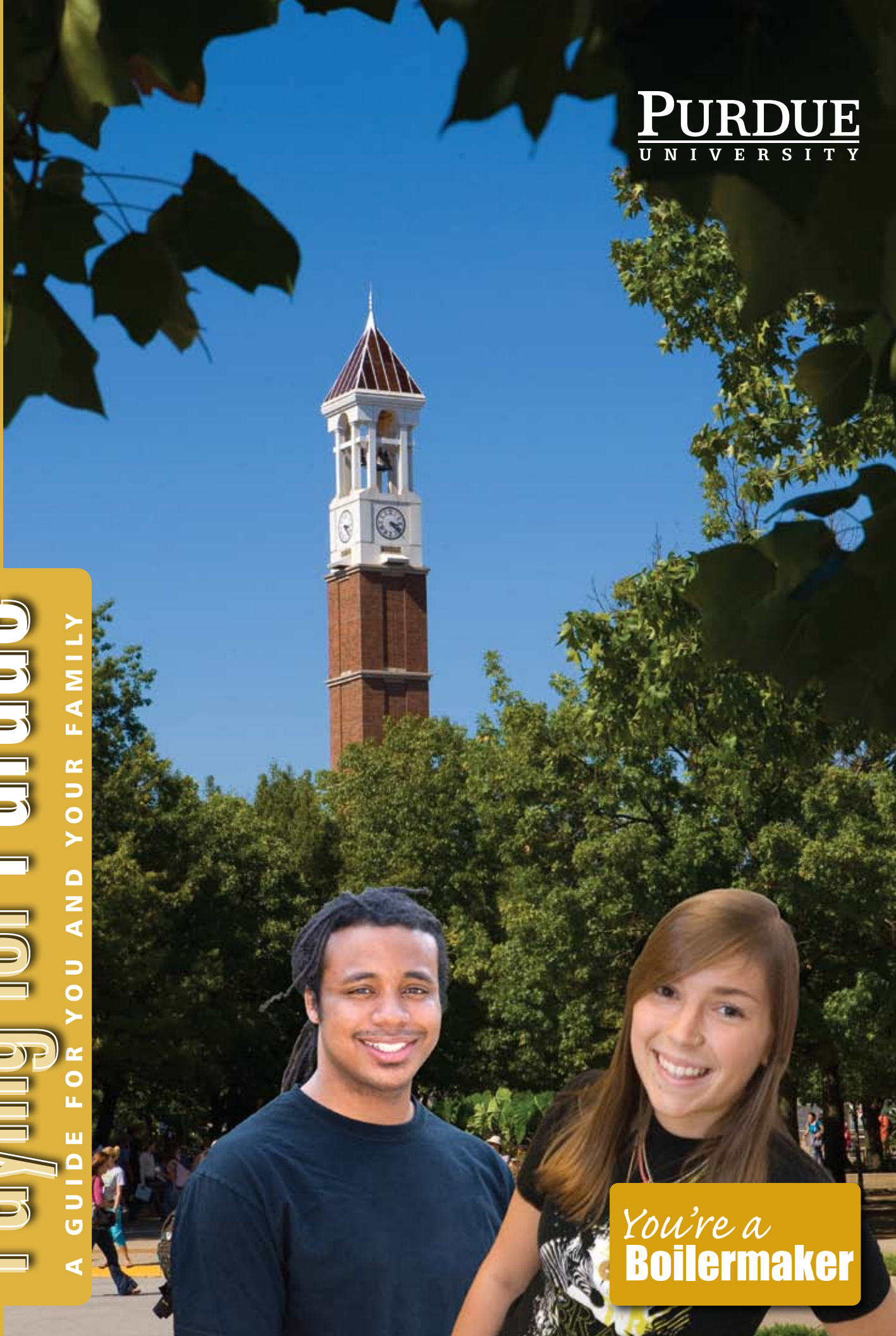
PURDUE
UNIVERSITY

# Paying for Purdue

A GUIDE FOR YOU AND YOUR FAMILY



*You're a* **Boilermaker**

## From the executive director

Dear Student and Family:

With the current state of the economy, many families are concerned about how they will pay for tuition and fees in the fall. If you are feeling that way, now is the time to start exploring possible sources of financial aid. This brochure is designed to walk you through the financial aid process.

As you search for aid, please don't hesitate to contact Purdue's Division of Financial Aid when you have questions. Our highly trained counselors will provide the support you need, regardless of whether you call, e-mail, or come to the office. You can also visit our Web site for in-depth information.

Above all, please keep in mind the benefits of investing in a college education. A Purdue degree is a ticket to rewarding career opportunities, higher earnings, and increased influence on the community and the world beyond. It may be one of the best investments you will ever make.

