

# Planning for College

## A Comprehensive Guide for South Carolina Families



### The Alliance for Research on Higher Education

The Alliance is a unique collaborative organization devoted to objective higher education research on issues of interest to South Carolinians. Alliance offices are located at the Strom Thurmond Institute of Government and Public Affairs on the campus of Clemson University.

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[www.strom.clemson.edu/familyguide](http://www.strom.clemson.edu/familyguide)



## Why College?

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According to multiple sources, 75 to 85 percent of future jobs will require training beyond high school.

Over an adult's working life, a high school graduate earns \$1.2 million, while an associate's degree is worth \$1.6 million, and bachelor's degree is worth \$2.1 million.

Chances of being unemployed decrease significantly with education level:

<b>Unemployment Rates 2006</b>	
<b>Education</b>	<b>Unemployment Rate (percent)</b>
Professional Degree	1.1%
Doctorate	1.4%
Masters Degree	1.7%
Bachelors Degree	<b>2.3%</b>
Associates Degree	3.0%
Some College, No Degree	3.9%
High School Graduate	4.3%
No High School Diploma	<b>6.8%</b>

*Source: Bureau of Labor Statistics*

Only 8 in every 10,000 (0.08%) high school football players ever play professionally.

Only 3 in every 10,000 (0.03%) high school basketball players ever play professionally.

[http://www.ncaa.org/wps/portal/home?WCM\\_GLOBAL\\_CONTEXT=/wps/wcm/connect/NCAA/Academics+and+Athletes/Education+and+Research/Probability+of+Competing/Probability+of+Competing](http://www.ncaa.org/wps/portal/home?WCM_GLOBAL_CONTEXT=/wps/wcm/connect/NCAA/Academics+and+Athletes/Education+and+Research/Probability+of+Competing/Probability+of+Competing)

Chances of winning more than \$200,000 playing PowerBall are 1 in 3.6 Million. Chances of winning more than \$500,000 are 1 in 8 Million. Meanwhile, your chances of being struck by lightning are 1 in 350,000.

SC students receive more than \$46.3 million in need-based financial aid and more than \$209.4 million in merit-based financial awards (2006-07 NASSGAP).

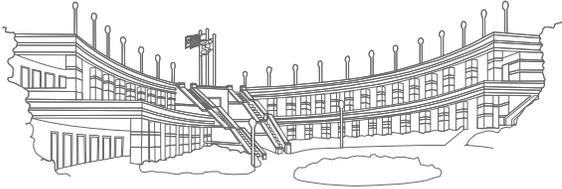
There are more than 70 institutions of higher education in SC, and there's one within a 30 minute drive.

For students who enter a public four-year institution in South Carolina, about 60% graduate within six years, that's six out of every 10 who enter do graduate. This is almost 10 percent above the national average.

## Acknowledgements

Funding for the *Family Guide* was provided through the generous support of the following:

### Strom Thurmond Institute of Government & Public Affairs



SOUTH CAROLINA  
**Student**  **Loan**

<http://www.scstudentloan.org>

Authors were recruited to represent the breadth and depth of higher education in South Carolina. The following institutions and organizations participated in the creation of the *Family Guide*.

### Participating Alliance Partners



Participating Institutions, Agencies and Organizations



FURMAN



South Carolina  
Higher Education Tuition Grants Commission



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of the Midlands



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## Letter of Welcome

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ROBERT W. HARRELL, JR.  
SPEAKER OF THE HOUSE

May 1, 2008

To South Carolina Parents and Students:

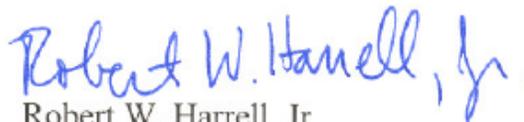
This new resource by the Alliance for Research on Higher Education is for families seeking information about accessing higher education opportunities in South Carolina.

It is my pleasure to highly recommend the project to create *Planning for College: A Comprehensive Guide for SC Families*. This incisive and objective publication targets South Carolina families wishing to learn more about affording college and will serve as a practical handbook for students seeking a college degree. It resulted from a unique collaboration by all sectors of higher education and is tailored to the specific needs and interests of all South Carolinians.

In addition to providing basic information, the *Family Guide* initiates the concept that higher education is an investment requiring careful planning, yet one that offers a large return for both families and for the State. Information provided in the Guide can shape future statewide discussions as all citizens become better informed about the role educating our young people plays in South Carolina's position in the global economy. It is essential reading for families considering investing in their children's future success. Detailed distribution efforts ensure that the Guide reaches those most in need of better information.

The Guide has been published at no cost to families, and I trust that it will provide the blueprint that you need for your family to understand this important investment.

Sincerely,

  
Robert W. Harrell, Jr.  
Speaker of the House

RWHjr:jp

## Preface

### The Investment of a Lifetime

Luther F. Carter, Ph.D

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There are a few choices that we make in our lives that are truly seminal. When and whom to marry, whether and when to have children, and where to live are a few that come readily to mind. Of course, the common precursor for many of these choices is the one that we make about our education.

This book is about educational choices. It is not a series of postulates dictating career direction, nor is it a conclusive checklist for getting into your preferred school. It is a polemic on the variety of decisions that affect entry into colleges and universities, and it is offered *gratis* to the people of South Carolina, most notably parents and students who are or will be making decisions about pursuing a collegiate education.

For anyone associated with the higher education business, the basic theme underpinning this book – that higher education is necessary, affordable, and accessible – is so intuitively obvious that one questions how it could be challenged. Of course, a collegiate education is imperative for success in contemporary society. After all, it establishes the foundation for professional credibility, income potential and societal mobility. It is, simply put, the foundation for truly beginning the adult phase of life.

But for those detached from academe, and especially for those who struggle financially to provide life's basics, the necessity or even desirability of a degree is not so clear. Rising tuition costs, coupled with diminishing financial aid opportunities at many institutions, have resulted in increasing numbers of high school seniors and their parents reconsidering the traditional path to the post-secondary degrees.

This situation portends both good and bad for these high school seniors and for society. On the one hand, college work is a perilous undertaking for anyone who is unprepared, academically or financially. It ought not to be entered into lightly, halfheartedly, or incompletely. Prospective students who are equivocal about their ability to matriculate probably shouldn't. Failing out or dropping out, oftentimes incurring a substantial debt may very well mean never undertaking any educational venture again. What a tragic fate to befall anyone, especially someone in the late teens or early twenties.

On the other hand, every high school senior who has the capability should be encouraged to explore the possibility of pursuing a degree. In large part, this is a logical and natural course for fulfilling one's potential or recognizing one's true destiny. Moreover, most education experts believe that higher education opportunities in this country have never been available to so many people with so many funding options.

This is an appropriate segue to the purpose of this book, *Planning for College: a Comprehensive Guide for South Carolina Families*. It has been initiated and edited by the Alliance for Research on Higher Education at the Strom Thurmond Institute and financed in part by the South Carolina

Student Loan Corporation. The book is predicated upon a basic premise; that is, success in pursuing higher education in today's society is about making the right decisions at the right time. It requires, among other items, making appropriate decisions about:

*The type of degree to pursue;*  
*The type of institution to attend;*  
*Gaining admission to the right institution;*  
*The type of financial support available;*  
*Making application for scholarships and loan; and*  
*Financing an education.*

Drawing on the expertise of some of the most notable authorities in the state of South Carolina, the book's chapters provide a topic-by-topic guide to understanding and mastering the college admissions process. The narrative is explicitly written, and the decision scenarios are thoughtfully presented. The book will be of value to those who know little about college admissions and financing as well as to those who simply need a refresher tutorial.

Of course, the decision ultimately to pursue a higher degree is an intensely personal one, and is influenced by any number of factors, personal as well as professional. But for those who quickly and definitively conclude that a college degree is simply not worth the investment, I would remind them of the adage: *If you think education is expensive, try ignorance.*

Luther F. Carter  
President  
Francis Marion University

## Introduction

# The Portfolio of Investment Opportunities in South Carolina

Catherine E. Watt, Ph.D.

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*"Some men see things as they are and say why.  
I dream things that never were and say why not."*<sup>1</sup>

What is your dream? Why is college important? Isn't it too expensive for me to afford? Why should it matter so much to families that their children continue their education past high school? How can this book help me? Many South Carolina families have lived well for generations with only a high school education, and college can be a scary and expensive proposition for many. Despite the successes of the past, the economic demands of the future require workers with knowledge beyond that offered in high school. If you're a parent trying to plan for your child's future or if you're a student thinking about how much money you want to make, education is *the* key to the future. According to all estimates, more than three out of every four jobs created now and in the future will require some education past high school. Dream of what you want for your future, and there are people who will help you achieve that dream.

This book is different from anything else you will read about preparing for college. Experts from across South Carolina have come together for the sole purpose of helping you plan for college and for a successful career. Authors represent technical colleges, four-year universities, research universities, public and private institutions. Chapters are designed to take you all the way from middle and high school planning through the time you walk into your first college class. Our authors are experienced and current experts in their fields and have taken the time to share their thoughts with you because they know what a difference higher education makes in a person's life. **You are reading a book designed specifically for you as a South Carolinian.**

In this book, we're asking you to think about education as a long-term investment with lifelong outcomes. Regardless of your starting position, the education investment requires several steps similar to retirement planning. We will cover how to manage your resources, resources that may include financial saving plans, working through college, merit scholarships, and need-based financial aid. Families must decide a) the resources they have for investing, b) the portfolio of options available and of interest to them, c) the potential external resource contributions, and most importantly, d) the desired outcome from the investment. The *Family Guide* incorporates information from the entire "investment portfolio" of South Carolina higher education, including technical colleges, private institutions, regional campuses, comprehensive institutions, and research universities.

### **The Investment Portfolio in South Carolina**

The *Family Guide* covers public and private non-profit institutions. There are schools in South Carolina that are, in fact, businesses offering training and education in a for-profit environment. These are schools such as the University of Phoenix, ITT-Tech, or Webster University, and you've

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<sup>1</sup> Robert F. Kennedy (date unknown). As quoted during his eulogy by his brother Edward Kennedy upon RFK's death.

probably seen their ads on television. Because students in these schools are not eligible for state scholarships, and each school is uniquely situated, they are not included in the *Family Guide*. However, much of the investment and career information contained in our chapters can be useful if you are interested in a specific kind of training. We advise you to carefully research any for-profit school to make certain it is the correct choice for you and that graduates obtain good jobs.

Now we'll go back to the non-profit institutions. First, you don't have to decide right away which institution you want to attend. Among the public and private schools in South Carolina, there is a choice that is right for you – for your interests and for your financial situation. While there is more information in Chapters Seven and Eight on how schools are funded, the bottom line is that public institutions have the cost of education subsidized by tax dollars. There are 33 public institutions in South Carolina, and these public institutions are further subdivided into four sectors, based upon their missions. These sectors are Research Institutions, Comprehensive Teaching Institutions, Regional Campuses, and Technical Colleges. There are another 20 private institutions from which to choose. You can find a complete list in Appendix B.

One of the areas in which South Carolina excels is in making certain that some type of post-secondary education is within commuting distance for all citizens. The Technical College System was designed to address the specific needs of their service areas. In addition, there are distance or online courses offered by many institutions, although some majors don't have as many opportunities online as others. For example, while there are many options for taking introductory English composition online, it is much more difficult to teach advanced courses online, where group projects and hands-on experiences are a regular part of the course. We encourage you to check with your local school, public or private, two-year or four-year, to see how they can help you with your educational needs.

