



# The ROI of College and Major Changes You Should Know!

*Cozy Wittman  
College Inside Track  
612-850-5729*



Helping families successfully navigate college search for 17 years

Help students identify right fit schools – Academic, Social, Financial

Reduce the stress between parents and kids during this journey

# ROI of College

As prices continue to rise does it still pay to go to school?

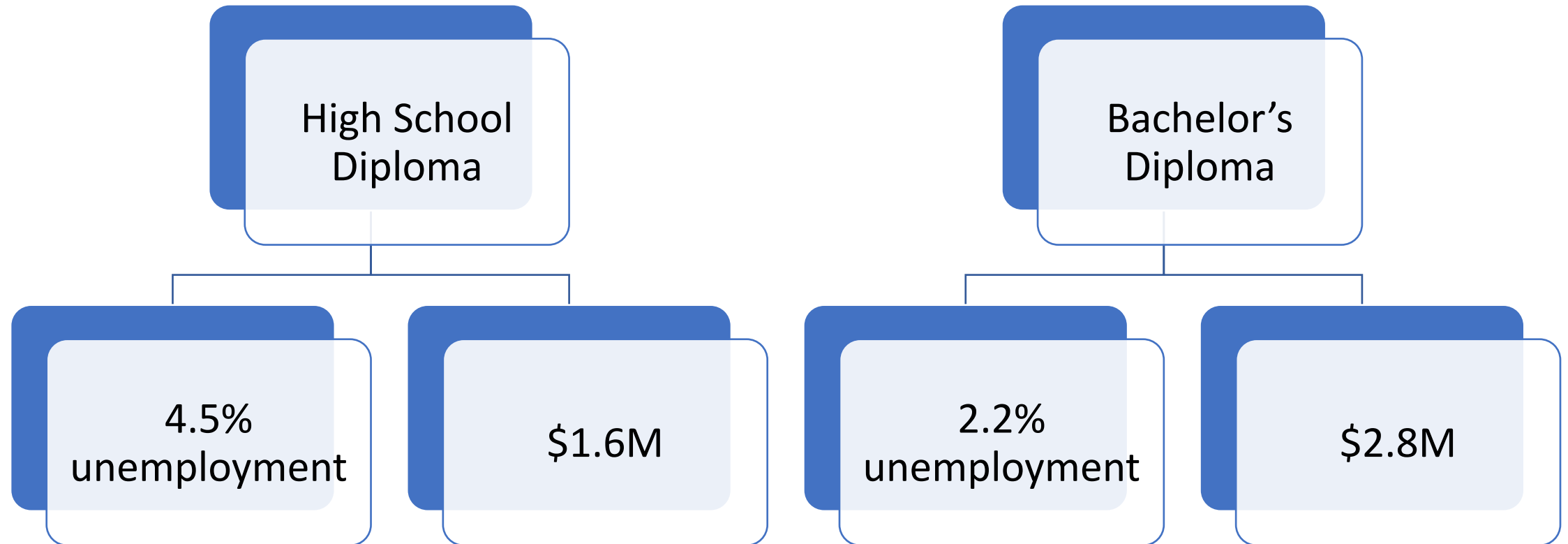


# What is the ROI?

Assumption –

- Starting salary \$50,600
- \$101K in direct cost
- \$303K with loan interest and indirect costs (like travel)
- It takes 10 years before the ROI begins
- 97% of colleges in the US get the student to 10 yr 0 threshold
- ROI on a bachelor's is the lowest of all the post secondary degrees

# Let's compare



# Cost of Attendance

NYU \$90,222

Northwestern University \$86,330

Columbia University \$86,097

Johns Hopkins University \$86,065

University of Denver \$80,614

Drake University \$64,237

University of CA – Berkeley \$39,878

Penn State \$36,278

University of Texas \$34,065



Does it make sense to pay for the...

