



UNIT 3

Financing Your Future

Topic

Choosing Your Path After High School

FAMILY CONNECTIONS

Unit:

- 1 Being Financially Responsible
- 2 Using Financial Services
- › **3 Financing Your Future**
- 4 Getting Paid

Title

Paying for Higher Education: A Family Conversation

Connect

In school, students have been learning about options for continuing their education beyond high school, including what education and/or training is needed for various careers and ways people pay for additional education. There are many factors that influence a student's decision to pursue further education, and families play an important role. Whether your family has been saving for college since birth or you are just now thinking about how to help your child achieve his or her education and career goals, there are important conversations to have with your child and resources you can explore to get more help.

Talk

- Have you saved money for your child's education? If so, discuss how much you plan to have saved by the time he or she enrolls and the types of accounts being used (savings account, 529 plan, investment account, etc.). Be clear about your expectations for this money. If not, talk about strategies to help you—and your child—begin saving.
- What kind of education does your child anticipate pursuing? What is needed for the career he or she hopes to pursue? Talk about options for education. Explore programs offered by different types of schools—community colleges, 2-year schools, and 4-year schools. Talk about the benefits and tradeoffs of public versus private schools and attending a school close to home versus far away.
- Many college students have costs beyond tuition, room, board, and books. Discuss whether your child plans to join a club, play a sport, or study abroad. Does he or she know if these have extra costs and, if so, how much? Talk about who will pay for these expenses.

Act

- Investigate the cost of higher education. Look up the annual tuition, room and board, and other expenses at schools your child is considering. Search the school’s website for their “net price calculator.” After entering personal information, these calculators will help you estimate how much each school will cost your family after scholarships and grants. These are only estimates, but they are a great place to start planning.
- Get familiar with the financial aid process. Every student—regardless of his or her parent’s income—should complete the [FAFSA](#) to determine what aid might be available to assist him or her. Depending on the college your child is applying to, he or she might also need to complete the [CSS Profile](#). Spend time online or talk to a school counselor or financial aid professional to learn more about the process, forms, and timeline.
- Explore the [FAFSA4caster](#). This online tool will estimate your eligibility for federal financial aid and is great to use even as early as middle school.
- Develop an action plan with short and long-term goals to help your child begin saving money for his or her education. This could include finding ways to earn money, opening a savings account, and making a plan for regular deposits.
- Be realistic with yourself. Determine upfront how much your family can realistically afford to pay and/or borrow for your children’s education. If you don’t already have one, create a budget to get a better idea of your current income and expenses.
- Explore other ways to finance education and/or lower the costs. Many students qualify for scholarships. Spend time researching options online. Help your child think about ones for which he or she might be eligible. For example, some are based on family nationality, religion, and even whether or not [the student is left-handed](#).
- Visit colleges and universities of different types and talk to financial aid professionals at each. Public, in-state schools may provide a less expensive option but not always. Some private schools have well-funded endowments that provide generous scholarships and grant programs.

Learn

- [Big Future](#) from the College Board offers information on planning for careers, college, and paying for higher education.
- [College Scorecard](#) from the U.S. Department of Education helps students and their families compare school costs, graduation rates, and the average earnings of graduates.
- [Federal Student Aid](#) from the U.S. Department of Education provides information on the student aid process, how to file, and what types of aid is available.
- [CSS Profile](#) from the College Board is an application used by nearly 400 colleges, professional schools, and scholarships to award nonfederal aid.

MAKING COLLEGE CHOICES

Two-thirds of families (67%) narrowed their college choices due to cost, but when it came to making the final decision, cost ranked third—behind academic program and personal choice.²