

PAYING FOR COLLEGE

by Tammy Gagne





© 2020 BrightPoint Press
an imprint of ReferencePoint Press, Inc.
Printed in the United States

For more information, contact:
BrightPoint Press
PO Box 27779
San Diego, CA 92198
www.BrightPointPress.com

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LIBRARY OF CONGRESS CATALOGING-IN-PUBLICATION DATA

Names: Gagne, Tammy, author.

Title: Paying for college / by Tammy Gagne.

Description: San Diego, CA : ReferencePoint Press, 2020. | Series: Money basics | Includes bibliographical references and index. | Audience: Grades 10-12

Identifiers: LCCN 2019034002 (print) | LCCN 2019034003 (eBook) | ISBN 9781682828052 (hardcover) | ISBN 9781682828069 (eBook)

Subjects: LCSH: College costs--United States--Juvenile literature. | Student aid--United States--Juvenile literature.

Classification: LCC LB2342 .G328 2020 (print) | LCC LB2342 (eBook) | DDC 378.106--dc23

LC record available at <https://lcn.loc.gov/2019034002>

LC eBook record available at <https://lcn.loc.gov/2019034003>

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WHY PLAN FOR COLLEGE EXPENSES?

Many high school graduates go to college. Going to college can be the first step toward a career. It can also be an expensive step. Students may attend a local community college. They may attend a four-year university far away. No matter what, they will pay tuition.



Columbia University's tuition was \$59,430 for the 2018–2019 school year.

THE COST OF COLLEGE

High-status private universities cost the most. These include schools such as Columbia University, Duke University, and Tufts University. Tuition for one year can be



Parents may begin saving for their child's college education when the child is still very young.

more than \$50,000. Even public schools carry a big price tag. Students must have a plan for this large expense.

The cost of college has increased over time. The average cost of a four-year degree

in 1989 was \$26,902. By 2016, the cost was \$104,480. The costs of other things have also gone up. This is called inflation. Wages have also increased. But college costs have increased almost eight times faster than wages have. Even after adjusting for inflation, the cost of college still doubled in twenty-seven years.

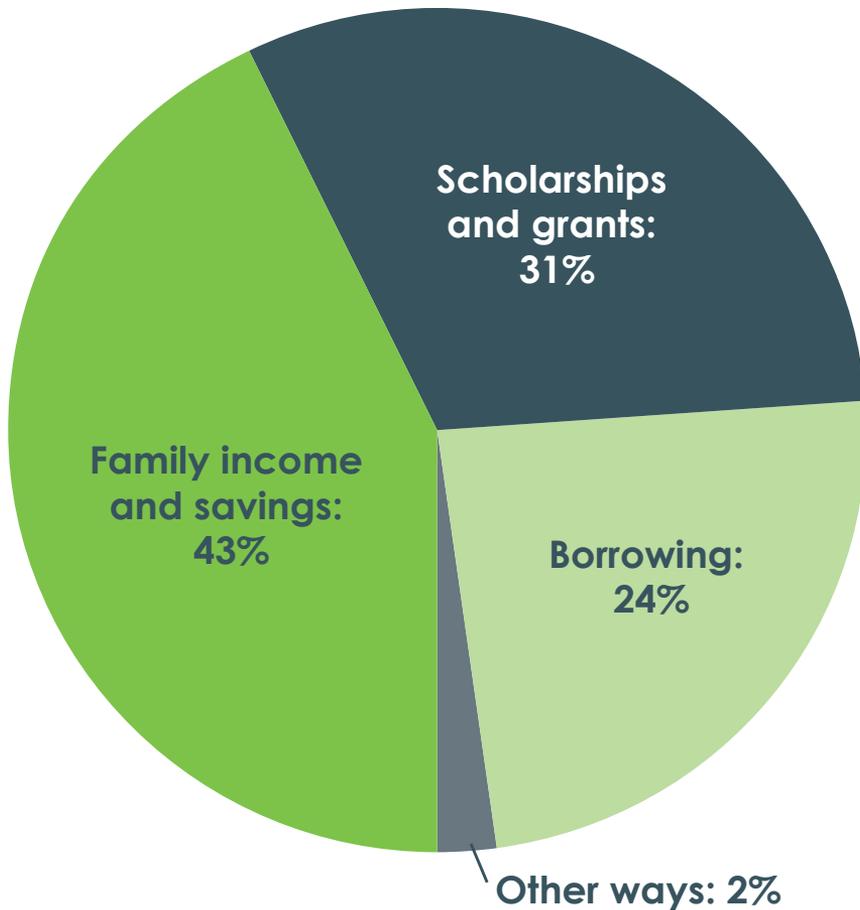
Many kids in the 1980s didn't think about college costs until high school. Some waited until they were juniors or seniors. Today, many parents start saving for college early. Some start before their kids are even born. The cost of college can lead to

high debt. Student loans make up more debt in the United States than credit cards and auto loans combined. Personal finance expert Dave Ramsey addresses this issue on his website. “At this rate,” he writes, “college graduates will be lucky to have their student loans paid off before *their* kids start college!”¹

WAYS TO PAY FOR COLLEGE

There are many ways to pay for college. Opening a college savings account is one way. This account helps pay out-of-pocket costs. Parents, students, and others can contribute money. The money then grows

How the Average Student Pays for College



"How America Pays for College 2019," Sallie Mae, 2019.
www.salliemae.com.

The average college student in the United States uses a variety of methods to pay for college. Most parents contribute at least some money to their kids' education expenses. The chart above is a breakdown of how the average student pays for college.

over time. The account holder doesn't have to pay taxes on it. As kids get older, they may choose to work part-time to add to their college savings.

Not everyone starts saving from a young age. There are other ways to pay. One is by doing well in classes, sports, and other activities. Students who earn good grades

SIGNING UP

Some students pay for college by joining the military. Students do not need to join full time. They can sign up for the reserves. The US military has this part-time program. Students can also earn money for school through the Army and Air National Guards.

may receive scholarships. This means the school pays for part or all of the tuition.

Skilled athletes can earn money for school this way. Students involved in the arts and many other activities can earn scholarships too. Some scholarships require an essay. Others only ask applicants to fill out a form.

Students may also apply for grants.

Grants work like scholarships. Neither needs to be paid back. The exception is if the student withdraws from school early.

Most grants are based on financial need.

Students may not qualify for a grant if their

WORKSHEET

To make sure others can use this book, please complete the activity on a separate sheet of paper.

CHOOSING A SCHOOL YOU CAN AFFORD

Choose three colleges and compare the costs and other details for attending each. You can find tuition prices at most schools' websites. Remember to think about room and board and other expenses, such as textbooks. After gathering this information, answer the following questions. When you are finished, rank the schools from your first to last choice.

1. What is the overall cost of tuition for this school?
2. Would this school be a good fit for what you want to study? Why?
3. Would life at this school be a good fit for you? Why?
4. What kinds of scholarships or grants might you be able to use?

GLOSSARY

discharged

released from the responsibility to pay

diversity

the inclusion of people from a variety of races, backgrounds, religions, and other categories

economy

the wealth and resources of a community, city, or country

majors

focuses of study at a college or university

penalty

a punishment in the form of a fee

scholarship

a sum of money given to a student to pay tuition and other education costs

scouts

people sent to gather information about a person's abilities in a sport or other activity

tuition

the cost to attend a school

vocational

relating to a specific type of job, such as automotive repair or plumbing

SOURCE NOTES

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