

# \$30,500

Average annual price of tuition, fees, room, and board in 2019-20<sup>1</sup>



## Methods of Paying for College

See how families are paying for this



### FAFSA<sup>®</sup>

Each year, filling out the Free Application for Federal Student Aid (FAFSA<sup>®</sup>) qualifies students for free money like scholarships and grants, as well as federal student loans.

Thousands of dollars in free money go unused.

# 25%

of families didn't complete the FAFSA in 2017-18.<sup>1</sup>



### Your Money

Parents, students, and relatives can use income and savings to pay for college. This may include:

- **Personal savings**
- **College savings plans**
- **Federal work-study** (a part-time campus job)



Make college more affordable with a tuition payment plan.



Unlike student loans, tuition payment plans allow you to make smaller, interest-free payments while in school.

Combined family income and savings pay nearly half the cost of school.<sup>1</sup>

Parents pay nearly

Students pay

# 34%

# 13%



### Free Money

Each year, 1.7 million scholarships and fellowships are awarded, totaling more than

# \$7.4 billion.<sup>2</sup>

Sources of free money include federal/state government, your college, and private companies and employers.

- **Scholarships** (merit-based)
- **Grants** (need-based)
- **Institutional discounts**

**1 in 8<sup>2</sup>** students are awarded a private scholarship.



### Borrowed Money

Loans can help you pay for school, but remember to borrow only what you need and can afford to repay. Your FAFSA determines the type and amount of federal student loans you can receive. **Remember every dollar you borrow will have to be repaid with interest.**



#### FIRST, USE FEDERAL STUDENT LOANS

They offer a variety of repayment options, deferment and forbearance in several situations, and don't require a credit history.

#### THEN, USE PRIVATE STUDENT LOANS

Trustworthy lenders offer borrower protections, flexible repayment plans, and a competitive rate based on your credit history.

Consider expected income to prevent over-borrowing.

Aim to keep future monthly payments **under 10%** of the student's predicted gross pay.<sup>3</sup>

For example, with a starting wage of

# \$50,000

the total in monthly loan payments should be less than

# \$400

To learn more, go to [NelnetBank.com](http://NelnetBank.com)

1 - Educationdata.org, "Average Cost of College & Tuition", 2020.  
 2 - Edmit, Inc., "What Percentage of Parents Pay for College?", 2020.  
 3 - Savingforcollege.com, "College Scholarship Statistics", 2019.  
 4 - Consumer Finance Protection Bureau, "Understanding How Much Student Debt You Can Afford", 2020.  
 FAFSA<sup>®</sup> is a registered trademark of the U.S. Department of Education