**Ivy League+**

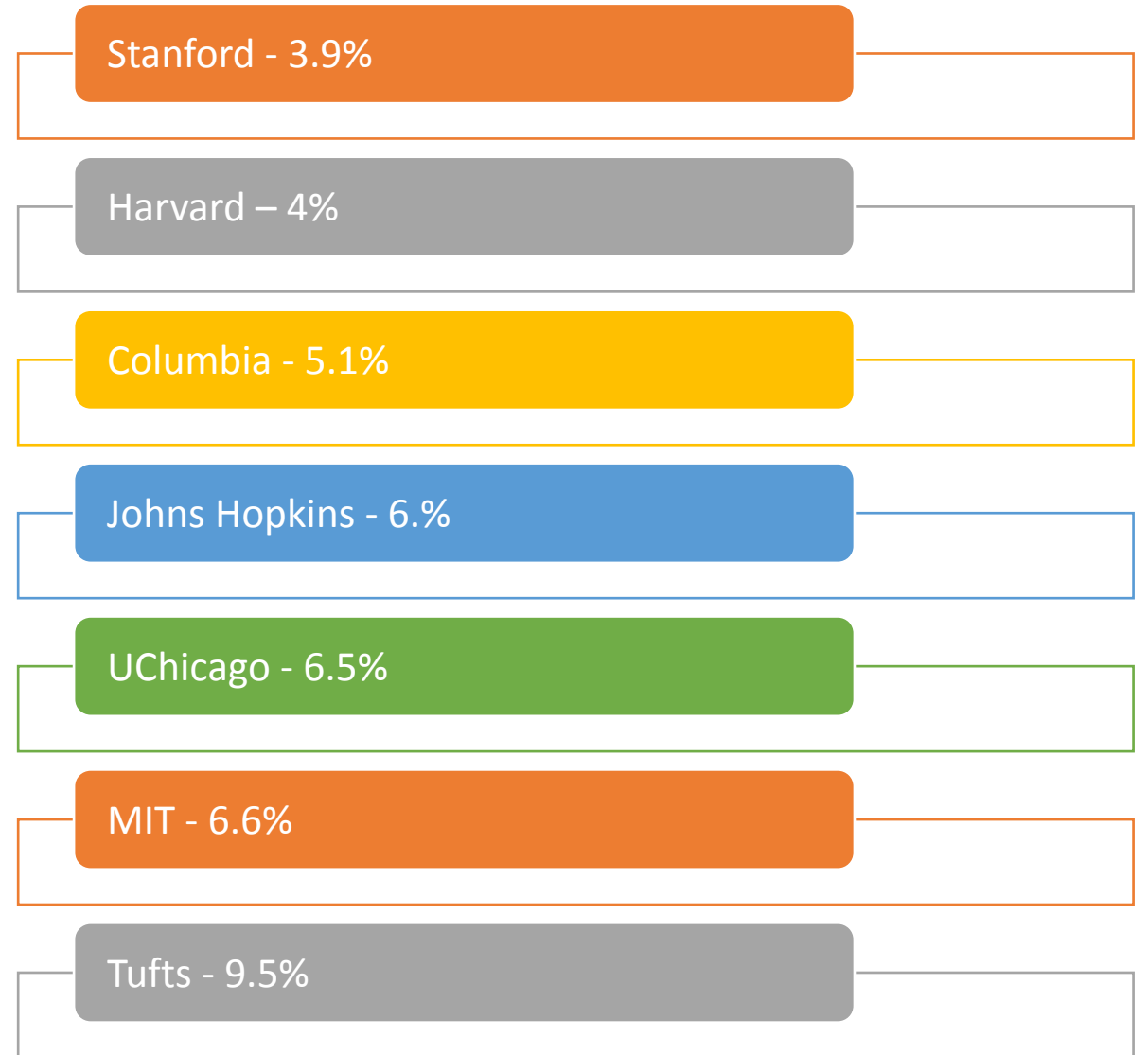
# Should you pay?

- Can the family cashflow the cost?
- What is the student's ultimate goal?
  - Higher acceptance into selective schools for grad school
  - Only hunting ground for some of the elite companies in the market
  - Politics/CEO's
  - High academic achievement while in school = top 1% for 60% of grads

If a family defines success differently, going anywhere else is just fine!