Sincerely,

Joyce Hall

Executive Director, Division of Financial Aid

Purdue University

## Contents


2 To-do list

4 Estimating your costs

5 The Purdue payoff

6 Types of financial aid

8 Loans and financing plans

9 Student employment

10 Student tips

11 Parent tips

12 Final steps

# Why Purdue?

## The payoff of a Purdue degree

Purdue University is among the nation's best values in higher education, according to two prominent publications. *SmartMoney* magazine recently ranked the University ninth nationally in its college "payback" survey, while The Princeton Review named Purdue to its list of 100 "best value" colleges for 2009.

Purdue is earning such recognition for offering an excellent education at an affordable price. The University is a state-supported institution, which means that Indiana residents receive a discount on tuition and fees. But even for nonresidents, a Purdue degree can cost thousands less than a degree from a private institution.

As a Purdue student, you will enjoy challenging yet rewarding academic experiences, a faculty-to-student ratio of 14 to 1, and a range of career preparation opportunities. In your spare time, you can make friends in Purdue's national-award-winning residence hall system and get involved in one of more than 800 student organizations.

And when you graduate, you'll find that it pays to have Purdue on your resume. According to the *SmartMoney* survey, the median salary for Purdue graduates three years after graduation was $51,400, while the median salary 15 years after graduation was $90,500. Plus, Purdue boasts an alumni network that is 400,000+ members strong. With benefits like these, you'll find that a Purdue degree gives you a substantial return on your investment.

*Named a 2009 Best Value College by The Princeton Review

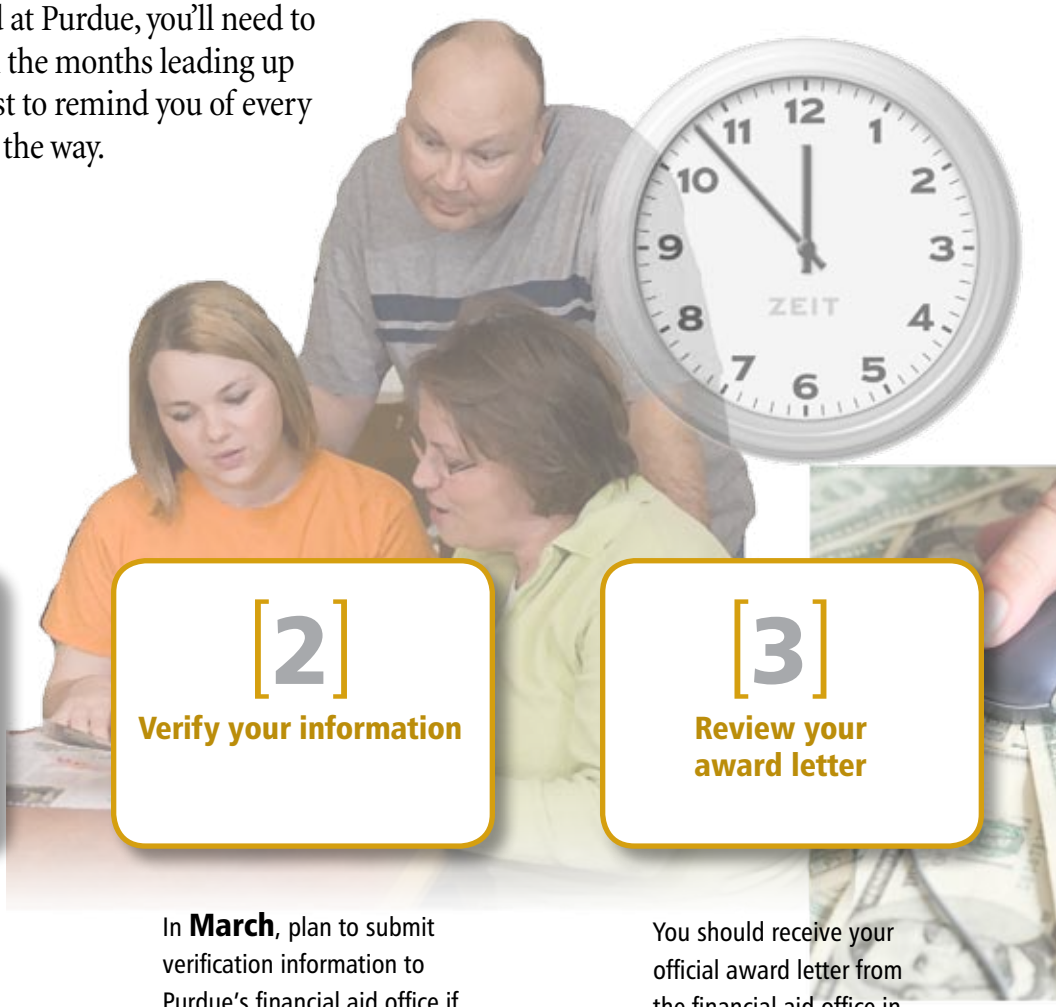
A Best Value College

The Princeton Review

# To-do list

## [Important financial aid tasks]

If you want to receive financial aid at Purdue, you'll need to complete a few important tasks in the months leading up to fall semester. Use this helpful list to remind you of every step you'll need to check off along the way.




