of paying for college can accumulate \$35,000-\$40,000 to help finance their child's education.
- Funds in state-sponsored 529 college savings accounts accumulate tax-free. In the United States today, about 10 million accounts hold an average of almost \$13,000.

Education pays. Earnings after college make borrowing a good investment for most students.

- Every year more than 6 million students borrow to go to college. Students who borrow to earn bachelor's degrees graduate with an average of about \$20,000 in debt.
- Within 11 years after completing a bachelor's degree, the typical college graduate earns enough more than the typical high school graduate to make up for four years out of the labor market and also repay loans for full tuition and fees at a public four-year college.
- Over a working life, the typical full-time year-round worker with a four-year college degree earns more than 60 percent more than a worker with only a high school diploma.
- Those with master's degrees earn almost twice as much, and those with professional degrees earn almost three times as much as high school graduates earn over their working lives.