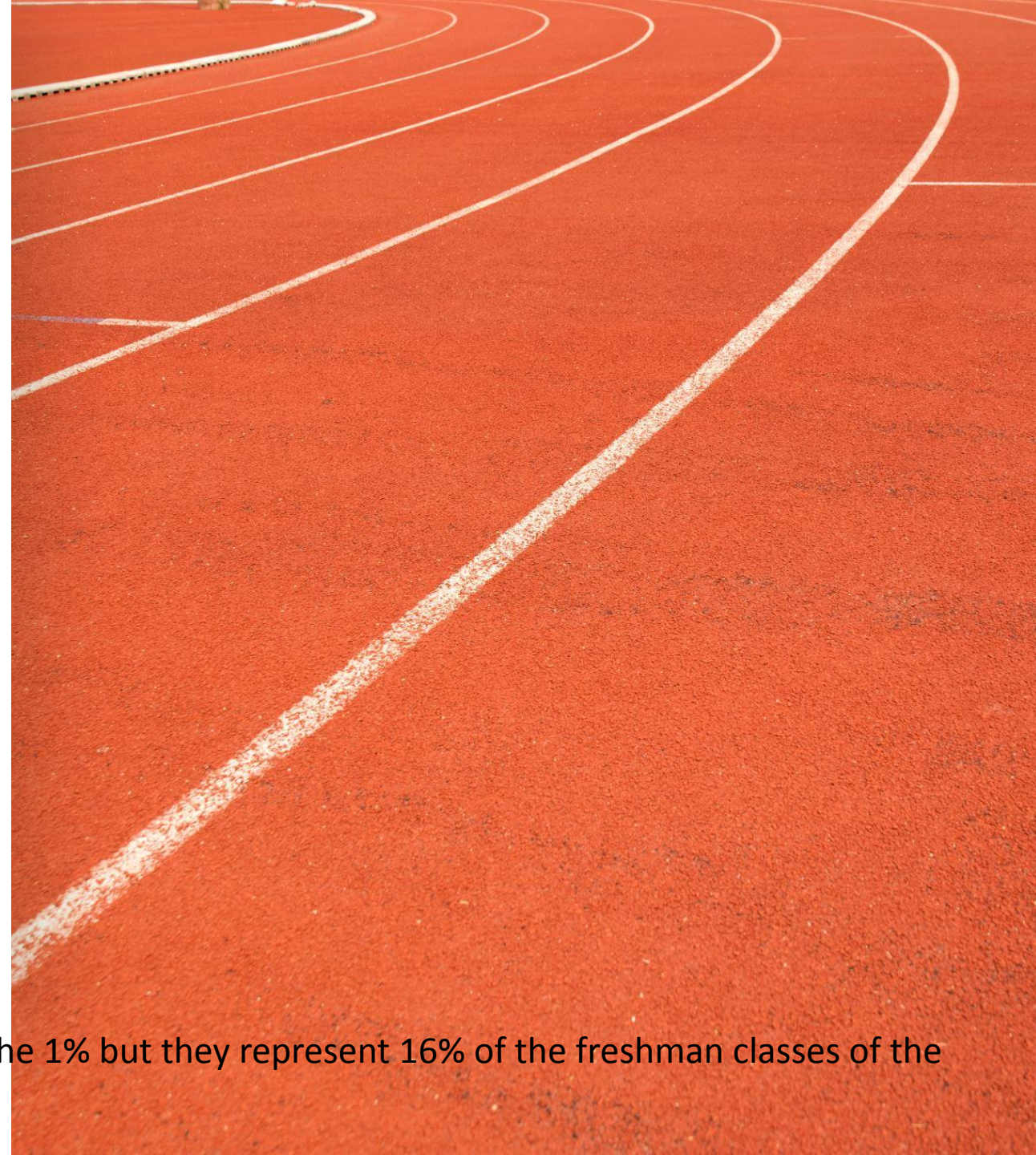
# Acceptance rates at the super selectives