### [1] File your FAFSA

File the 2009–10 Free Application for Federal Student Aid by **March 1, 2009**. The application is available at www.fafsa.ed.gov. Use estimated 2008 income tax information if you haven't already filed student and parent taxes.

### [2] Verify your information

In **March**, plan to submit verification information to Purdue's financial aid office if you're requested to do so.

### [3] Review your award letter

You should receive your official award letter from the financial aid office in **early April**.

## [4]
### Visit the myPurdue portal

In **May**, log in at http://myPurdue.purdue.edu to view your aid eligibility, accept any loan or work-study offers, and report any private scholarship awards.

## [5]
### Attend a Purdue financial aid program

In **June or July**, make sure your financial aid is in order by attending the Division of Financial Aid workshop offered at Purdue's Summer Transition, Advising, and Registration (STAR) program.

## [6]
### Pay your invoice online

In **mid-July**, you'll receive an e-mail notice regarding your online invoice for tuition, fees, and campus housing (with credits for any financial aid). By **mid-August**, pay any balance due or sign up for the payment plan. Then, get ready to become a Boilermaker!

# Estimating your costs

## Before your award letter arrives

You don't have to wait for your financial aid package to arrive to anticipate what kind of aid you'll receive as a Purdue student. The University offers a quick, easy-to-use online estimator to help you begin your financial planning. Use this to see just how affordable a Purdue education could be for you and your family.

### Purdue's online financial aid estimator

By spending 10 minutes of your time at www.purdue.edu/pfp, you can determine the amount and types of financial aid you may receive at Purdue. The Purdue Financial Aid Estimator takes your income, high school GPA, test scores, etc., and calculates your expected financial need for the 2009–10 academic year. The tool then lists the awards you may receive, such as Purdue scholarship money and federal or state grants. The estimator was developed to help families plan for educational costs at Purdue University-West Lafayette. Costs and financial aid are estimated based on future educational expenses, available funding sources, and scholarship criteria (all of which are subject to change).

### Estimated cost of attendance: 2009–10

Listed below are standard student expense estimates for the 2009–10 academic year at Purdue. Additions to budgets are made for students in programs that charge special fees such as Aviation Technology, Engineering, Management, PharmD, and Veterinary Medicine. Current tuition and fee information and a tuition and fees calculator is available at www.purdue.edu/bursar.

| Two semesters, full-time enrollment | Indiana resident | Nonresident |
|---|---|---|
| Estimated fees and tuition | $8,060 | $24,160 |
| Room and board allowance | 8,330 | 8,330 |
| **Direct cost estimate subtotal** | **$16,390** | **$32,490** |
| Transportation allowance | 300 | 460 |
| Personal and miscellaneous allowance | 1,740 | 1,740 |
| Book/supplies allowance | 1,240 | 1,240 |
| **Indirect cost estimate subtotal** | **$3,280** | **$3,440** |
| **Total cost of attendance** | **$19,670** | **$35,930** |

# The Purdue payoff

We asked several recent alumni how their Purdue degree has paid off for them. Here are a few of the things they had to say:

"The return on investment of my education has been great. I gained two years of professional experience by participating in Purdue's Co-Op Program, which gave me a good salary to put toward tuition and resulted in numerous job offers."

**David Mullaly**
**BS Chemical Engineering, 2006; BS Chemistry, 2006**
**Assistant Brand Manager**
**Procter & Gamble**

"Purdue has been my springboard. My education and the connections I've made have helped me win competitive internship positions, earn a master's degree, and find a career path that is meaningful to me."

**Christa Wessels**
**BS Animal Science, 2007**
**Greek Life Coordinator, Lehigh University**
**National President, Delta Phi Mu Sorority, Inc.**

"Because of the quality of my education and the access to resources that I enjoyed at Purdue, I now have an excellent position at a top Wall Street firm in New York."

**Carlos Banks II**
**BS Accounting, 2008**
**Goldman Sachs**

# Types of financial aid

## Help for your tuition budget

Purdue awards a combination of gift aid (scholarship and grant programs) and self-help aid (loans and Federal Work-Study) from federal, state, Purdue, and private sources. Combined, this amounts to over $450 million a year in aid dollars.

