

Give Something Back Foundation Partner School Scholarship 2013-14

Information Session

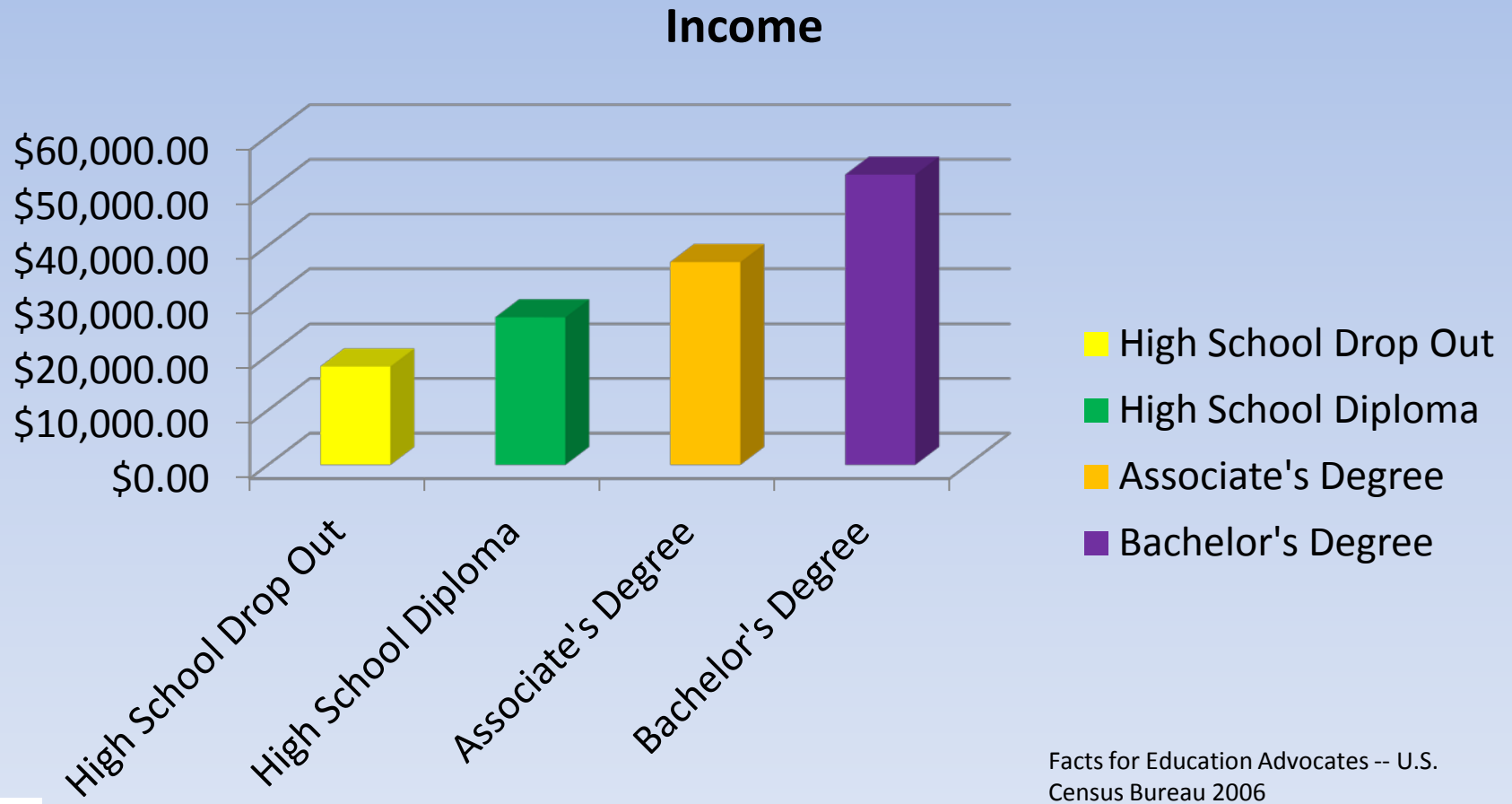


Welcome!

- Tonight's Topics:
 - Benefits of a College Degree
 - Financial Impacts of Pursuing a College Degree
 - Program Description
 - Question and Answer Session



Average Income by Educational Attainment



Facts for Education Advocates -- U.S.
Census Bureau 2006



Financial Impacts of College

- Student Debt
 - Loans increased in 4th quarter 2012 to ***\$956B.***
 - ***Student loan delinquency (90+ Days) is 11%.***
 - First time that student loans exceeded “serious delinquency” rates for credit card debt.
 - October 2007, 90-day delinquency for home loans (pre-bubble) was 16%.



Debt is Debt, *right?*

- NO!
 - For all practical purposes, student loans cannot be liquidated (even through bankruptcy.)
 - IRS refunds can be impounded to pay student loan debt.
 - Professional licenses (CPA, teaching, law, doctor, nurse, etc.) can be denied renewal due to default.



Debt and Some Real Effects

- Young adults will have to make choices, buy a car or live with parents.
- 2010-2011, 50% of all graduates were unemployed or underemployed.
- Will the jobs be there when my 6-month grace period is over?
 - Big debt and weak economy = bad things for you.



Debt and Cosigning a Loan

- What does this mean (to Student, to Parents)
 - Student Loan is a student debt
 - A Supplemental Loan can be a joint student AND parent debt
 - If a student still needs assistance beyond what is available through federal loan programs, there are a number of private lenders who offer supplemental loans to cover educational expenses.
 - Impact of Co-signing.....
 - Signing for another person's debt. (A legal obligation to make payments for another person's debt should that person default.)
 - Having a cosigner is way for individuals with a low income or poor/limited credit history to obtain financing.