# And the acceptance to the selective schools goes to.... (drum roll)

- Kids from the top 1% families (34% higher acceptance rates)
- Legacy – but also from the top 1%
- Private High School
- Athletes in specialty sports
  - Squash
  - Fencing
  - Sailing
  - But also the ones from the top 1%

Nationally – 7% of the top students in the country come from the 1% but they represent 16% of the freshman classes of the elite schools





“The middle has dropped out of the acceptances of the elite schools. There are a lot of rich kids, some Pell Grant kids, but little to no middle-income kids. You don’t win the PR battle talking about the X number of families who earn more than \$200K that that qualify for financial aid.”

Ivy League Dean of Admissions  
New York Times  
July 24, 2023

# The numbers are changing!

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- Applications are up by 32% since 2020
- Big Brand Schools increasingly more challenging to get in
  - 30+% applicant increase to the Tier 1 (less than 20% acceptance)
  - 26% increase to Tier 2 (20-30-% acceptance)
  - 18% increase in all other schools
- Public Flagship schools increasingly harder to get into for non-residents

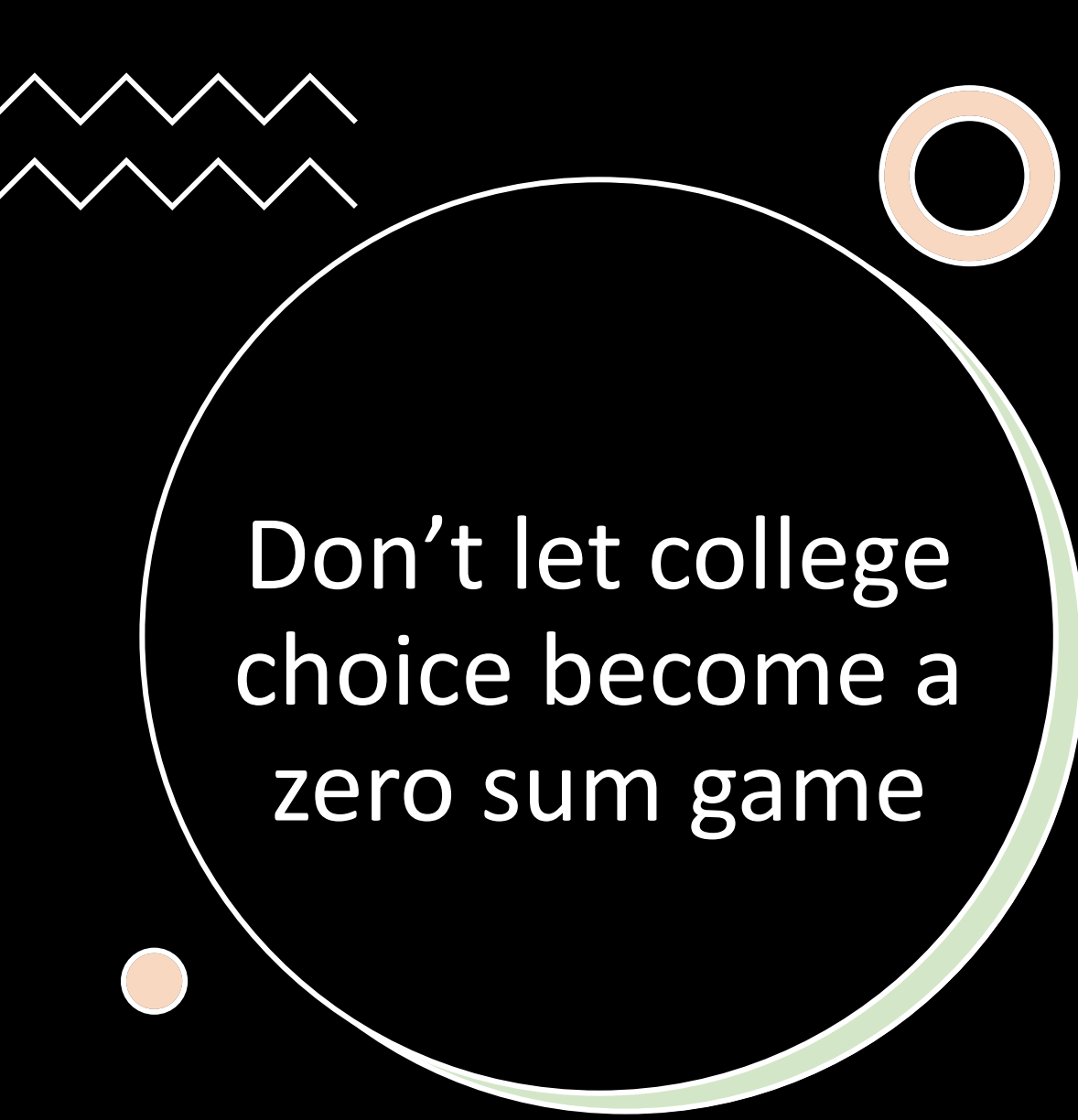
# Trends impacting the cost of college!