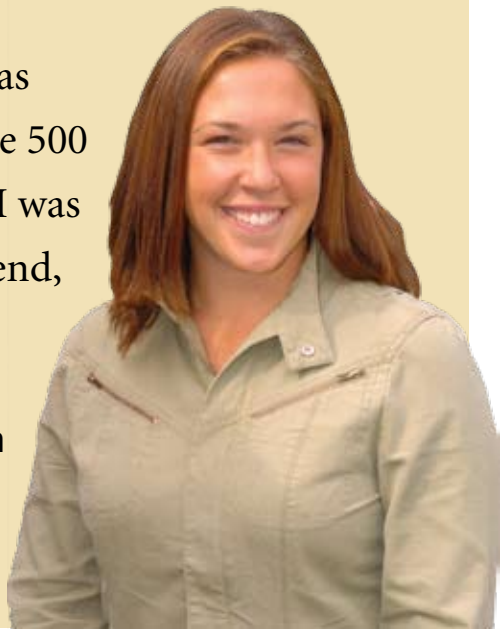
### Scholarships, grants, and tax credits

**Federal grant programs:** Students from lower-income families may qualify for the Federal Pell Grant program — the building block of financial aid programs for needy families. Students who qualify for the Pell Grant may also qualify for the Federal Supplemental Educational Opportunity Grant and/or the Federal Academic Competitiveness Grant. In addition, the National SMART Grant may be available to Pell Grant-eligible students in their third and fourth year of college. A new Federal TEACH grant/forgivable loan program may be available to students interested in eventually teaching in high-need fields in low-income-serving schools.

**Federal tax credits:** Middle-income families that may not qualify for need-based grant aid are likely to qualify for education tax credits. The federal government delivers significant financial aid dollars to middle-income families at the end of the tax year after payments have been made to Purdue. The University will issue a 1098-T Form each January that shows the amount of tuition and fees paid to Purdue, less gift aid received. The Hope scholarship tax credit is for the first two years of college; the limit on the program went up to $1,800 in 2008. The Lifetime Learning tax credit is for beyond the first two years of college and the limit is $2,000. Consult your tax advisor or the Internal Revenue Service for more information or visit www.purdue.edu/pfp.

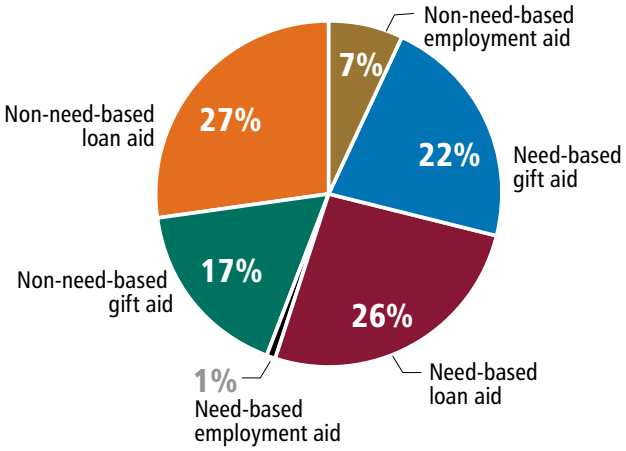
"The return on my Purdue education has been tremendous. A number of Fortune 500 companies recruited on campus when I was looking for a full-time job, and, in the end, the hardest thing was deciding which offer to accept."

**Kara Eschbach**
**BS Accounting and Management, 2007**
**Analyst, Credit Suisse**



## Financial aid at Purdue

**Undergraduate students, 2007–08**




**Indiana state grant programs:** Students from lower-to-middle income Indiana resident families may qualify for the Indiana Higher Education Award administered by the State Student Assistance Commission of Indiana (SSACI). SSACI administers one of the top need-based aid programs in the country, aid programs for Children of Certain Veterans and Officers (CVO) disabled or killed in service, and selected merit-based scholarship programs. Visit www.in.gov/ssaci for more information.

**University-wide merit scholarships:** Purdue offers Trustees and Presidential scholarships to highly qualified students. These are awarded through an automatic process, based on academic information provided with admission applications completed by a deadline of November 15, 2008. For more information, visit www.purdue.edu/pfp.

**Purdue need-based scholarships:** The majority of Purdue's need-based scholarships are awarded to lower-to-middle income students who file a FAFSA by March 1. There are also a limited number of merit-based scholarships with a need component, awarded by Purdue's academic colleges, schools, and departments. Students apply for these by completing an online application accessible via www.purdue.edu/pfp by February 15, 2009.

**Private scholarships:** Many Purdue students seek out private scholarship opportunities from their high schools, community organizations, parents' employers, etc. As a result, about 1 out of every 10 students at Purdue receives a private scholarship, and more than half of recipients are incoming freshmen. For tips on identifying opportunities, visit www.purdue.edu/pfp.

# Loans and financing plans

## Ways to defer tuition payment

### Student and parent loans

Student and parent loan programs are financing plans that enable families to spread out college costs over a 10-year repayment period (or longer). Loans require repayment with interest, but payments can be deferred until the student is no longer in college. Different types of loan programs have different requirements and limits.

