



UNIVERSITY of
ROCHESTER



Expert's Guide to Financing College



How do you know an education is worth the money?

The fact that you're reading this means you've been thinking about the future. Your friends, family, teachers, and counselors are all talking about life after high school: colleges, careers, and possibilities ahead.

As you weigh your options, research facts, and focus on schools that might fit you, you'll likely start planning how much your education will cost, and thinking about **how much it will be worth** after you're done.

In this guide, you can learn more about the financial commitment your college journey will require. Having more information should aid your family's planning and give you some sense of control and confidence.

Investing in a Quality Education

Finding the right place to earn a college education isn't a one-time purchase, like buying new clothes, or even like financing a new car. It's an investment more like buying a house, starting a business, or planning for retirement.

As with any investment, a family that has the opportunity to save and plan will enjoy advantages. If you've planned well already for your college expenses, you may want to consider a couple of special options:

529 plans

You may have heard of these tax-advantaged college savings plans because many states offer them. You may not know that even the nation's most elite universities have them. Established in 2003, the Independent 529 Plan (I-529) is a savings plan involving 274 private colleges and universities administered through TIAA-CREF. Through the I-529, you prepay some share of tuition today that you can use later at any participating school.

By prepaying in a 529 plan, you reduce or eliminate the costs of future tuition increases. In addition, schools often offer a discount when you prepay. So, as an investor in this program you could actually pay less than today's tuition rate for an education that's years away.

The certificates you earn as receipts of your prepayment must be held for at least three years before use; however, you then have 30 years to redeem them. This allows you great flexibility in planning your college finances.

To learn more, visit www.independent529plan.org.

Prepaid Tuition Plan

Similar to the I-529, the University of Rochester's Prepaid Tuition Plan allows you to pay in advance at the tuition rate in effect when you enroll, avoiding the uncertainty of future tuition increases. You may prepay as little as four or as many as all eight semesters of undergraduate education.

Visit www.rochester.edu/adminfinance/bursar/prepaid.htm for more information.

The Return on Your Investment

Choosing to invest in a quality education is a high-risk/high-reward activity.

The immediate questions about how much you're spending and borrowing for four years of college are important, but it's even more important to consider how much you'll be earning and accomplishing in the 40 or 50 years beyond that.

The evidence is clear: for most people, the right college education pays for itself.

First, finishing college at any price is better than not finishing. College graduates earn much more over the course of their lifetime, on average, than adults who don't finish college—easily enough to justify any initial investment. Second, college graduates who persist to earn graduate degrees will have an even greater **return on their investment** over the course of their working life.

So are all college degrees the same?

No. Finishing college is the single most important accomplishment, but some degrees (and the learning that leads to them) provide greater opportunities than others. Seeking that 'extra' value, worry less about the college name on the diploma and more about the other people who go there. Studies show that your best chances for success in college and beyond start by surrounding yourself with engaging classmates. Study a school's admission, retention, student satisfaction, and graduation rates to know whether others who go there are making the most of their experiences.

So what about Rochester?

We're proud that students are both eager to get into the University of Rochester and happy to call it home for four years. We enroll capable and satisfied students, making our retention and graduation rates among the highest in the country. UR students also move on with confidence. 88% of the students in last year's graduating class were seeking graduate education, including hundreds who went to medical school, law school, and Ph.D. programs.

Data about satisfaction and success—and testimonials from graduates—can help illustrate the benefits of investing more money now in a long-term quality education. In particular, choosing to attend a top research university in order to collaborate with professors who are experts in their fields may increase the cost of your college education, but it will increase the final value of your degree even more.

The University of Rochester was ranked 27th among U.S. universities in *U.S. News and World Report's* "Great Schools, Great Buys."

Need-based Financial Aid

In the United States, some colleges and universities offer need-based aid only, but most offer both **merit-based** and **need-based** awards. Merit-based assistance usually means scholarships, awarded by admissions offices, alumni, departments, and outside groups. Need-based aid is typically a combination of grants, loans, and work study, and your eligibility for this is usually determined by a “financial aid” or “financial assistance” office.

Together, both types of aid are helping many more families afford the college investment than ever. In fact, despite growing concern about rising college tuition, the aid that colleges provide for students who need it has been growing even faster than the price of tuition over the last twenty years.

For more information about financial aid programs and applications, please review our financial aid brochure at:

http://enrollment.rochester.edu/admissions/res/pdf/financial_aid.pdf.