The **research institutions** in South Carolina are Clemson University, the Medical University of South Carolina, and the University of South Carolina Columbia. The three institutions are classified as such because of the breadth of degrees offered, the number of graduate degrees awarded, and the research dollars brought in by their faculty members. While all three offer excellent undergraduate student programs (limited at MUSC), there is an equal balance given to graduate education and research. South Carolina does not have a private research university.

The public **comprehensive institutions** are (alphabetically) The Citadel, Coastal Carolina University, College of Charleston, Francis Marion University, Lander University, SC State University, USC Aiken, USC Beaufort, USC Upstate, and Winthrop University. These institutions have faculty conducting research, but you will find their focus very much on the undergraduate experience. Most of the institutions are smaller than the research institutions and tend to emphasize small classes throughout the curriculum, with fewer, more targeted, graduate programs.

The University of South Carolina also has **regional campuses** to meet certain needs in more rural areas. USC Lancaster, USC Salkehatchie, USC Sumter, and USC Union all offer general education courses designed to help students prepare to transfer on for a four-year degree. Each institution offers different courses, so it's best to check with individual schools.

The State Board for Technical and Comprehensive Education oversees the 16 **technical colleges** in South Carolina. Well designed to serve all counties in the state, each college has a designated service area, usually about three counties. The technical colleges are listed below with their service counties.

College	County Service Area
Aiken Technical College	Aiken
Central Carolina Technical College	Clarendon, Kershaw, Lee, Sumter
Denmark Technical College	Allendale, Bamberg, Barnwell
Florence-Darlington Technical College	Darlington, Florence, Marion
Greenville Technical College	Greenville
Horry-Georgetown Technical College	Horry, Georgetown
Midlands Technical College	Fairfield, Lexington, Richland
Northeastern Technical College	Chesterfield, Dillon, Marlboro
Orangeburg-Calhoun Technical College	Calhoun, Orangeburg
Piedmont Technical College	Abbeville, Edgefield, Greenwood, Laurens, McCormick, Newberry, Saluda
Spartanburg Community College	Cherokee, Spartanburg, Union
Technical College of the Lowcountry	Beaufort, Colleton, Hampton, Jasper
Tri-County Technical College	Anderson, Oconee, Pickens
Trident Technical College	Berkeley, Charleston, Dorchester
Williamsburg Technical College	Williamsburg
York Technical College	Chester, Lancaster, York

**Our family is worried about paying for college. What can the *Guide* do for us?**

There is something useful in the *Guide* for every family. If you have never thought you could afford college, this is for you. If you’re a student deciding between Duke and Harvard, there is something useful here for you. If you’re a member of the General Assembly or a taxpayer who wants to learn more about college spending, there is information for you. That said, all of our authors have written specifically for average families trying their best to send one or more children to college.

Information throughout the book is in a format that will help answer specific questions you may have. One of our authors is a nationally recognized expert on federal financial aid – the FAFSA form you’ve heard about – and Chapter 3 should help make families less anxious about the financial aid process. Three experts have done their best to take the mystery out of applying for federal and South Carolina grants and loans, telling you what information is needed and why. For any family with a student even considering college, filling out the FAFSA is a must. How else can you learn what money is available to you? In South Carolina, only the Life Scholarship and Palmetto Fellow awards don’t require FAFSA information.

Another unique chapter in the *Family Guide* has been written by an experienced financial planner who understands that talking about long-term finance is very hard for most families. Families need

to know that if they can save only a little money each month, say \$50, then that money will pay off in the long run more than any loan can. You will read about savings plans that help with taxes, advantages of using a home equity loan, or even when a student loan may be best. Talking about money and saving is hard for many families and this chapter is designed to start those discussions.

### **What are some things to look for overall in a college?**

**Accreditation.** All of the institutions referred to in the *Guide* are accredited by the Southern Association of Colleges and Schools (SACS). What does this mean? It means that an external team of college professionals has determined that the institution has good policies and procedures that are followed for instruction, student support, and finances. SACS accreditation does NOT mean that the school's students always get jobs or that they all graduate.

If you know the area or major that really interests you, you can ask the school about a major's accreditation. Almost all majors have a professional organization that regularly evaluates a school's program for its policies, courses taught, and even how many students enroll and graduate. You can ask your admissions counselor if, for example, the Citadel's business program is accredited or when the nursing program at the University of South Carolina - Columbia was last reviewed for accreditation. This tells you that an external team of professionals has determined that the faculty members employed, the curriculum (courses taught), and enrollment standards meet national standards expected for those in the profession.

**Course Offerings.** Even if you have very specific interests, realize that college also offers a chance to explore new ideas and perspectives. Any associate or bachelor's degree program requires students to take general education classes – English or writing, math, science – and other options that will allow you to learn about a range of topics. Look online for the courses offered and see what interests you. One of the greatest joys of college is exploring new people, new ways of thinking, and new topics. If you take advantage of some of the unique courses, you could find a new career or a new lifelong hobby, so be open to the many opportunities offered.

**Student Life.** Other areas where there are new opportunities are in the campus life. Almost all campuses, two-year and four-year, offer student organizations, clubs, intra-mural sports, and academic achievement organizations. You can try something completely new like rock climbing or you can start professional networking through a club for business majors. Most clubs are free to full-time students as part of your student activity fees, so you should take advantage of them.

In addition to clubs and fun, however, it is important to consider a school where you're comfortable. Chapter 2 of the *Guide*, written by a group of admissions and student professionals, covers this in much more detail. Overall, choosing a school may, for you, be less about SAT scores and grades than about where you feel a special connection. So visit, talk to people in your community, at your high school, at your church, your family and ask the difficult questions.

### **How do I know if college is for me? I really don't like high school.**

One of the reasons we decided to create the *Family Guide* is just for students like you – thinking that if high school is bad, how can college be the right choice?

The good news is that college is very different from high school for most people. You have so many more choices, from where to attend school to what to study to what clubs you join. Most schools make efforts through their admissions processes to enroll a diverse group of students, which enriches everyone's experience. If you decide you want to change majors or the club you're in, you can do that. If you're from a small town, you may enjoy a large urban campus with hundreds of choices. Or, if you're from a large city, a small institution where everyone knows your name may be just perfect. You are no longer locked onto a single path.

On the other hand, you will have to study, and probably study harder than you did in high school. You will still find some courses and teachers you like more than others. But that is balanced with more choices and the idea that this education is about the rest of your life. If you think you want to be an engineer because you're good at math but find you really don't like your first three engineering courses, you can change majors. The choices are yours; there are plenty of people to help you along the way, and you can do this. **It is never too late to find the career path you can be passionate about for the rest of your life.**

### **There has been some violence on campuses lately. What should I know and how worried should we be?**

First, while incredibly tragic, the events at Virginia Tech and Northern Illinois are also incredibly rare. More than 3300 institutions exist across the country, and all are required to make their annual crime statistics public, available in print or on their web sites.

In addition, all South Carolina institutions have taken stronger security measures that include, but are not limited to, cameras throughout the campus, emergency call stations, expanded campus personnel, and coded identification cards that allow only designated people into specific buildings.

If you have concerns, make sure you ask during your campus tour. All colleges and universities want their campuses to be as safe as possible and will share their safety measures with you.

### **Conclusion**

The challenge of education is that it takes contributions from both sides – you have to invest your own time, your energies, and your hard work into the process to achieve your dreams. You have the power to become almost anything you wish, but not without effort. In the chapters that follow, people who want to help you lay out a path, and all you have to do is follow it. Do not be afraid to ask questions, to try something new, to create your own vision for your future.

**This is your education and your future. Education truly is the investment of a lifetime and is one you will never regret.**

# Chapter 1

## Preparing for Success in College

David Garr, MD, Angelica Christie, MEd & Malik Whitaker, JD

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### Introduction

Parents and families are faced with the task of guiding, nurturing, and helping to develop their child's talents and interests. But where and how do you begin? What are some things parents can do to help enhance their child's chances for a successful college education and productive, gratifying future?

This chapter provides information about the role you and your family can play during each stage of your child's development, starting during the preschool years and extending through graduation from high school. This information is provided with the goal of informing your family about four pre-college stages – preschool, grades K-5, grades 6-8, and grades 9-12 – to help you better understand the opportunities you have to help your child prepare for college. This chapter will also provide information about some of the recent educational initiatives in South Carolina's school system and the opportunities these changes present for students.

We are providing these resources with the goal of helping you prepare for your child's future. These suggestions are not meant to be the only resources for you, but ideas that can be adapted to what works best for your family. There is no doubt that education is the key to a successful career, and we know that college can seem a long way off if you have a young child. But if you start planning and thinking about it now, you and your family will build the foundation for a successful future for your child.

### The Preschool Years (Birth to Five Years)

The first five years of your child's life are critical for their future educational development. Establishing and maintaining a supportive, nurturing home environment that fosters creative learning and discovery helps build the self-confidence and intellectual curiosity of children. As James Heckman, 2001 Nobel Laureate in Economics stated, "Early learning begets later learning and early success breeds later success."<sup>(1)</sup> The earlier a parent becomes involved in their child's education the more powerful the effects. Good nutrition, opportunities for creative play, engendering a spirit of curiosity and a joy for learning are all associated with better school achievement. High tech toys and video games are not requirements for your child's development. Providing opportunities to interact with other children and adults are important components of a nurturing environment. This interaction can occur in settings such as the local playground, programs sponsored by religious schools, community organizations such as the YMCA or YWCA. You can also help support your child's development by providing play dates and participating in activities with your child.

The reality for many families is that parents work full-time, which means that young children spend time in daycare or with relatives. Information provided by child care researchers indicates that high quality child care is associated with better developmental outcomes and improved school readiness.

High quality child care involves three major factors: 1) a well-trained caregiver who provides the child with attention and guidance and who partners with the family to help the child learn and develop in the best possible ways; 2) a safe, protected, and healthy environment for the child; 3) activities and learning opportunities that fit the child's stages of growth and that support the mental, social, and emotional development of the child. (2)

As a parent, your role is vital in the academic development of your child. Make the most of this stage of development when your child is eager and excited about learning and has a vivid imagination. Literacy can be promoted in your home by reading to your preschooler and discussing the story. Encourage family members to mail letters or cute cards addressed to your child. Math skills can be developed by allowing your child to participate in everyday household activities. Allow them to count the napkins, plates, glasses and silverware as they help to set the dinner table. Encourage them to count the number of steps that lead from one room to another. Talk with your child about the things they see and experience during their daily activities to promote a better understanding of the world around them. (3)

The Guidepost contains a list of South Carolina web sites for families interested in obtaining information about how to meet a young child's needs. In addition, other parents can inform you about early childhood educational resources they have found to be helpful.

Once your young child is ready for preschool, families have options in South Carolina regardless of income. Programs such as Head Start offer services for children age birth through five. Local South Carolina school districts are required to provide at least half-day, academic-based early child development programs for 4-year olds who demonstrate readiness deficiencies. All students who turn age 5 by September 1 are required by law to be enrolled in a full-day kindergarten program.