In general, you should utilize lower-interest loans first, but only borrow what you need. Eligibility usually requires a minimum of half-time enrollment (6 credit hours or more).

**Purdue and Federal Perkins Loans:** 5 percent interest rate student loans, generally limited to $1,700 per year; awarded to lower-to-middle-income families

**Federal Direct Stafford Loans:** 5.4 to 6.8 percent interest rate student loans, limited to $5,500 freshman year, $6,500 sophomore year, and $7,500 junior or senior year

**Federal Direct Parent PLUS Loans:** 7.9 percent interest rate loans for creditworthy parents, limited to the cost of attendance less other aid

**Private alternative loans:** generally higher variable rate interest loans offered by various private lenders that require borrower or cosigner to be creditworthy; limited to cost of attendance less other aid

### Student and parent loan repayment

Repayment of educational loans begins after the student is no longer enrolled in college.

For a student who borrows $20,000 in student loans, the monthly repayment amount is about $230 over 10 years (assuming a fixed 6.8 percent interest loan).

For a parent who borrows $20,000 from a Parent PLUS loan program, the monthly payment is about $241 per month over 10 years.

### Purdue financing plan

Tuition and on-campus housing is billed separately for the fall and spring semesters, about six weeks prior to the start of classes each semester. Families have the option of either paying the balance due after all aid is applied or using the Purdue Installment Plan.

The Purdue Installment Plan helps families spread out the net balance due for tuition, fees, and housing over four payments per term. You enroll in the plan by making a down payment of 25 percent by the due date and then continue by making three subsequent monthly payments of 25 percent each. A finance charge of 1.5 percent of the amount deferred is required each semester to participate in the plan.

# Student employment

## Earning money for tuition

Students are the primary beneficiaries of a college education and usually pay part of the bills. One of the ways many students earn money for college is through employment — an important and sometimes significant form of "self-help" financial aid. Purdue's Student Employment Services helps identify on- and off-campus job opportunities, and the Federal Work-Study program provides additional job opportunities for eligible low-to-middle-income students.

All Purdue students are eligible to receive student employment search services. Student employment opportunities are posted online and can be accessed through www.purdue.edu/pfp. Most fall semester positions begin to be posted during the summer.

### Benefits of part-time student employment

Working 8–12 hours per week while in school has actually been shown to help academic achievement.

Students who work on campus tend to form a stronger connection to the campus community and are more likely to stay in school.

Employment enables students to learn transferable job skills that can be important after graduation.

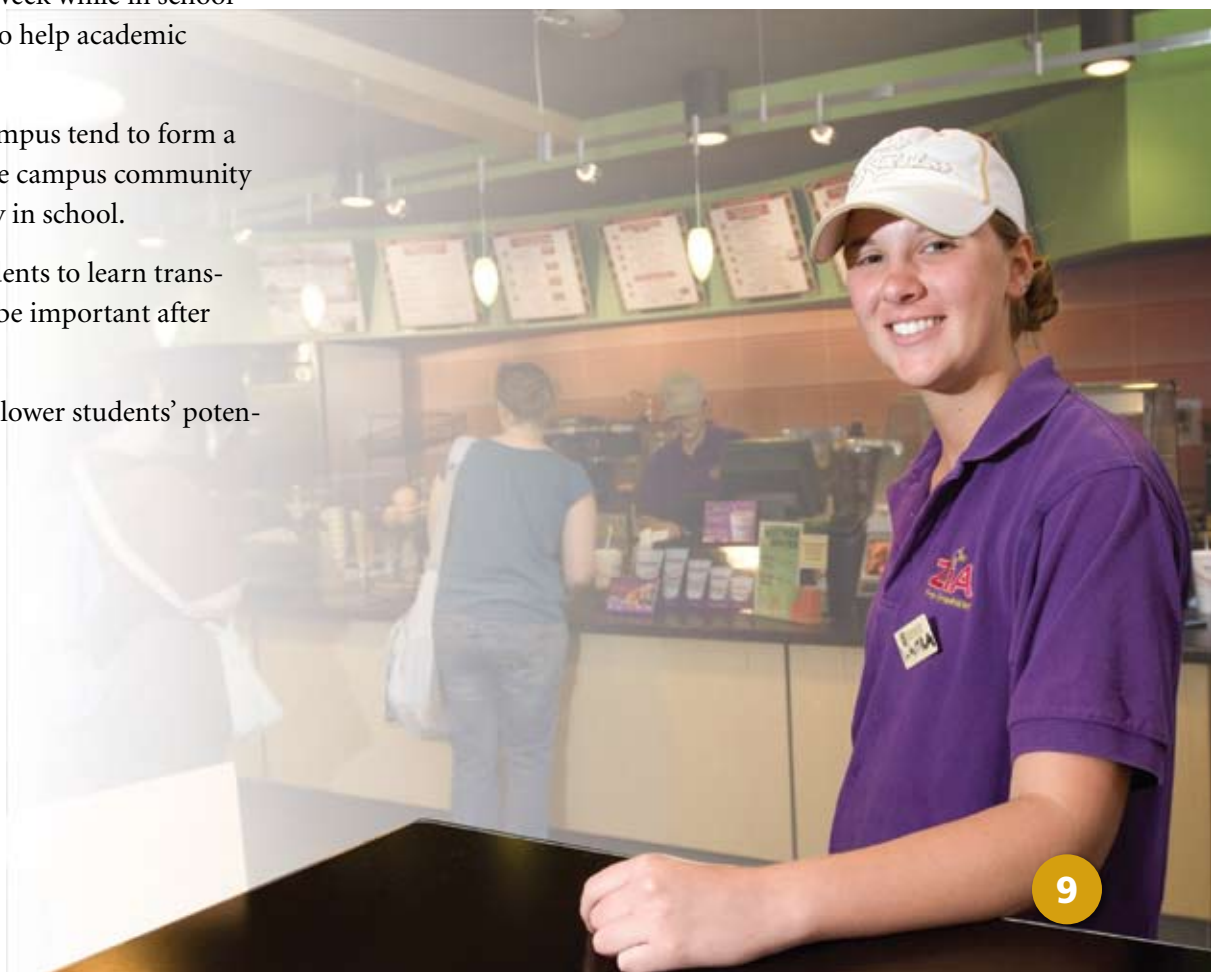
Employment income can lower students' potential loan debt.