At Rochester, Rest Assured:

- First-generation and lower-income students have earned a long history of success at Rochester through generous financial aid.
- The Financial Aid Office recognizes that every family situation is unique and works to determine the best aid package possible based on each family’s demonstrated financial need.
- The University is committed to meeting the full demonstrated need of all admitted students.

Many students entering college are concerned about borrowing. Colleges will offer different policies and plans when it comes to loans. A few of the colleges with billions of dollars in endowment can afford to let students attend with no loans, but this is uncommon. Many other colleges have no effective limits on how much you can borrow.

A middle path assumes that some borrowing can be an effective way to expand your college options, but also that the total amount of debt a student assumes should be monitored and limited. Aid offices can direct both students and parents to the lowest interest borrowing options available, and often keep strict loan limits in the financial aid packages.

Following this practice allows Rochester and other “middle-path” places to enroll a larger share of middle-income and low-income students without exposing them to too much risk. The total amount of borrowing has increased a bit over the decades, but in steady and manageable increments. Only a handful of Rochester students—less than 1% of those who borrow—get into trouble by defaulting on their loans after graduation.

Merit Scholarships

At some colleges, merit scholarships are awarded through a separate application process, so it's wise to peruse the websites early for the colleges you're considering. Many other merit scholarships are awarded based on the information you provide with your application for admission.

For older colleges like Rochester where generous alumni have been donating for centuries, **merit-based scholarships can range in amount from \$2,000 per year up to full tuition.** Criteria for awarding will vary—in this brochure, you'll find Rochester's list as an example.

Typically, undergraduate applicants can compete for scholarships. For strongest consideration, be sure to submit all of your application materials on time. Taking extra optional steps in the application process—such as visiting or scheduling an interview—often increases your chances to be recognized beyond your numbers and written documents.

Specialized Scholarship Opportunities

Renaissance and Global Scholarships: Since 2004, the full-tuition Renaissance Scholarship program has attracted 75 of America's finest scholars to the University of Rochester—about 1% of the entering students. The first graduates in the program have made unique contributions to campus life on their way to earning exciting fellowships and entering many of the nation's finest doctoral programs.

Increasingly attracting attention from students worldwide, the expanded Renaissance and Global Scholars program will begin in 2010 to include each year's most outstanding students from East Asia, South Asia, Africa, Europe and the Americas. Each year, a panel of faculty and counselors will review more than 800 applications for admission, looking for students to invite to the Renaissance Scholarship interviews on campus.

FYI

Research Universities: Income and Expenses

based on data available at <http://nces.ed.gov>

Research Universities % revenues by source, 2007	Rochester	Other Private	Public
Tuition and fees	14	18	17
Appropriations/investment	34	41	25
Research grants and contracts	42	30	28
Other	10	11	30

The following is a **partial list** of the merit scholarships awarded by the University of Rochester for freshmen and transfer students:

- **7th Generation Scholarship:** for students interested and accomplished in sustainability.
- **Ahora Scholarship:** for students from Caribbean countries.
- **Dean’s, Wilder, and Rush Rhees Scholarships:** for students who demonstrate outstanding achievement and potential.
- **FIRST Robotics Scholarship:** for students who have participated in a FIRST challenge event.
- **Hajim Scholarship:** for engineering undergraduates.
- **High School Awards:** Bausch & Lomb Honorary Science Award, Frederick Douglass and Susan B. Anthony Award in Humanities and Social Sciences, George Eastman Young Leaders Award, and the Xerox Award for Innovation and Technology.
- **Hillside-Rochester Scholarship:** for students who participated in the Hillside Work Program.
- **IB Scholarship:** for IB diploma candidates.
- **Jackie Robinson Foundation Scholarship**
- **Jesse Moore Urban League Scholarship**
- **Lorenzo de Zavala Scholarship**
- **Martha Matilda Harper Scholarship:** for students interested in women’s rights and issues.
- **Meliora Scholarship:** for students who are related to Rochester alumni.
- **National Merit, National Hispanic, and National Achievement Scholarships**
- **Phi Theta Kappa Scholarship:** for transfer honors students.
- **STEP Scholarship:** for participants of the Science and Technology Entry Program.
- **Youth Orchestra Scholarship:** for students who intend to pursue a significant academic challenge in a discipline other than, or in addition to, music.

Research Universities

% expenses by function, 2007

Rochester

Other

Private

Public

Instruction

40

40

32

Research

38

25

23

Services

22

25

20

Other

0

10

25



Want to be even more of an expert?

Questions? Comments?

Contact Us

Office of Admissions

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Financial Aid Office

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