### **New Designs for Education: EEDA**

The South Carolina Legislature, in collaboration with the Department of Education, passed the Education and Economic Development Act (EEDA) in 2005. The purpose of this legislation was to modify the educational system to address the stages that students progress through as they consider their career interests and plan for their future. The goal for the EEDA is to equip students with the necessary tools that will prepare them to enter the workforce. The new programs being introduced into the schools are based on the results of research and utilize a career development curriculum. **The curriculum standards utilize guidance and counseling guidelines derived from three student development areas: "Learning to Live," "Learning to Learn," and "Learning to Work."** (4)

The public schools throughout the state are incorporating the established standards to promote the academic development and achievement of students. The implementation of the established standards is designed to benefit parents by:

**GUIDEPOST**  
**RESOURCES for CHILD DEVELOPMENT**

- **Voices for South Carolina's Children**  
[www.scchildren.org/about.asp](http://www.scchildren.org/about.asp)
- **United Way**  
[www.uwasc.org](http://www.uwasc.org)
- **Teams for Early Childhood Solutions (TEC)**  
<http://uscm.med.sc.edu/tecs/>
- **Parent Wise**  
[www.scparentwise.org](http://www.scparentwise.org)
- **South Carolina Department of Social Services (DSS)**  
[www.state.sc.us/dss](http://www.state.sc.us/dss)
- **Head Start**  
[www.acf.hhs.gov/programs/hsb/hsweb/index.jsp](http://www.acf.hhs.gov/programs/hsb/hsweb/index.jsp)

- Providing support for parents regarding their child’s educational development;
- Involving parents in the long range planning for their child’s education;
- Increasing opportunities for parent-school communication; and,
- Increasing knowledge of the assistance and information parents and students can receive from the school counselor and others. (5)

The program implementation of EEDA has been titled “Personal Pathways to Success” with specific focus areas at each school level designed to encourage students to identify possible career interests earlier than in the past. The goal is to have students select a future career path and then be inspired to maintain a high academic achievement so they can attain their career goal. Personal Pathways will reveal to your child how what they learn in the classroom can be used in the workplace. You will be included in helping your child to make career decisions.

### **The Elementary School Years (Grades K-5)**

The elementary school years are the time of increasing awareness in a child’s life. It is during this stage that your child becomes aware of your occupation(s), and it is important that they start to create dreams about their own future. Children with positive experiences are more likely to approach the remaining years of schooling with self confidence and enjoyment. During the elementary school years, Personal Pathways takes advantage of the high level of curiosity of students by introducing them to a wide variety of careers.

To motivate a high level of interest in learning, your family supports learning by providing a home full of praise, warmth, and compassion. Parents should understand that children in grades K-5 are natural explorers of the surrounding world. Most children come to these years with two important tools for learning: a maturing, reasoning mind and a powerful imagination. These tools, combined with opportunities to work and play with other children, open up vast areas for exploration. Children start to demonstrate sound reasoning and their reading and math skills start to flower. Your child’s involvement in day-to-day home activities can help support this development. Allowing your child to help prepare the family’s grocery lists, setting aside time on a daily basis for your child to read an age appropriate book to you or to a younger child, letting them count the change you have in your pocket or purse are a few activities to consider. Planned weekend outings might include libraries, zoos, museums, visits to college campuses, attendance at cultural events such as plays and concerts.

**The values and practices that parents instill last a lifetime.** The home environment lays the foundation for attitudes and perceptions about learning and the value of education. During the K-5 years, families should strive to build a good relationship with their child’s school. Parents also have to be involved with their child’s learning during these important developmental years. Again, incorporating reading, math and effective communication into day-to-day home activities will strongly reinforce academic skills. It is important that your child clearly understands your expectations for their academic success and progress. Having frequent conversations with your child about their classroom performance and being actively involved with your child’s classroom and school will be very helpful.

## **The Role of the School System during the K-5 Years**

Statewide tests are administered throughout K – 12 as mandated by the South Carolina Education Accountability Act of 1998. The State of South Carolina assesses the readiness of students for 1<sup>st</sup> and 2<sup>nd</sup> grades. Kindergarten and 1<sup>st</sup> grade teachers observe children within their classrooms and gather samples of their work. Using a checklist and rating guidelines provided by the Department of Education, the observations and samples are periodically compared with established grade level expectations during the school year. Three ratings are used to assess a student’s readiness in the areas of Personal and Social Development, English Language Arts and Mathematics: “Rarely or never demonstrates”, “Sometimes demonstrates”, and “Consistently demonstrates.” A variety of assistive technology devices are used for students with cognitive disabilities to maintain or improve their functional capabilities. School principals are required to follow-up by verifying the reliability of information and by ensuring that the guidelines and protocol are followed by the teachers who administer the assessment.

### 5 Year Old Kindergarten and 1<sup>st</sup> Grade Guidelines for Observation (5)

*Personal and Social Development* measures emotional and social competence through ongoing interactions, conversations and information from family members in terms of self control, self concept, approaches to learning, interaction with others and social problem solving.

*English Language Arts* measures the language and literacy skills needed to understand and convey meaning through reading, writing and communication.

*Mathematics* focuses on the child’s approach to mathematical thinking and problem solving utilizing mathematical processes, numbers and operations, patterns, relationships, geometry and spatial relations, measurement, data collection and probability.

The SC Department of Education annually administers a standardized exam to measure student achievement in four subject areas: science, math, social studies and English language arts. The content of the exam is designed with the state’s education standards as an inclusive method to improve the curriculum and instruction within the South Carolina educational system. For several years the Palmetto Achievement Challenge Tests (PACT) have been used. At this writing legislation has been proposed to revamp standardized testing for SC’s public schools beginning with the 2008-09 academic year. An extended writing sample is also included in the English language arts section. As parents, you are encouraged to discuss standardized testing with your child’s guidance counselor to learn more about which assessment tools are being used, the calendar for test administration, and how tests are used in your child’s curriculum planning.

Every child is entitled to the type of education needed to attain individual success. Achievement and aptitude screening occurs during 2nd grade to identify students with exceptional academic abilities. Selected students are placed in academically gifted and talented programs within their schools. Generally, at the elementary school level, gifted and talented programming takes place through “pull-out” activities in addition to traditional classroom instruction. As best practices, school districts are expected to have procedures in place to ensure that qualified students are

provided with opportunities beyond 2<sup>nd</sup> grade to participate in gifted and talented programming. In addition to the established screening process, nominations by parents, teachers, administrators, and self-referrals are also considered. (6) Parents are encouraged to communicate with their student's teacher or the school administration about the process for the gifted and talented program if they feel their student qualifies and will benefit from participating.

### Special Education (7)

South Carolina law requires that all students in preschool programs through grade 12 or age 21 be provided with a free and appropriate education (FAPE) regardless of mental or physical ability. It is the responsibility of school districts to evaluate students' educational needs, provide a planned educational program that will allow for participation in the general curriculum as much as possible, and identify resources to support the plan. Adequate accommodations are made, such as curriculum modifications, taking shortened tests, or varied testing methods based upon disability.

The school district is responsible for ensuring the establishment of a team designed to collaborate in the development of an Individual Education Plan (IEP). The IEP includes long term and short term objectives and benchmarks for the student. The IEP Team can include, but is not limited to:

1. The child's parent or legal guardian
2. At least one of the child's general education teachers
3. A representative of the agency/school district other than the child's teacher
4. At least one special education teacher qualified in child's disability area
5. The child, depending on age
6. Transition Services representatives, when appropriate
7. The director, or a representative, from career and technology education for students aged 15 and older or in the 9<sup>th</sup> grade, whichever occurs first
8. Other individuals knowledgeable about the child

#### **GUIDEPOSTS** **RESOURCES for STUDENTS with DISABILITIES**

- National Dissemination Center for Children with Disabilities  
[www.nichcy.org](http://www.nichcy.org)
- Parents Reaching Out to Parents (PRO Parents)  
<http://www.proparents.org>
- Council for Exceptional Children  
[www.cec.sped.org//AM/Template.cfm?Section=Home](http://www.cec.sped.org//AM/Template.cfm?Section=Home)
- LD Online  
[www.ldonline.org](http://www.ldonline.org)
- National Center for Learning Disabilities  
[www.nclld.org](http://www.nclld.org)
- US Department of Justice Americans with Disabilities Act  
[www.usdoj.gov/crt/ada/adahom1.htm](http://www.usdoj.gov/crt/ada/adahom1.htm)
- South Carolina Autism Academy  
[www.sc-autism.org](http://www.sc-autism.org)
- BabyNet  
[www.scdhec.gov/health/mch/cshcn/programs/babynet/](http://www.scdhec.gov/health/mch/cshcn/programs/babynet/)
- Family Connection South Carolina  
[www.familyconnectionscc.org](http://www.familyconnectionscc.org)
- South Carolina Department of Disabilities and Special Needs  
[www.state.sc.us/ddsn/index.htm](http://www.state.sc.us/ddsn/index.htm)

Specifics outlining the role for the individuals on the IEP Team may be found at [www.ed.sc.gov/agency/office/ec/publications/documents/3ImplementIELRE.pdf](http://www.ed.sc.gov/agency/office/ec/publications/documents/3ImplementIELRE.pdf).

You are invited to partner with the school so you can understand how the special education program works and decide what services your child might need. Your understanding and input allows you to be the best advocate for your child.

## The Middle School Years (Grades 6-8)

This early adolescence phase focuses on the child beginning to establish a true sense of self. For many families and their children, this can be an especially difficult time. Relationships mature, physical changes occur, emotional independence is sought, and individual values and beliefs start to emerge. Students begin to consider and investigate the possibilities of a career. The students in grades 6-8 receive information about a wide range of career options represented within 16 career clusters. These clusters were created as part of the EEDA and are organized as part of Personal Pathways for Success, the EEDA implementation program.

*The 16 SC Pathways Career Clusters*

Agriculture, Food & Natural Resources	Hospitality & Tourism
Architecture & Construction	Human Services / Family and Consumer Sciences
Arts, A/V Technology & Communications	Information Technology
Business, Management, & Administration	Law, Public Safety and Security
Education and Training	Manufacturing
Finance	Marketing, Sales and Service
Government & Public Administration	Science, Technology, Engineering & Mathematics
Health Science	Transportation, Distribution and Logistics

Students in grades 6 - 8 will learn how the information they study in the classroom can be applied in the workplace. Career specialists are now available in middle schools to guide students through the exploration process. Guidance personnel, including counselors and specialists, are mandated at a ratio of one person per 300 students will remain responsible for guiding students through the exploration process in schools. (8) Resources are in place to help students define their personal and academic strengths that will help them choose a focus for their future career path.

The middle school years may present challenges for parents who want to effectively connect with their student's teachers. The challenge extends to overseeing the student's academic performance. This challenge may be related to the transition from the relative stability and security often associated with elementary school to the somewhat chaotic environment of middle school with its class changes, lockers, multiple teachers, and increasing hormone levels. (9) Effective communication among parents, teachers, and guidance personnel is key for establishing an effective support network for the student's academic achievement. Schools are required, through the Personal Pathways program, to maintain open lines of communication. A parent, or an identified representative, must participate in specified career planning sessions facilitated by the school's career specialist. Parents/guardians can help by:

1. Seeking information about their student's academic performance and answers to questions they might have about their student's progress;
2. Responding to requests made by school personnel regarding the student;

3. Attending the school open houses, PTSA events, and teacher conferences;
4. Checking in with their student on a daily basis about classroom activities, assignments, & school events;
5. Identifying and connecting their student with extracurricular activities that support academic achievement and career exploration and,
6. Meeting with their student's teachers, career specialist, and guidance counselor at sufficiently frequent intervals to be confident they are aware of their student's progress.

Active participation in school and community-related activities increases the potential for a successful transition from middle school to high school, a difficult time for many students.