### Full-time student employment programs

Internship programs and cooperative education programs are excellent ways for Purdue students to gain work experience after their freshman year while also earning money for college.

**Internships:** Purdue students often complete internships during summer breaks. For a link to opportunities, visit www.purdue.edu/pfp.

**Professional practice programs**: Often referred to as "co-op" programs, professional practice programs allow students to alternate semesters of on-campus study with semesters of full-time employment. Visit www.purdue.edu/pfp for more information.



# Student tips

## How to achieve financial independence

Part of becoming a successful college student is learning how to manage your finances and take care of business such as filing applications and paying bills on time. Follow these four tips and you'll be starting your college experience off on the right foot.

### Tip 1: Negotiate a deal with your parents.

Have the "money talk" with your parents to determine how much of your college costs will be your responsibility, then begin planning how you'll hold up your end. For instance, let's say you'll be responsible for 25 percent of Purdue costs. You may want to consider the following ideas:

How much money can you **SAVE** by working full-time during summer breaks? Are you able to **WORK PART-TIME** while in college to help pay your share?

How much of a dent can you make by pursuing private **SCHOLARSHIPS** from your high school or community?

How much **STUDENT LOAN MONEY** is available to cover the rest of your share, and will the repayment be manageable?

### Tip 2: Take care of Purdue business.

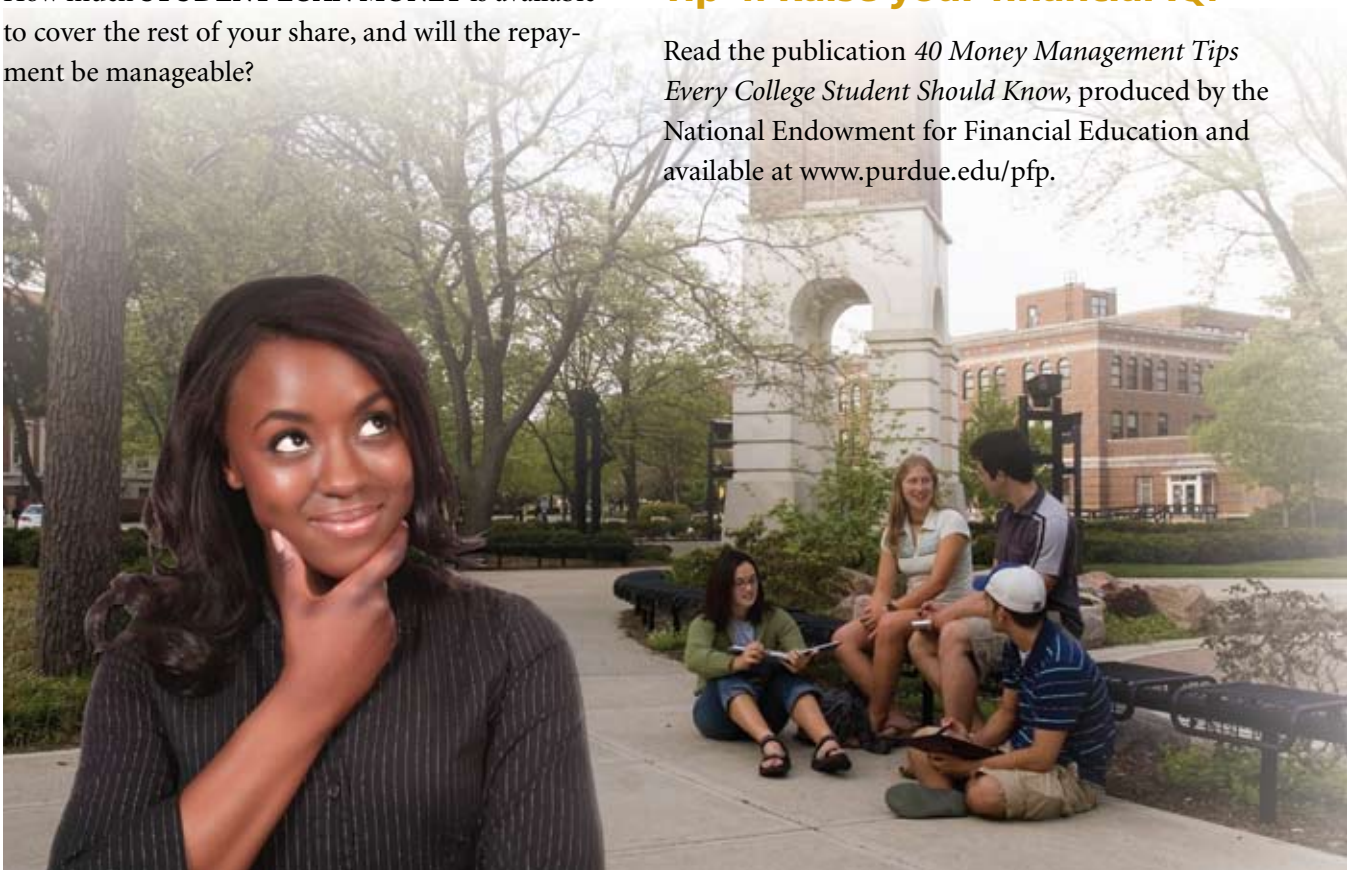
The Division of Financial Aid, Bursar's Office, and other Purdue offices will send important information to you (not your parents) via your Purdue e-mail address. Be sure to read these e-mails and complete any actions required. You may also want to forward these e-mails to your parents to keep them in the loop.

### Tip 3: Be wary.

You'll be inundated with offers for credit cards and private loan products. Be wary of aggressive marketing techniques, and use credit wisely — if you have to use it at all.

### Tip 4: Raise your financial IQ.

Read the publication *40 Money Management Tips Every College Student Should Know,* produced by the National Endowment for Financial Education and available at www.purdue.edu/pfp.