Hazards of Cosigning

- If the student takes out a loan with a parental cosigner, and cannot make the payments, the parent is now responsible.
 - Suzie has a loan for \$500 a month. 8 months after graduation, she has no job and now, no cash reserves. She defaults. Suzie's loan is now, your loan. **Happy retirement!**



Cosigning in Retirement Age

- 2.2 million Americans who were 60 or older owed \$43 billion in federal and private loans.
- This is up from \$15 billion in 2007!
 - *“Future parents could be paying off their own student loans when their kids start college.”*



Future Cost of College

- If college costs continue to climb at the current rates, in 17 years you can expect to pay \$38,000 per year in a public institution.
- That climbs to \$98,000 per year for private institutions.
- \$100 invested per month would net about \$40,000 by year one in college.



Source information from The Chicago Tribune

Cost Increase not Just Tuition Anymore!

- Nationally, tuition at public colleges rose at a record amount.
 - After state and institutional grants and scholarships, tuition rose 8.3%.
 - Average state funding dropped by 9%.
- This means that students will have to fund the gap between scholarships/grants and the total cost to attend.



Choose wisely

- In state, out of state, what's the big difference?
- IT'S A BIG DIFFERENCE! ... Maybe THE difference!
 - MAP Grants
 - Tuition breaks for in-state students



Don't Choose Poorly

- Total student loan (outstanding) debt topped \$1 trillion this year.
- Over 50% of students fail to max out government loans before taking riskier private loans.



Source information from www.WSJ.com

For-Profit Schools

- For-Profit institutions had the highest three-year default rate at 23%!
 - Student in Chicago earned a 2-year degree from a for-profit (interior design.) The staff was more than happy to help her sign for \$79,000 in loans. After interest and fees, it ballooned to \$100,000.
 - After 5 years of making payments, she owes \$98,000.



Real Example

- My child is very smart. We are pretty smart too. This CAN'T happen to us!
 - Not true. It is happening to real folks.
 - The following is a real example at a nationally recognized institution. This is not a “for-profit” institution.
 - Names and institutions have been changed because quite frankly, it is scary.



Tuition Bill – \$37,000 at **BIG** University

Financial Aid	Amount
Federal Perkins Loan	\$2000
BIG U. Grant	\$4000
Stafford (subsidized) Loan	\$3500
Unsubsidized Stafford Loan	\$2000
Plus (parent) Loan	\$25500
Unmet Cost of Attendance	\$0!



Closer look at BIG's package

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Closer look at BIG's package

- Your Unmet Cost of Attendance may be “0”, but the student still owes \$7,500.
- Better news, you as the parent, owe \$25,500!
 - Congratulations!
- If costs stay equal (which they probably won't), you will owe \$132,000 at graduation.
 - What will it take to pay that back?



Breathe!



Program Description

- What is The Give Something Back Foundation (GSBF?)
- What is this new scholarship?



GSBF

- In 2003, Lockport Township High School graduate, Bob Carr, wished to give something back to future generations of high school students at LTHS.



GSBF

- To date, 41 students have graduated with sponsorship from GSBF.
- 53 students are currently in college and 36 are currently in high school taking college preparatory coursework.
 - 89 students are currently on track to receive a college degree sponsored by GSBF.



Program Description

- The Give Something Back Foundation (**GSBF**)
Partner School Scholarship
 - Designed for students who:
 - Are people of high character,
 - Have a high level of academic achievement, and
 - Attend one of the approved school districts in Will County.
 - Are eligible for a full **Pell Grant**



Pell Grant

- What is a Pell Grant?
 - The Pell Grant program is sponsored by the government, which determines the student's financial need.



What affects the Pell Grant?

- Financial need (Generally speaking -- \$60K or less)
- Cost of attendance
- Full-time or part-time student status



Partnership

- Partner Schools:
 - University of St. Francis
 - Blackburn College
 - Lewis University



Cost

- The four organizations have dedicated creative thought and resources to address the cost of higher education.
- Through the prefunding of students by GSBF, and financial generosity by the partner schools, students will have the opportunity to attend college at **no cost**.



Options

- USF and LU will be commuter options (20 students this year at each institution – or a total of 40 commuters.)
- BC will be for Residents (12 students this year.)
 - Over the next 4 years:
 1. 2013-14 – 52
 2. 2014-15 – 52
 3. 2015-16 – 42
 4. 2016-17 – 42

» 188 over the next 4 years!



Non-academic activities

- Several activities will be required for the students to attend while in high school subsequently, in college.
- For example:
 - Etiquette Training
 - ACT Prep
 - Time Management
 - Networking Events
 - Guest Speakers



The Big Difference

- Unlike many scholarships, this is prefunded!
 - Meaning, the schools have the spots for our students.



Action Items

- Attend a College Cost Estimator
- Fill out an Application
 - Please include latest transcript/**7th** and **8th** grade report cards.
 - Available online at www.givesomethingbackfoundation.org
- Interview (if selected)
 - Up to 52 Students will be selected this year.



Turn-back Night(s)

- November 12
 - LTHS (Auditorium) 5:30
 - Lincolnway Central – (Rosenquist Theater) 7:30
- November 13
 - Plainfield Central (Cafeteria) 6:00
 - Reed Custer 7:30

Questions

- Q&A