We recognize that “*staying in the know*” at this stage can be challenging because children are starting to place friends above family. However, following a few simple steps can help to make the task a little easier. (10)

### **Step 1: Know your Child's Interests and Abilities**

What are your child's interests? What has he or she said about what they want to be when they grow up? Recognizing the special abilities of your child will allow you to build connections with the right resources that will support those interests and abilities as well as help address areas in need of more attention. No career should be off-limits - you should encourage your child's exploration of any career interest at this stage. Your student will have access to school resources such as the South Carolina Occupational Information System (SCOIS), a web-based resource available in the guidance office of most schools. The US Department of Education also has a full-access, web-based version of the Occupational Outlook available at no cost (see Guidepost). Family, friends, or acquaintances who are employed in careers of interest to your child can be of great assistance as possible resources and role models. Check with your church or community group to see who is willing to talk with your child to answer questions about and possibly provide firsthand exposure to your child's chosen profession. You'll be surprised at how many people will want to help.

**GUIDEPOST**  
CAREER INFORMATION RESOURCES

- O\*NET Online  
[www.online.onetcenter.org](http://www.online.onetcenter.org)
- Career Exploration Web Guide  
[www.khake.com/page2](http://www.khake.com/page2)
- SCOIS (See your school's career specialist for more information)

### **Step 2: Know the Academic Standards**

Understanding state and district curriculum standards for academic success and progress will help you provide the best guidance for your child. **Active college preparation needs to begin in middle school.** At completion of the 8<sup>th</sup> grade, your student should be prepared to enroll in high school college prep classes that include Algebra I – *math is very important*. Information about the college preparation standards may be accessed through the internet at <http://www.ed.sc.gov>, through the school's guidance counselor, or through the local library.

All of these preliminary discussions culminate in the 8<sup>th</sup> grade when students designate a major or career focus drawn from one of the 16 available career clusters. Parents/guardians are required to participate in a conference with their student and the school's career specialist to help the student

select a major. Your student will be able to switch majors if their interests change. Again, early communication will help your student successfully transition to high school.

### **Step 3: Understand the School and Classroom Requirements**

School orientations and open house events can provide your family with an understanding of both the school's and teachers' requirements for promotion including expectations for homework, class work and behavior. Participating in the Parent Teacher Student Association (PTSA) and School Improvement Council (SIC) are other ways to learn more about the school and also provide an opportunity to offer recommendations for school improvement.

### **Step 4: Monitor Performance**

Daily communication with your student will inform you about assignments and when they are due. You can assist by helping identify tools and resources needed for completion of assignments, encouraging your student to complete their work carefully and on time. You should "spot-check" your student's assignments to help keep them on task. You should also schedule teacher-parent conferences or communicate with teachers by email or telephone to remain informed about your student's performance.

Does your child need help with study or test taking skills, a specific subject, or note taking skills? There are resources to help. School counselors and classroom teachers are able to provide useful tips and suggestions or possibly connect your student with a peer or adult tutor or study group. You can also seek community resources, such as local colleges or church organizations, to obtain help for your student.

### **The High School Years (Grades 9-12)**

High school is a time of excitement marked by such developmental milestones as first dates, first jobs, and driving privileges. Although social relationships and activities are often very high on the list of students' interests, parents need to maintain involvement and focus on their child's educational program. Standardized testing, academic achievement, and career preparation are vital areas where parents need to devote time and attention.

Managing the many interests and obligations of life can be an overwhelming task for high school students. Helping them manage their time should also be a priority for parents. The big question is "How?" The key is to help students develop a balance in their schedules, perhaps using a calendar and keep a log of responsibilities. The log should include assignments, due dates, study hours, work hours, practice schedules, (sports, lessons, etc.) and social events to help ensure that they are maintaining an effective balance and are not overwhelmed with responsibilities.

As you might expect, testing remains an ongoing requirement throughout the high school years. In addition to the customary chapter tests and quizzes, standardized assessments occur. End-of-Course Exams are also administered at the completion of Algebra 1/Math for the Technologies 2, English 1, Physical Science, and U.S. History and the Constitution. These courses are considered "benchmark" or "gateway" courses. Additionally, completion of a high school diploma in South

Carolina requires a passing score on the High School Assessment Program (HSAP), or the Exit Exam as it is more commonly known. The Exit Exam includes subtests in the subjects of math, reading, and writing and is administered during the spring semester of the 10<sup>th</sup> grade. Students failing to pass all sections of the Exit Exam, but who complete all other requirements for graduation, will graduate with the high school certificate. (11)

Many high school students choose to or have to work for a variety of reasons. Employment can be a great learning experience because it allows them to apply knowledge they are acquiring in the classroom while developing personal and professional skills. However, you should determine if and when holding a job will be appropriate for your child based on their grades, time management and organization skills. Holding a part-time job while in school requires a lot of energy and effort. To help ensure that employment will not negatively affect your child's grades, discuss with your child reasons why they want to work and what type of job they want to have.

**Often students view their chances of winning the lottery or being drafted by a professional sports team as viable options for their future** – it seems a lot easier than college. However, the chances of winning the South Carolina 5+ Mega Ball Lottery are more than 1 in 146 million (12), while there is a slightly better than one in 10,000 chance of being drafted by the NBA. (13) While encouraging your child to improve athletic abilities, you should help them to understand that their odds of getting a quality education that will support a financially stable lifestyle are much higher than obtaining an income through such routes as the lottery or professional sports.

### High School Studies

Throughout high school students take foundation courses that support their academic achievement and career preparation. The foundation courses are applicable to graduation requirements and to any major. If a student changes their career goals, they are encouraged to work with the school's career specialist to discuss their preferred career path and to obtain written consent for the change from a parent.

As a student, you should begin to investigate post-high school options as early as possible. Regardless of what college you want to attend, it is very important to take challenging high school courses even during your senior year. Students who have prepared for college often have greater flexibility following high school graduation.

Parents should strongly encourage students who plan to attend a four-year college to take the SAT or ACT exam during the 10<sup>th</sup> or 11<sup>th</sup> grade years because these tests are generally required when applying to almost any college. While both tests are mostly multiple choice questions, the SAT includes a writing section. Students should be encouraged to prepare for these tests by taking advantage of books or practice tests that are made available to them. When a student retakes the SAT or ACT exam, the highest score combinations are used by most colleges. Retesting also takes advantage of the student's familiarity with the test which often leads to a higher score. These tests are offered several times each year, and application fee waivers are often made available for students who receive free or reduced-price lunches. Students with high SAT or ACT test scores, combined with good grades, may qualify for academic scholarships. **See Chapter 2 for more information on admission requirements.**

Staying engaged with your student, their teachers and career specialist will help you optimally assist your student. You and your student should also begin as early as possible to explore college financial aid resources that might be available (see Chapter Three). School websites, as well as the website for the South Carolina Department of Education, ([www.ed.sc.gov](http://www.ed.sc.gov)), can be a source for important information as well as college financial aid offices.

The high school years can be challenging for many families as parents worry about their children's future and the potential for employment. Achieving a balance in parental involvement often means compromising and working together to make decisions in the best interest of their young adult. Your student should be allowed to assume responsibility for his or her future by making some of the important decisions that will affect the future. **The key is to begin the process as early as possible and to stay involved.**

## Conclusion

The process of preparing for college begins when children are very young and requires active, supportive parents, family members, educators, and many others. We hope the information, resources, and web sites help provide a foundation that will result in your child achieving a valuable, rewarding college education and a successful, productive and enjoyable life that will follow.

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## Chapter 2 Navigating the College Admissions Process

Elise Davis-McFarland, Ph.D., Kip Howard, Connie Scrivens, & Scott Verzyl

*“Despite what the popular press and various guidebooks would suggest, gaining admission to college is not equivalent to finding your place on the food chain.”*

### I. First Steps: The College Planning Process

Regular reading of the popular press often suggests that getting into college is a stressful and uncertain event. You are made to feel that if you aren't taking a test prep program to improve ACT or SAT scores, aren't involved in lots of school and community activities, don't hold leadership positions, aren't achieving notoriety on the athletic field or in music programs, then gaining admissions to the “right school” could be difficult.

In reality, most students find the college application process much less stressful. While there are some schools with very high admission standards that turn away excellent students, these schools represent a small number – perhaps less than 10% – of the over 3300 colleges and universities in the country. The good news for South Carolina students is that they have a lot of college choices; there are 70 different institutions in the state, including technical and community colleges and public or private colleges and universities (see Appendix B).

This chapter focuses on finding a good college fit. The college selection process requires thoughtful planning individualized assessment. Ultimately, the final choice rests with you, the student, since you are the one enrolling; however, your parents play an important role in this process, too. They can coach and counsel, offer opinions and reactions, and encourage you to make a thoughtful college selection plan.

#### When to Start the College Search

This will vary by individual as some students begin their college search as early as their freshman year in high school. This is due in part to today's wealth of information online. We encourage college exploration as soon as you decide attending college is a future possibility. The more you know, the more prepared you will be, and the more options you will have following high-school graduation.

The process described below assumes beginning your search in earnest during your junior year in high school. By starting then, decisions about where to apply, meeting all college admissions and financial aid deadlines, and making your final choice should all be relatively stress-free.

## Steps to Consider During Your Search Process

### 1. Understand your basic college options.

South Carolina's institutions of higher education each offer a diverse array of courses, majors, and programs of study. The campus experience varies greatly and is quite dependent upon size of the institution and if it is a two-year or a four-year school.

Technical and community colleges allow students to pursue professional careers in two years or less. Dental hygienists, commercial artists, engineers, auto mechanics, chefs, nurses, computer network technicians, and horticulturalists are just a few professionals who are educated at two-year colleges. In general, technical colleges offer courses that teach specific skills and prepare students directly for employment, while often the primary mission of community colleges is to prepare students with associate degrees in arts or sciences so they may continue their education at a four-year college or university. Comprehensive community colleges offer the associate of arts and associate of science transfer curriculum as well as the career and job preparation courses available in technical colleges. In South Carolina, all of the state-supported two-year colleges except one are referred to as technical colleges. However, most colleges offer a transfer curriculum that allows students to continue their education beyond the associate's degree.

Two-year colleges offer various pathways to careers and continued education. Some students opt for certification programs instead of associate's degrees. Certificate credit hour requirements range from eight to 40 credit hours depending upon the specialty area of the certificate. For example, an 11-credit hour Automatic Transmission Repair Specialist certificate program trains students to service and repair automatic and manual transmissions, while a 36-credit hour Paralegal certificate enables students to work in specialized fields of law under the supervision of an attorney preparing legal documents and creating and implementing office procedures.

Another alternative for technical and community college students is to seek a diploma in a chosen field. Diploma programs range from 40 to 52 credit hours. Diploma programs include some general education courses such as English, math, psychology or science as well as skill courses. Examples include a diploma in cosmetology, which requires 48-credit hours to train students in basic skills and theory or an early childhood development diploma, which requires 42-credit hours to prepare students for childcare provision.

An associate's degree usually requires two-years of full-time study or a longer period for part-time study. Associate degrees include general education and career preparation courses. Some degree programs also include internships, practica or clinical work. Associate of arts and associate of science degrees prepare students to transfer to four-year colleges or universities to pursue bachelor's degrees. Many two-year colleges offer flexible course scheduling in order to accommodate students' life and work schedules. Most two-year institutions are "commuter campuses," and do not offer on-site housing.

Four-year colleges and universities offer bachelor's degrees in such fields as the arts and humanities, business, education, engineering, and science. Course requirements for bachelor of arts or science degrees vary from program to program. Your experience may include internships, practica, clinical work, independent research or travel to other countries in the

pursuit of your academic studies. A four-year or undergraduate degree must be obtained before you can pursue advanced professional degrees in such fields as medicine, law, or veterinary science. Most undergraduates live on campus during all or part of their college career.