Test optional

The shift toward  
Early Decision


Complexities of  
getting into the  
selective schools –  
the list got bigger!





Don't let college  
choice become a  
zero sum game

There are thousands of schools  
that fall between the local  
community college and the Ivy's!



# Guidelines for Debt

- Never take out more in loans than a first-year salary students' chosen field
- For every \$10,000 in loans clients take out, it will be roughly \$100/month loan payment
- Federal loans are only available for the year they are offered, so consider the entire 4 years before declining loans





All the above could be true  
based on the student and  
the circumstances!

Transferring often adds about \$14,000 to the cost of the degree!

# Ditch old thinking! It doesn't suit the college environment any longer!

Colleges are:



FLEXIBLY PRICED



INFLEXIBLY PRICED



THERE ARE PUBLIC AND  
PRIVATE IN BOTH AREAS

# Need vs Merit – How do they compare

## Need

Determined by FAFSA outcome and potentially the CSS profile

Grant or scholarship from the college

Re-evaluated every year

Nearly all schools address some level of need but the vast majority leave much of it uncovered

## Merit

Based on aspects of the student the college deems most beneficial to them

Scholarship from the college

Typically, last for the entire 4 years, ask if unclear

**NOT ALL COLLEGES GIVE MERIT SCHOLARSHIPS**  
it varies greatly school to school

# Assure clients have a *strategy* to pay for college

- 4-year plan and a budget
- Discuss in middle school and early high school
- Help them define who will have skin in the game
- Work to help them understand if they can afford a non-scholarship school



# 529 Plans

## Uses

- Tuition
- Room and Board
- Books & Fees
- Study Abroad for Credit

## Secure Act/FAFSA Changes

- \$10K Lifetime limit to pay back loans - beneficiary and siblings
- Excess rollover to IRA - Beneficiary only - IRA income rules apply
- ***No longer must claim all 529's just student the FAFSA is for***

## Strategic Use

- Lower amounts - spread across all 4 years
- Higher amounts - do they want to save some of it to help decrease grad school debt (much higher interest rates)

# New FAFSA – Student Aid Index

No discount for # of students in college

Small business/farming exemption disappears

Divorce changes

- Financial support determines parent
- Child support and alimony now assessed at 5.64% instead of 47%

3rd party contributions don't impact need-based aid

No longer have to include all 529's

No longer include annual 401K or 403b contributions

# Leverage us to add value

- Start your clients in the right time - sophomore/junior years!
- Recommend our family consultation
- Client Events
- Monthly content you can use
- Grandparents want to help!

# Free Family Consultation

- Value add for you to brand
- An hour of free advice for your clients
- Answer their questions around college search
- Share timing and pacing for great search
- Leave them with great ways to continue







Questions?

Cozy Wittman – Education/Partnership  
College Inside Track  
612-850-5729  
[cwittman@collegeinsidetrack.com](mailto:cwittman@collegeinsidetrack.com)