# Parent tips

## Helping your student take on new responsibilities

As a parent, you can play a key role in helping your student become savvy about money management and college financing. Follow these tips to help your son or daughter achieve financial independence while pursuing a college degree.

### Tip 1: Discuss your expectations.

Talk to your student about college costs, making it clear what you're willing to cover and what portion you expect them to take care of. For example, maybe you plan to cover 75 percent but expect your son or daughter to pay the remaining 25 percent of Purdue costs. This discussion will not only establish clear communication but also set the groundwork for a positive, evolving relationship.

### Tip 2: Coach your student about new responsibilities.

Help your student take an active roll in understanding his or her new responsibilities, such as completing financial aid forms, submitting loan applications, and paying bills for tuition and living expenses. Make sure your student establishes a Purdue e-mail account (www.purdue.edu/pfp), checks it regularly for important updates from Purdue offices, and keeps you in the loop by forwarding important messages.

### Tip 3: Alert the Division of Financial Aid to special circumstances.

If you experience a sudden change in income or expenses, discuss your special circumstances with Purdue's Division of Financial Aid. We may be able to re-assess your family's aid eligibility in the event of a loss of income, divorce, death in the family, layoff, etc. Please note, however, that Purdue will only reevaluate your financial aid under such serious circumstances; the University does not negotiate financial aid or try to match offers from other colleges.

# Final steps

## Getting ready to make smart financial decisions

When you receive your official award letter, make time to sit down with your parents and plan how you'll cover any balance that's left on your invoice after all financial aid is applied.

### Award notification

You should receive your award letter in early April; carefully read all of the information in it before taking any action. Remember: your financial aid eligibility is based on your individual financial need, the rules governing the various student aid programs, available funds, and full-time enrollment (unless otherwise noted in award messages). If you have any questions about your award letter, contact the Division of Financial Aid.