Some colleges that offer four-year bachelor's degrees are liberal arts colleges, while others are comprehensive research universities that also offer a wide variety of master's and doctoral degrees. Liberal arts colleges tend to be smaller than universities, and heavily emphasize a "classical education," where you take a number of classes across a variety of subjects. Whether you major in business or history, your first two years of study will typically include a wide-ranging curriculum. Students who begin at two-year colleges and take traditional courses in English, math, science and social studies are usually able to transfer to a four-year college and stay on track to graduate.

It is helpful to understand the differences among types of colleges, and to keep these broad generalizations in mind as you embark on the following stages of self-analysis. More on the institutional types is covered in the Introduction and in Chapter 7.

## **2. Assess your strengths and weaknesses.**

If math is not your favorite subject, you probably don't want to look at engineering schools. If your strength is writing, you might consider schools with journalism or English programs. If you are not well-prepared for college, you can take developmental courses in English, math, and reading at a local technical or community college that help you reach college-level readiness. Alternatively, if you are a high academic achiever, you might consider taking college courses while you're still a high school student. Both types of institutions offer dual enrollment courses for students in high school. This is a great way learn about your potential strengths as a college student and to earn high-school course credit and transferable college credit at the same time.

One cautionary note: Don't let your anticipated need for academic support outside the classroom intimidate you. No matter your degree of academic skill, you will most likely encounter a subject that challenges you in college. Most colleges, including both two- and four-year institutions, have academic support programs that offer tutoring, mentoring, and supplemental instruction to encourage your success. Such programs offer small group or one-on-one instruction and diverse teaching methods that complement your classroom experience.

## **3. Consider your likes and dislikes.**

Do you like to travel, explore new places, and meet lots of new people? Would you rather just hang out with a small group of friends? Do you crave the excitement of a big city? Making an inventory of your preferences – your likes and dislikes – will help you narrow down the list of schools to seriously consider. If you're not sure what your preferences are, it can be helpful to take an interest inventory survey. Many resources are available online. Ask your guidance counselor or local librarian for suggestions.

## **4. Assess your reasons for going to college.**

We believe that to be successful in college, you have to want to be there. This doesn't mean you must have already decided on your major or career, but you do need a purpose and reason

to devote the time, effort, and money that higher education requires. Having a goal that you really want to achieve provides the necessary motivation.

Why *do* you want to go to college? It's a question you must answer for yourself. Some of the reasons we often hear are: "to prepare for my future career," "to make more money," "to learn for learning's sake," and "to make my family (or friends or teachers) proud." Let's explore each of these in more detail:

**To prepare for my chosen career** – The state's economy has transitioned from agriculture and textile manufacturing to a more high-tech and service economy. In South Carolina, approximately 85% of jobs require education and training beyond high school. Unemployment rates for people with college degrees are lower than for people without them. Also, the higher the level of degree obtained, the lower the rate of unemployment (see Chapter 6).

**To earn more money** – College graduates earn more than high school graduates. According to the Census Bureau, over an adult's working life, high school graduates earn an average of \$1.2 million; associate degree holders earn about \$1.6 million; and bachelor degree holders earn about \$2.1 million (Day and Newburger, 2002)<sup>2</sup>. A college degree brings a significant increase in earnings across the years. On average, a two-year investment of the time and effort required to get an associate's degree is worth at least \$400,000; while a four-year investment in a bachelor's degree is worth nearly \$1 million. The increased standard of living that a college degree brings is a very worthwhile return on your investment.

**Love of learning/personal enrichment** – A college education allows you to enjoy a professional career and earn the money you need to have a satisfying standard of living. But going to college also allows you to achieve personal enrichment. College provides you with the opportunity to take courses so you can learn things you have been curious about, and study subjects that you want to know more about. You won't have to major in art in order to take an art appreciation course, and you can learn about jazz music by taking a music appreciation course. You only have to enjoy learning to be able to get the most out of college.

**Influence of family, friends, and teachers** – Odds are good if you are reading this that you have important people in your life telling you that you should go to college. Maybe they are even suggesting what colleges you should consider, or what major you should pursue.

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<sup>2</sup> Day, J.C., & Newburger, E.C. (2002). The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings. (Current Population Reports, Special Studies, P23-210). Washington, DC: Commerce Dept., Economics and Statistics Administration, Census Bureau. Available: <http://www.census.gov/prod/2002pubs/p23-210.pdf>

Maybe people in your life have inspired you as role models, and you wish to follow in their footsteps. Maybe a teacher has helped you discover your special skills and strengths in a particular subject and you can't wait to explore it further in college. Or perhaps, despite the encouragement you're receiving, you are not sure college is for you. If you feel this way, but you trust the people advising you, you should consider carefully. Most South Carolina students live no more than 30 minutes from the nearest college, and attending can be surprisingly affordable, as you'll read in other chapters. You can give college a try without having to leave home or spend more money than you have.

**5. Develop a list of college characteristics important to you.**

If you've spent time on steps 1-3, this should be pretty easy. At this step, sometimes the list for students and parents will differ. If so, this is a good time to discuss the differences. Here are some items that might appear on your list:

**College size** – You probably instinctively know your preference, but remember: just looking at a college's total number of students or the square mileage of its geographic borders doesn't give you a complete picture. Some "large" schools may seem comfortably intimate upon closer inspection, and some "small" schools may offer a greater variety of choices than you'd first imagine.

**College location** – Most college students end up attending college within a two hours' drive from home. When determining location, remember to consider your

**Viewpoint: Apprenticeship Program**

High school graduation loomed ahead, and Jamal felt an uncomfortable tug in the pit of his stomach. He felt at odds with his parents about his plans for the future. They'd been pushing him to attend a four-year college and then go on to graduate school. Both of his parents had advanced degrees, so of course, they wanted the same for their son. Jamal wasn't comfortable with the pressure, because his interests lay elsewhere. During the previous summer, he had worked closely with his uncle's machine shop and really enjoyed it.

On career day at his high school, Jamal talked with an admissions counselor from the local technical college. Jamal told him he loved working with his hands and solving mechanical problems. The counselor encouraged him to consider the college's engineering and technology programs, including the college's various apprenticeship programs, where Jamal could work and attend college at the same time. The industrial electrician apprenticeship program sounded particularly interesting.

Jamal visited the college soon after to see the campus and learn more about the apprenticeship program. While there, he completed his application, received his financial aid identification number, and took his placement tests. The next day, Jamal returned again to meet with the counselor. The counselor told Jamal his placement test scores were good, and that he was an excellent candidate for the apprenticeship program. He took Jamal to meet Mr. Smith, the Industrial and Electrical Technologies program advisor. Mr. Smith explained the program in detail and introduced Jamal to some of the program's students and faculty. He learned that students in the program worked for Amco Co. full-time as industrial electricians while taking academic credit and continuing education courses at the college. Jamal also saw state-of-the-art equipment set up at the school for "hands on" student learning.

Next, Jamal met with the apprenticeship director at the Amco plant. While there, he toured the plant and spent most of the day shadowing two of the plant's employees; one was in the industrial electrician apprenticeship program, and the other had recently completed the program. Both told Jamal that industrial electricians were in great demand, and that they enjoyed the work because there were always new challenges, they had a good work team, and the pay was very good. At the end of the day, Jamal met with the apprenticeship director again to discuss specifics. If Jamal decided to join the program, each week he would work Monday through Thursday and take classes at the college on Friday. His starting salary would be \$35,000; and when he completed the apprenticeship program in four years, it would jump to \$55,000.

Two days later Jamal met with Mr. Smith again to ask about the apprenticeship curriculum. He learned he would be taking both college credit and continuing education courses to fulfill the apprenticeship course requirements. At the end of the program he would earn a Certificate in Industrial Technology for industrial electricity. Additionally, the program's 40 academic credit hours could be applied for credit toward an associate's degree in occupational technology.

The industrial technology apprenticeship really appealed to Jamal. He liked the atmosphere at the plant and thought he would learn a lot from the Amco team. Jamal was nervous, but now it was time to talk with his parents. After a lengthy discussion, his parents agreed to support his decision. What relief! Jamal began work two weeks after his high school graduation, and he started his apprenticeship courses the following fall semester.

transportation costs to and from college. This could be an important factor in determining how far away from college you wish to live. If you plan to live on campus, how often do you plan to visit your family back home? Some other factors in considering location are climate, culture, and cost-of-living.

**Availability of intended major –** You will also want to consider whether the college you are interested in offers the major or course of study you want. You can check the college’s catalogue or website for a listing of major programs and the courses required for each major.

**On-campus/off-campus living –** Most four-year undergraduate colleges and universities require freshmen to live on campus, and it’s not uncommon for liberal arts colleges to require residential living on campus for all four years. Most two-year colleges in South Carolina and in other states do not provide student housing.

Studies show that students who live on campus typically perform better academically than those who do not. Living on campus makes it easier for students to focus on their studies, to develop a social network of friends and mentors, and to avoid unnecessary distractions. While this is optimal, those who commute can take heart; **nearly all colleges have programs that provide academic support outside the classroom to facilitate success in the classroom.**

### **Viewpoint: College Transfer**

Allison had known since eighth grade that she wanted to be a teacher. She wanted to attend the nearby state university, but she worried about burdening her single mother with the expense. So when her high-school counselor suggested she should consider starting her undergraduate education at the local technical college and later transfer to the university, Allison gave it some serious thought. In order to learn more, she accepted her counselor’s invitation to join a group of students from her high school who were visiting the technical college in a couple weeks.

“Mom, I’ve figured out how to make this work!” exclaimed Allison happily when she arrived home the day of her visit. She told her mother she’d always thought that technical college was a place where you train for specific careers. Much to her surprise however, she’d learned that the school had something called a “college transfer” program where you could take general classes in the pursuit of an associate’s degree in the arts or the sciences, and then transfer to the university to complete your four-year degree. Allison was also reassured to discover that an academic advisor would guide her in choosing appropriate courses that would later transfer for credit in her chosen major at the state university.

After talking with her mother, Allison decided to apply. When she received her financial aid award letter from the college, she discovered that her Pell grant would cover the cost of her tuition and books, and she would still have some money left for living expenses. She smiled when she realized she would save money those first couple years while gaining a solid academic foundation, and then obtain her bachelor of arts in education from the university, just as she’d always dreamed.

When she went to campus for orientation and met with her advisor for the first time, Allison was offered the opportunity to register for a series of linked courses so that she would take her first-year English, psychology and history courses together with the same group of 20 students – all of whom were associate’s degree candidates. They would become a closely-knit learning community that would learn, study, and work together for the entire year. Again, she was surprised, because she’d assumed that it was going to be difficult to develop relationships at a school where everyone just came to campus to take classes and then went their separate ways each day. Allison seized this chance to connect with many other like-minded students.

Allison joined the learning community and the Future Teachers of America (FTA) student organization, a group of students who shared similar career goals. Allison really enjoyed her classes and the interaction with her classmates. The faculty encouraged the learning community students to work with each other and support each other in their studies. Having people to discuss topics and share ideas with really suited Allison’s learning style, and she thrived academically. At the end of her first year, Allison received an invitation to join Phi Theta Kappa, the two-year college national honor society. Students in this honor society have the opportunity to win scholarships that help offset the cost of their education when they transfer to a four-year college to complete their undergraduate degree. She was determined to be one of those students, so she asked a lot of questions and did some research to determine what it would take to become competitive for an award by the time she received her associate’s degree and was ready to transfer. Thinking ahead, and wanting to be prepared, she also contacted the admissions office at the university, and received valuable advice about financial aid and the transfer admissions process.

**Availability of extracurricular activities** – The size and character of student activities programs and offerings vary by college. Two-year colleges typically do not have extensive extracurricular programs. Larger colleges and residential colleges may offer more student activities than smaller and non-residential colleges. You will want to know if there are student organizations, sports teams, or other activities that you can take advantage of at the college of your choice. Activities outside of the classroom offer opportunities for you to share common academic and social interests with other students and with faculty and staff.

**Financial aid and/or scholarships** – You can consult college websites or visit their financial aid offices to learn about financial aid and scholarships offered. Most students are eligible for some form of federal financial aid. Generous state scholarships and grants are available to students who qualify. As the *Guide* thoroughly examines, many forms of financial aid – based upon need and/or academic performance – exist to help fund your education. But, before you worry too much about affordability, think earnestly about what kind of profession you might wish to pursue, and which colleges offer the programs that interest you most.

**Academic Schedule Flexibility** – If you are planning to work while in college or you have family or other obligations that will not allow you to take all of your classes during the day or on weekdays, be sure to get a copy of the college’s course schedule or look at the course information on the college’s website to see whether the college has flexible course scheduling. You will want to check to see if there are early morning and evening classes, Saturday and weekend classes or possibly even if you can take an accelerated course. Some institutions offer online courses as well. For example, in South Carolina, technical college students can take online courses offered by any of the colleges in the 16-college system. Online options are sometimes also available at four-year institutions and vary by school. Check individual colleges’ websites for more information.

**Graduates’ Success** – Colleges will often post reports based on graduate surveys to indicate the success of their students after they obtain their diplomas. The data typically shows how successful the college’s graduates are in gaining employment in their chosen fields. You can also see if the college conducts employer satisfaction surveys that show how satisfied employers are with the school’s graduates.

These are just some of the many points of consideration that you may feel are important in your college planning process. After reading through this list, what other characteristics are important to you?

## 6. Collect and review college materials.

There are several ways to obtain college information.

- Write or e-mail specific colleges that interest you. Be sure to specify what you want to know about – admissions, financial aid, academic program, etc.
- Attend a local college fair or talk with representatives visiting your school.
- Conduct a web search. Two sites you might find helpful are [act.org](http://act.org) and [collegeboard.com](http://collegeboard.com). In addition to college information, both sites will give you tips for preparing for the ACT or SAT, college planning tips, and specific information for parents. Of course you can also seek out specific college websites.
- Review college guidebooks. Publications such as *The College Board Handbook* and *Peterson's Guide to Colleges* provide detailed information about a number of colleges and universities.

While reviewing print and electronic college information is important and valuable, it does not replace the campus visit as the best means to determine how you will fit with a given institution. We encourage you to visit and tour as many institutions as you can.

## 7. Review your academic performance – courses taken in high school, your grades, ACT or SAT results.

At this stage you probably have a lot of schools on your list. Now you can see how your qualifications match up. More on this subject follows in the next section.

## 8. Visit college campuses.

We like to use the analogy that you are unlikely to buy a car or your parents buy a new house without careful, personal inspection. The same applies to college

### Viewpoint: Honors College

Ricky was quickly nearing the end of his junior year in high school. He had two laundry baskets full of brochures from colleges piled one on top of the other in his bedroom. Someday he'd get around to sifting through the daunting stacks, but he didn't know when. He'd received yet another piece of mail this morning from an honors college at the state university. It looked like an invitation, so he opened it.

"You're invited to attend a special preview of Big U!" the card began. "Learn more about the honors college..." Since it was on a Saturday, and his schedule was beginning to ease up a little, he decided to RSVP, even though he knew he didn't want to stay in state to go to school. Nope. He was pretty sure he'd be saying "yes" to Ivy U sometime next year.

At the preview event, Ricky was pleasantly surprised by what he experienced. The staff and faculty who greeted him were really friendly and knowledgeable. The tour highlighted aspects of campus he hadn't seen before. Ricky had visited campus many times over the years for summer academic camps, for an internship with a biology professor, and for several state competitions, including academic quiz bowls and science fairs. He thought he knew all there was to know about Big U, but Ricky had neither met the honors college dean nor any of its students. At the preview, he met both and was impressed by what he heard and saw.

Ricky met students who had stronger academic credentials than his, but who chose to stay in state and enroll at the honors college at Big U. They had had Ivy options, but had not acted upon them. "Why?" Ricky wanted to know. He was curious. Honors student Anna Marie explained that she joined the honors college because she felt she would receive much more attention at Big U's honors college than at Elite U. When she visited Elite U, she realized they didn't really care whether or not she applied. She had been a little hurt at first, but then felt grateful, because it made her choice clear. She said Big U's Honors College made her feel right at home from the start, and since then, she has had opportunities to learn and broaden her college experience in diverse ways. During her sophomore year she'd won a grant to study abroad in London and intern at the British Museum. This year, she had won a Truman Scholar award and she just found out she was admitted to her first-choice law school. She credited the support of Big U's honors college for her success.

Ricky decided to add Big U's honors college to his list of possibilities because he really related to the people he had met at the preview event. He realized he had no idea of the depth and quality of academic opportunities right in his own backyard. "Since this was a surprise," he mused, "What else am I missing?" He started digging through the laundry baskets with an open mind about where he would apply the next fall.

Ricky did end up applying to Big U's honors college. He had to complete two separate applications: one for admission into Big U and one for admission into the honors college. The honors college application took a long time to complete because it required quite a bit of reflection and essay writing.

Not only was Ricky admitted to Big U's honors college, but also he received a merit scholarship. He waited until May 1 to make his final decision, but in the end, he stayed in his home state, enrolled at Big U, and plunged into the bountiful offering of honors courses. During his first semester, Ricky used the services of Big U's undergraduate research office to secure a research grant to conduct his own study under the supervision of a professor in the marine science department.

selection. **Every college has a unique and distinct personality.** A college's personality derives primarily from its location and people – students, staff and faculty.

Here are some things to consider during your visit:

- How do I fit with the school's personality, both academically and socially?
- What are my chances of being admitted?
- What financial aid and scholarship opportunities exist?
- Does the school offer the activities I'm interested in?
- How does the school compare with what I expected to find when I look at the campus, students attending, and quality of the facilities?
- Does the school offer my major? If I'm undecided, what programs does the school offer to help me find one?
- What are the housing options – both on and off campus?
- What kinds of student services such as academic support, dining options, and health care are provided?

Don't forget to review your list of important characteristics to add things to check out during your visit. **Whenever possible try to visit colleges when classes are in session.**

#### **9. Review what you've learned.**

Refer back to the previous steps. What schools stand out as potentially good fits? Do I look like a good admissions candidate? Are my priorities the same, or have they changed?

#### **10. Apply to college(s).**

There is no absolute rule about how many different college applications you should complete. If you are sure about a school and admission is probable, it could be as few as one. On the other hand if you've followed the above suggestions, three to five schools might be in the running. Regardless of the number, don't forget – **Your application is your formal declaration of interest in a school.** Therefore:

- Meet *all* deadlines,
- submit all requested information,
- make sure your application is neat (easy if you apply online) and complete, and
- have no spelling or grammatical errors.

Many colleges have an admissions staff that will assist you during the application process and help you with application questions. In the section that follows, we will discuss what colleges look for in their applicants and what follows an offer of admission.

We encourage you to revisit the college planning steps outlined in this chapter as you make your final college choice. Above all relax and have fun with the process!

## II. What Colleges Look for From Successful Applicants

What exactly are colleges and universities looking for when they evaluate candidates for admission? This question perplexes families, and for good reason, because there is no simple or single answer. The answer is “it depends.” What is important to one school may not be important to another, depending on the school’s mission, goals and objectives. Colleges and universities design their admissions policies to help them achieve their mission and meet their enrollment goals, so knowing something about colleges you are considering from this perspective may give some insight into what will make you an attractive candidate for admission.

Because colleges and universities vary in their mission and goals, and therefore in their admission requirements, where do you start? First, you need to understand the range of selectivity, or competitiveness, of college admissions. Admissions standards range from open admission to most competitive and, in general, the more competitive admission to a school is, the more complex the admission decision process and the more factors about the student the school will take into account. The main categories of admission selectivity are as follows:

**Open Admission** – Schools that have open admission generally accept all students that have a high school diploma or equivalent. Standardized tests, like SAT and ACT, typically are not required to be considered for admission. An open admission policy provides the greatest access to higher education. Generally schools with open admission have later deadlines or no deadlines at all for applying. Many two-year community colleges and technical colleges have open admission policies, but not in all programs. If you are at least 16 years old, have a high school diploma or a GED, and can read at the sixth grade level, you are very likely to be accepted into the technical college or community college of your choice.

**Selective Admission** – When schools receive applications from more students than they can accommodate, they move into some degree of selectivity. Another reason schools may be considered “selective” is that the rigor of their academic programs dictate a higher ability level. Schools in this category usually have minimum grade and SAT score requirements, required high schools courses, and application deadlines. Selective institutions, especially large, public universities, generally use “rolling admissions,” which means there is a large window of time during which you can apply (sometimes until right before classes begin), applications are processed in the order they are received, and decisions are made as soon as the application is complete. Selective colleges and universities usually admit the majority of the students who apply, as long as the students meet the minimum admission standards. Selective schools may also require an enrollment deposit by May 1 to guarantee a space in the freshman class. Most public four-year colleges and universities and many private colleges fall in this category.

**More Selective or Highly Selective Admission**– As schools receive a greater number of qualified applicants than they can accommodate, they become more and more selective. Schools in this category are not only concerned with evaluating the individual student, but also in shaping a student body that meets the institution’s enrollment goals. Grades and scores are still paramount, but more selective colleges also consider a variety of student attributes that may give insight into what kind of student you will be and how you will contribute to their educational community. These schools may use a “holistic” process to evaluate students and to craft a

balanced class of students with a variety of interests, abilities and talents. Highly selective schools may have early decision or early action programs, early deadlines, and typically admit about one-half to three-quarters of the students that apply. More selective institutions almost always require an enrollment deposit to guarantee a spot in the freshman class. Many “flagship” public colleges and universities and exclusive private universities are in this category.

**Competitive or Most Selective Admission** – This category represents the most elite colleges and universities in the nation. Often an interview is required, and the application is extensively reviewed several people. Essays, letters or recommendation, subject tests, and other factors are often important in the decision. Students often apply to early decision programs in the hopes of improving their chances of acceptance, although some of the nation’s most competitive colleges and university have discontinued their early decision programs. Most applicants are notified on the same decision date in March or April, and enrollment deposits are required. Schools that admit less than half of those who apply are generally considered to be Most Selective.

A school’s level of selectivity is usually dependent on demand for seats in the class. Put another way, the more popular the school is among high schools seniors, the more selective the school will become over time, because they adjust their admission requirements to insure a certain number of students in the freshman class. The more students apply, the harder it will be to get in, and those who apply will be in competition with everyone else in the applicant pool.

**So what factors might admissions offices consider?** Some were just mentioned in the selectivity description, but there are many others, which may include any combination of the following:

**Admission Application** – Every school has some form of an application you must complete to be considered for admission. This is your formal introduction to the institution, so it should be thoroughly and accurately completed. The level of care taken in completing your application makes a statement about you, so double-check for spelling, grammar, and typographical errors. Paper applications should be typed unless you have excellent penmanship. The instructions tell you what other information the school requires and/or considers in the admission process. Make sure you follow all instructions and meet all deadlines. Late applications are often given lower priority or not considered at all, especially at more selective institutions.