### Financing strategies

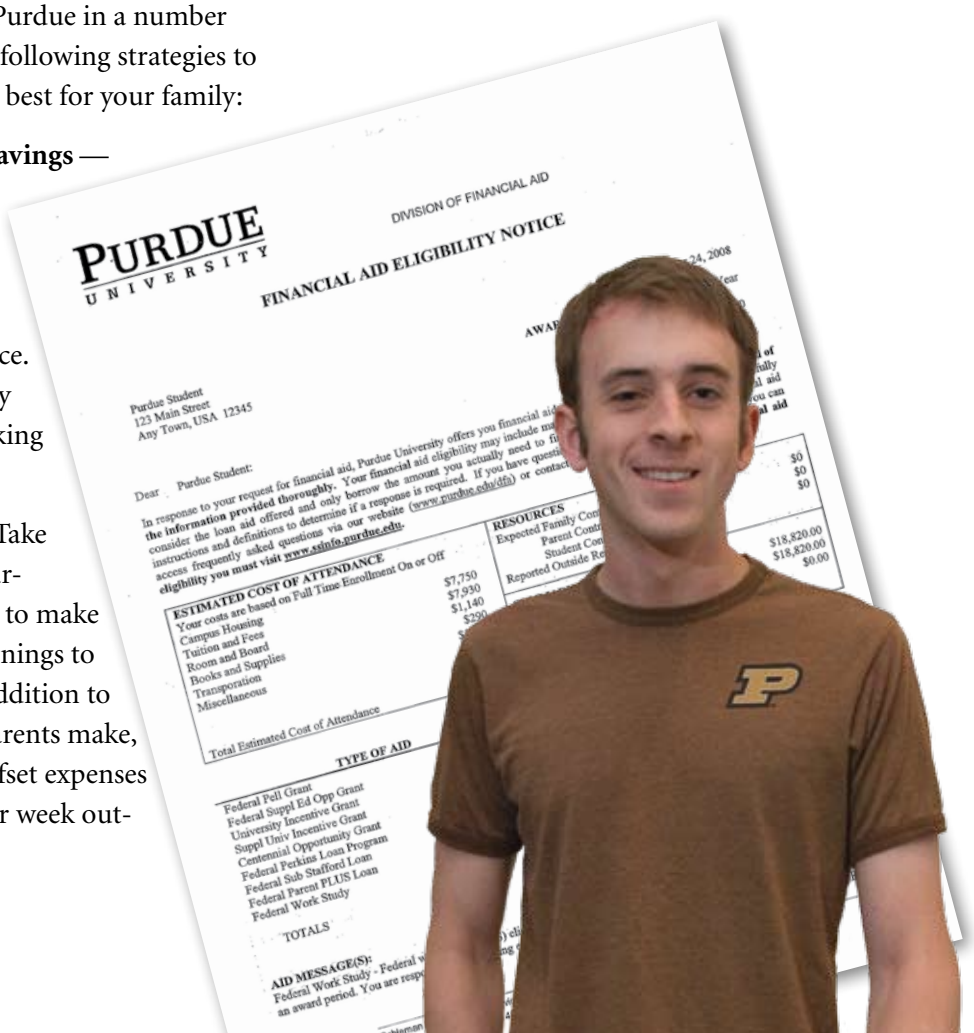
Families go about paying for Purdue in a number of different ways. Refer to the following strategies to establish a plan that will work best for your family:

**Use student and parent savings** — Minimize future debt and interest payments by using the money you and your family have saved so far to help pay your balance. Remember to factor in any money you'll save by working during summer breaks.

**Use current earnings** — Take advantage of Purdue's four-payment installment plan to make it easier to use current earnings to pay off your balance. In addition to any contributions your parents make, you can earn money to offset expenses by working 8-12 hours per week outside of class.

**Explore your other options** — Pursue private scholarship opportunities and remember any tax credits your family may be eligible to receive. You may also want to consider any help available from extended family.

**Use future earnings** — Through educational loans, you and/or your parents can spread college costs over 10 years (or more) of loan repayment; it's best, however, to consider borrowing only what you need after you've exhausted other financial aid options.



# Contact us

## Get the help you need

Get answers to your financial aid questions by contacting Purdue's Division of Financial Aid via your preferred method of communication:

**Phone:** (765) 494-5050
Call this number to reach our highly trained staff members, available from 8:00 a.m. to 5:00 p.m., Monday through Friday.

**E-mail:** facontact@purdue.edu
Send us a financial aid question by e-mail, and you'll most likely get an answer within 1–2 working days (excluding weekends and holidays).

**In person:** Schleman Hall, Room 305
Get in-person assistance by coming to our office to meet with a counselor (M–F, 8:00 a.m.–5:00 p.m.). Service is provided on a first-come, first-served basis. If you want to connect with on- and off-campus employers and receive job search guidance, you can visit Student Employment Services just down the hall in Room 302.

**Web:** www.purdue.edu/pfp
You can access almost everything you need to know about financial aid at Purdue on the Web, including student job postings and answers to frequently asked questions.

**myPurdue:** http://myPurdue.purdue.edu
Log in to this site to check your financial aid status and billing status. In addition, you can use this site to find information about financial aid, tuition and fees, fee and housing credits, tax credits, and more. Access information through the "Financial" tab.

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