**High-School Record** – The depth and breadth of your high school career are considered, most usually including your grade point average, rank in class, and courses taken. Some schools have a minimum high school college preparatory course requirement. More selective institutions expect to see a challenging high school curriculum. Successful completion of honors and Advanced Placement courses, or participating in International Baccalaureate or Dual Enrollment programs with colleges while still in high school strengthens your application. *Note: Once you complete high school, you must also show proof of graduation. Some schools require a copy of your high school diploma, and others require your final high-school transcript sent directly from your school. South Carolina’s technical colleges offer a few programs that do not require a high school diploma for admission, however, those programs do not qualify for federal or state financial aid funds, so students must be prepared to pay all of their tuition and fees in these cases.*

**Standardized Test Scores** – SAT or ACT tests are almost universally required and considered, except by schools with open admission. Of course, the higher the score, the better. Some

schools will take the highest score regardless of test date, others consider the latest attempt, and some consider all attempts. Most schools will accept either the SAT or the ACT and do not prefer one over the other. Some schools now require and consider the writing component of the SAT or ACT.

**Achievement or Subject Tests** – These may be required, especially for more competitive programs and majors, or highly selective schools. The application instructions will indicate if subject tests are required.

**Extracurricular Activities** – The quality of the experience you had in your outside activities is more important than the number of clubs and organizations to which you belong. Schools consider whether you benefited from being in the organization as well as whether the organization benefited from your being a member.

**Service** – More schools are expecting their own college students to be socially responsible and participate in some form of service learning, and therefore value volunteer and community service experiences at the high school level.

**Work Experience** – Work demonstrates a level of maturity, commitment and responsibility that colleges and universities value.

**Leadership** – Manifests itself in many ways, some obvious and some not so obvious.

**Honors, Awards and Achievements** – How you have been recognized by others and how you have chosen to apply your talents makes a statement.

**Essay** – Sometimes this involves extemporaneous and creative writing, sometimes critical thinking, and sometimes it is up to you to decide.

**Personal Interests, Goals and Objectives** – Colleges and universities want to know why you want to attend their school, what you hope to gain from the experience, and how you will contribute to the overall educational environment at that school.

**Your Interest in Attending** – More selective schools may consider how serious you are about attending if you are admitted. This is particularly true with binding “early decision” programs.

**Letters of Recommendation** – Teachers who can speak to your academic ability and intellectual curiosity are particularly well received.

**Interview or Audition** – Sometimes required at more competitive institutions or programs.

**Special Talents and Circumstances** – Different schools value different talents, whether they be academic, athletic or artistic, and most schools have some mechanism to consider circumstances or factors that are not otherwise evident.

In general, the more selective the school, the more factors listed above are considered, and the more important they become in the decision. Less selective schools may only be concerned with the application for admission, the high school record, and SAT or ACT scores. This is also more likely to be true at schools with large enrollments. The more students apply, the more difficult and time consuming it becomes to review every file in great detail. As schools become more selective, the more of these factors they may consider.

**There are some common myths about selective admission that should be dispelled:**

**MYTH: Activities and superlatives will make up for classroom deficiencies.** While it is true that selective schools want students to be involved in a variety of activities outside the classroom, they look for this *in addition to*, **not instead of**, academic performance. You can't make up for a poor high-school record by loading up on clubs and organizations.

**MYTH: "Legacies," or those with parents or grandparents who are alumni, receive preference in the admissions process.** Legacy status may factor in at some institutions, but the student's academic record and ability, not the parent's, is what counts. The student is the one that will have to do the work in college, not the parent.

**MYTH: Students from tougher high schools are at an advantage (or disadvantage).** Most competitive institutions that use some form of holistic review consider the student's record in context, and factor in the opportunities available to you. Students generally are not penalized or rewarded simply because of their high school. The key here is to do the best you can, and take full advantage of what your high school has to offer.

**MYTH: Once I've been admitted I can coast, because the senior year doesn't count.** This is a bad misconception for two reasons. First, colleges will check your final high school transcript to make sure you completed all your courses and that your grades did not drop, and some will revoke admission if you don't perform academically your senior year. The other reason is you will need your senior year coursework if you expect to be prepared academically for the rigors of college level work the next fall. If you slack off, you will only be hurting yourself.

**One key piece of advice:** If you have questions, if you are not sure about something, or you need clarification on requirements, ask the admissions office; that's why we're here. Admissions requirements can change and often do, so be careful about relying too much on guidebooks, web guides, blogs, friends, and even current students, because they may have outdated information.

Once you have submitted your applications to your top school choices, relax, and return to being a high-school student. Focus on your senior year academics. Make sure you watch your mail and e-mail for any messages from the schools to which you applied. They may send notices of your status, they may request additional information, or they may invite you to events to help you make your decision. Pay attention, because you don't want to miss anything important that might cost you a seat in the freshman class or a shot at a scholarship. You will typically receive an official admission decision letter in the mail, but you may also receive e-mails, phone calls, or be able to check your admission status on-line. Some schools are even sending text messages to students that have been admitted.

**Housing:** In addition to applying for admission, you should apply for housing if you intend to live on campus in a residence hall. Sometimes the housing application is included with or part of the admissions application, but usually it is a separate application with its own housing deposit.

**Financial Aid:** You should definitely plan to apply for financial aid, and to learn more about financial aid, **please see Chapter Three for detailed information on the financial aid process.**

Once you have been admitted, unless you applied under a binding early decision program, you have until May 1 to make your decision on which school you will attend. Most selective schools require an enrollment deposit by May 1 to guarantee a space in the fall freshman class. The deposit is applied to your first semester tuition bill once you register for class. Enrollment deposits are usually refundable up until May 1 if you change your mind. Some schools do not require a deposit, but they do want to know if you plan to enroll. Also, many competitive schools have waiting lists of students that are eager to attend, so as soon as you know you DO NOT want to attend a particular school, you should let them know as well so they can offer your space to someone else. You may find it helpful to visit the campus, even if you have already visited before, so you can have a final look around and get any lingering questions answered.

Once you have made your choice and submitted your enrollment deposit (if required), you should attend a new student orientation program. Orientation programs are also often offered for parents. Four-year schools typically offer multiple sessions during the summer for fall entrants, so that you can pick one that fits your schedule. During orientation, you will typically meet with your assigned academic advisor, learn how to register for classes, find out about all the services and programs available to students. Orientation is also a time to take care of many details that need your attention, such as completing any paperwork, having your student ID made, and learning about your responsibilities as a student. Most schools require that you submit your immunization records from your family doctor before you will be allowed to register for classes, so be sure to bring that information with you if required. Most schools require that you complete orientation in advance of the semester in question.

The following activities may be part of your orientation experience, or they may be separate steps you'll take, depending upon the type of college you're joining:

**Placement Testing** – Many colleges test proficiency in subjects as math, foreign language, English, and/or reading to help determine what courses you can take. Colleges that require placement testing typically conduct this prior to or in conjunction with orientation. At two-year schools, your test scores will determine if you will need to take developmental courses before beginning college-level English and math courses. At four-year colleges, your placement tests help to determine what level of college coursework you will begin taking. Refer to your college's website or catalogue, or consult with the admissions counselor to see if your SAT, ACT, AP, or IB scores exempt you from placement testing.

**Academic Advising** – At some colleges, academic advising is provided through an advising center where the staff helps students develop a program of study that will lead to degree completion. Academic advisors assist students in developing their course schedule for the

semester, and provide information about their selected major, the courses required for that major, and other pertinent information. At other colleges, academic advising is provided by faculty members who teach the courses in the student's chosen major program.

**Registration** – The final step prior to starting your classes is registration. You will be able to register for courses once you have completed the advising process. Most colleges have online registration which allows you to select and register for courses via the Internet. Once you and your advisor have decided which courses you will take, you will be responsible for registering for those courses.

### What if You're Not Admitted?

What if you apply for admission to your favorite schools and are not admitted, but either offered the waiting list, or worse, denied admission? The first thing you should do is speak with someone in the admissions office to explore and understand your options. Waiting lists may be a long shot, so you should understand your realistic chance of admission, and have a back-up plan just in case. This does not always mean a less-selective school. Sometimes even more competitive schools end up with fewer commitments after May 1 than they expected and can take a few more students, so check with the admissions office.

If you are denied admission and you still very much want to attend that college, consult with an admissions counselor to determine your options. Is there still time to strengthen your application so that you can be reconsidered? Is there a provisional or probationary admission option? If not, what must you do to enter a later term? Can you begin at another college and transfer in after a semester or year, and if so, what are the requirements for transfer? Transfer requirements are often different than freshman requirements – college records typically become more important than high school records for admission consideration at this point. Many schools have transfer articulation agreements so you can transfer in without losing any credits and stay on track to graduate on time. The admissions office is there to offer advice and information you so that you can reach your educational objectives. Don't hesitate to ask them these kinds of questions.

Going to college will be one of the best decisions you have ever made. It requires early planning and good information. Be sure to surround yourself with people who can help you make the right decisions, and people who will support your success. Your college education will enable you to pursue the career of your choice, enjoy a better quality lifestyle, and maximize your future options.

#### Alternate Path to a Four-Year Degree: Bridge Programs

Many colleges across South Carolina have begun establishing bridge programs for transfer students. The purpose of these programs is to help streamline the process of transferring from technical college to four-year college. Bridge programs are geared towards recent high school graduates and first-time college attendees who begin their college careers at two-year institutions with the clear intent to transfer to four-year institutions as early as – and sometimes no later than – their sophomore year.

If you think you may be a bridge program candidate, check first to see if the colleges you are interested have entered into a bridge partnership with one another. If they have, then examine the particulars of that program closely. Bridge programs are developed by mutual consent between two institutions, independent of other colleges, so each program is unique. Typical program elements include academic advising; formal mentoring; learning communities built around specific majors; special events, workshops, or classes; financial aid education; and admissions counseling. Special bridge benefits may also be offered at the transfer destination, such as library privileges, the opportunity to participate in extracurricular activities, or access to career center services.

While becoming a bridge student does not guarantee automatic admission to the four-year institution, the guidance and support provided by the bridge program enhances your likelihood of success. Additionally, your participation in a bridge program can help you maximize the number of courses that will transfer for credit, thus helping you spend your college money wisely and keeping you on track to graduate in a timely fashion.



## Chapter 3

### How Can I Afford College? Solving the Financial Aid Puzzle

**Ken Redd, Russ Bumba, Ed.D., & Leslie Taylor-Grover, Ph.D.**

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Between 2007 and 2008, tuition and fees at South Carolina’s four-year public and private colleges and universities jumped six percent, more than twice the rate of inflation (College Board, 2007a). Students and families attending four-year public colleges in the state face average annual tuition charges of more than \$8,300, while those enrolling at private institutions saw sticker prices of more than \$18,700. When room, board, and other expenses are considered, the average yearly price of attendance climbs to nearly \$20,000 for full-time undergraduate students at private schools. At two-year technical colleges, the average tuition price grew four percent, and now averages more than \$3,200 (College Board, 2007a).

South Carolina’s increasing college costs reflect an unfortunate national trend. The College Board has found that over the past decade, the national average annual listed price for attending four-year public colleges grew 54 percent in inflation-adjusted dollars, while the price for attending four-year private colleges increased 33 percent, and prices at two-year public/technical colleges increased 16 percent. Average family income grew only nine percent in roughly the same time period (College Board, 2007a; U.S. Census Bureau, 2007). It is no wonder that paying for college is a huge concern for families in South Carolina and across the nation.

Fortunately, help in the form of financial aid is readily available to assist students and families struggling to pay college costs. In fact, the total amount of aid awarded to college students now exceeds \$130 billion (College Board, 2007b). Sources for aid include federal, state, college and universities, and private (non-governmental or institutional) organizations.

This good news has to be tempered by the fact that the financial aid process is quite complex, and aid is not always easy to get. There are also myths about financial aid. For example, many middle-income families believe they are “too rich” to qualify for aid. Others believe they will qualify only for loans and do not want to incur any debt. Still others believe the aid applications are too cumbersome and intrusive to even bother trying. **These perceptions about the aid system may help explain why up to one-half of all undergraduates do not even apply for financial aid**, even though they may qualify for grants or low-interest loans (King, 2004).

This chapter is designed to answer many of the questions you might have about financial assistance available to help pay for college. We explain the basic financial aid form and application process, provide detailed information on the multiple grant and loan programs available to South Carolina residents, and provide resources parents and students can turn to for additional help when applying for financial assistance.

#### **How do I apply for aid?**

The key form needed for receiving financial aid from most programs is the **Free Application for Federal Student Aid (FAFSA)**. The FAFSA is used to determine which students are eligible to receive financial aid from federally funded programs. However, many states, postsecondary

institutions, and other agencies use the data on the FAFSA to determine eligible for their programs as well, **so all students and families should complete the FAFSA even if they do not want to be considered for federal aid.** Yes, the FAFSA is a long and complex form. But taking the time to complete it will potentially make families eligible for thousands of dollars in assistance. It is worth the time and effort to complete it.

While the FAFSA is the basic form all students should file, post-secondary institutions and other agencies often require students to file supplemental application forms. Those interested in aid from other sources should first check with their financial aid office of the institution they wish to attend to find information regarding additional application requirements.

### **What are some of the basic eligibility requirements?**

In order to receive federal and state financial aid, students should meet these criteria:

- be a legal U.S. citizen or eligible non-citizen;
- be a legal resident of South Carolina (for state-funded financial aid);
- be enrolled at least part-time at an eligible college, university, or community/technical college (check with your postsecondary institution to see if they participate in all the various aid programs and for their definition of part-time attendance);
- have never been convicted of any felonies or convicted of any drug or alcohol related misdemeanors within the past academic year;
- not owe a refund or repayment on a state or federal grant, or be on default on any student loans offered by the U.S. Department of Education (these loans are defined more fully later in this chapter) and,
- provide any additional documentation requested by your postsecondary institution's financial aid office.

As described in later sections of this chapter, specific aid programs have other eligibility criteria (such as academic majors or grades), but most federal grant and loan programs are awarded without consideration of high academic performance. You should be aware that all programs do require you to make “satisfactory academic progress” towards your educational goals. Each institution may define “satisfactory” progress differently, so check with your campus admissions and financial aid departments for more information on this criterion.

### **When should I apply?**

The amount of financial aid available from many institutions is quite limited. One way institutions determine which students will get this aid is by establishing a priority deadline. Applications from students who meet the deadline are considered before those that come after the deadline.

Most colleges have priority deadlines that range from February 1 to April 1 (For the 2007-2008 academic year, Clemson University had a March 1 deadline for freshmen students, while the University of South Carolina had an April 1 deadline for all students). Completing the application

by the deadline gives families the best change for getting the higher amounts of financial aid, so the best advice is to apply as early in the year as possible. But even applicants who miss the deadlines may have a (limited) chance of receiving at least a partial amount of aid.

### **What does the financial aid application, FAFSA, collect? Is the information protected?**

The FAFSA collects data on the student and his or her family's size, number in the household expected to attend college, family incomes, assets, prospective colleges students will be attending, and other information to determine financial eligibility for college aid.

The FAFSA information is used to determine each student's **financial dependency status**. Most students who are under 24 years old, unmarried and without children, and not members of the military are considered to be financially dependent. Dependent students' parents are considered to be the main source of financial support and, in most cases, are expected to pay at least some portion of the college expenses. Financially independent students are considered to be responsible for their own finances, and their parents' income and assets are generally not considered in federal financial aid eligibility. Financial dependency determines the amount of aid students receive, particularly in federal loan programs (described more fully in later sections).

The income data collected by the FAFSA includes annual salaries, interest and dividends from bank accounts and investments – the typical information provided to the IRS on federal tax forms. Assets include the market value of any savings accounts or other investments, but do **not** including the family home or family farm. Assets also do not include any retirement savings.

Some students and families may be reluctant to apply for aid due to the large amounts of personal data required to be reported on the form. For some, this amount of information is seen as an invasion of privacy and a risk for identity theft. There are a number of federal and state laws that provide high fines for any financial aid or other officials who illegally use the information they collect from students and families.

The privacy of financial aid records (and admission, enrollment, and other records) kept by an educational institution is protected by the **Family Educational Rights and Privacy Act (FERPA)**. Financial aid officials found guilty of violating students and families' privacy are subject to fines. For this reason, the aid records on nearly all campuses are very well protected. These laws have protected the financial aid and other information for college students and families for more than 30 years. There is very little chance that aid personnel will use aid data for identity theft or any other illegal purposes.

### **How will I know if I qualify for aid?**

Soon after the FAFSA is processed, applicants will receive a Student Aid Report (SAR), which will include a data element called the **Expected Family Contribution (EFC)**. The EFC is the key number used by financial aid professionals for determining the types and amounts of aid families may receive.

The EFC is the estimated amount that families are expected to contribute toward college expenses during the academic year. The EFC takes into consideration the student and family's other (non-college related) living expenses, the number of children in the family expected to be in college during the year, the ages of the parents (for dependent students), and other factors.

Some families with low incomes may have a \$0 EFC, which means they would not be expected to contribute any amount to their college costs. Other families with either high incomes or very low education expenses may have a very high EFC.

### **How do campuses use FAFSA data to award financial aid to me?**

Each institution noted on a student's FAFSA receives a copy of the Student Aid Report (SAR). Once the financial aid office knows the student's Effective Family Contribution (EFC), the administrators determine the amount of **demonstrated financial need**. Financial need is the difference between the total college costs and the EFC. Total college costs are based on estimated budgets developed by financial aid administrators or other campus officials.<sup>3</sup> If, for instance, a student enrolls at a college that costs \$10,000, and her EFC is \$5,000, then the maximum amount of aid based on financial need she would be eligible to receive is \$5,000.

Financial aid administrators use this information to come up with a **"financial aid package"** (a combination of grants, loans, and other types of aid) that best meets the family's total financial need. However, it is very important to note that most students do *not* get aid packages that meet their full need. In fact, a recent survey from the National Association of Student Financial Aid Administrators and the College Board found that only 5% of all higher education institutions routinely meet the full financial need amounts of their undergraduate aid applicants (NASFAA and the College Board, 2004). College aid offices have very limited budgets and often have many students with very high levels of need. It would be impossible for the vast majority of campuses to award the full amount of aid to all students. But campus officials do their very best to meet at least some of the financial needs of as many eligible aid applicants as they can.

### **The information on my SAR is wrong or out of date. Is there any way I can change it before the aid office makes its decision?**

Once the Student Aid Report (SAR) is received, all aid applicants have a chance to review the data elements, and change any information that may not be correct. Once the new information is received, the aid office may make adjustments in the aid awards.

It is especially important to update the SAR and contact the aid office if the family suffers an unforeseen change in their finances (such as a family death, illness, or job loss). Such changes may lead the financial aid professionals to use a process called "professional judgment" to change certain elements when determining aid eligibility.

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<sup>3</sup> The total cost of college includes, tuition, fees, room, board (or living expenses for students not living in on-campus dormitories), books, educational supplies, transportation to and from campus, and other miscellaneous education-related charges.

## **What happens if my financial need is \$0? Does that mean I receive no aid?**

Many families believe they make “too much” money to qualify for any aid. In fact, many aid programs are awarded to families regardless of their incomes.

Generally, there are two types of aid, “need-based” aid and “non-need” aid. Need-based aid is provided to students with very low EFCs. These recipients are either from low-income families, or from families with very high college costs. Non-need aid is distributed to students regardless of their EFCs or financial need. Non-need grants are typically academic scholarships given to students with significant academic accomplishments, but there are also grants for students with artistic talents and other attributes.

## **What types of financial aid are available?**

The federal government, state governments, colleges and universities are the main sources of financial aid. According to the College Board (2007b), federal and state financial aid programs accounted for 72 percent of the \$130 billion of aid awarded to students during the 2006-2007 academic year. Listed below are the various federal and state grant and loan programs that are available to South Carolina students.

### **I. Federal grants**

Collectively, the federal student aid grant programs awarded \$19.6 billion to college students. The vast majority of the aid was provided to undergraduates who had financial need. The largest federal grants for postsecondary students are:

- **Federal Pell Grants** are the largest aid program for needy families. In 2006-2007, the federal government awarded nearly \$12.9 billion in Pell Grants to 5.2 million undergraduates. The average grant was about \$2,500 (College Board, 2007b). It is the “foundation” of federal student aid – all students, regardless of income, must be considered for a Federal Pell Grant before any other federal aid is awarded. Pell Grants are usually awarded to undergraduates from low-income families (typically below \$30,000). The Pell Grant maximum award is set each year by Congress. According to the U.S. Department of Education (ED, 2008), the maximum Pell Grant award for the 2007-2008 academic year (July 1, 2007 to June 30, 2008) is \$4,310. The maximum award for the 2008-2009 is \$4,731.
- **Federal Supplemental Educational Opportunity Grants (FSEOG)** are awarded to financially needy undergraduates who also are eligible to receive Pell Grants. These grants typically supplements the aid students receive from Pell Grants and other federal and state financial aid programs. This program is a “**campus-based**” aid program, which means that financial aid administrators on each campus determine (based on federal criteria) which students receive awards and how much they can receive. Each campus that participates in FSEOG must match, with their own funds, 25% of the federal government allocation.
- **Academic Competitiveness Grants (ACG)**, also awarded to Pell recipients, are available to first or second year undergraduates who have previously completed a “rigorous” high school program (determined by each state). These students are eligible to receive an award of up to \$750 for their first year and \$1,300 for their second year. First-year undergraduates

must achieve a 3.0 grade point average to be eligible for a second year award. In 2006-2007, the first year of the ACG program, 400,000 undergraduates received ACG awards. Approximately 5,400 South Carolina undergraduates received ACG grants; the average award for these students was \$794 (NASSGAP, 2007).

- The **National Science and Mathematics Access to Retain Talent Grant (National SMART)** program provides up to \$4,000 in grants to Pell Grant recipients in their third or fourth year of undergraduate study. These students must be majoring in science, computer science, mathematics, engineering, technology, or in a foreign language deemed by the federal government to be essential for national security. Students must maintain a 3.0 average. Both ACG and National SMART grant awards are in addition to any Pell Grant aid a student may receive. In 2006-2007, the federal government provided \$310 million for SMART awards; roughly 80,000 undergraduates received an average award of \$3,875. That same year, 701 South Carolina students received SMART awards, and the average award amount for these students was \$3,279 (NASSGAP, 2007).

## II. Federal student loans

The federal government also authorizes low-interest loans to postsecondary students. Like grants, eligibility for student loans is first determined by FAFSA results. Unlike grants, these loans are available to both undergraduates and graduate students, but they do require students to repay the loans, generally within ten years of completing their undergraduate and/or graduate studies. The three main federal student loan programs are:

- **Federal Perkins Loans** are provided to financially needy undergraduate and graduate students. This is another “campus-based” program – campus aid administrators determine which students receive awards and how much they may receive. Currently, there is no federal allocation for new loans, but institutional program funds provide roughly \$1.1 billion for new awards. Undergraduates may borrow up to \$4,000 each year for five years of study (for a maximum amount of \$20,000). Students are not charged any fees for taking Perkins Loans. The interest rate on Perkins Loans is fixed at 5%, but interest does not accrue until borrowers enter repayment. Repayment begins nine months after borrowers leave their postsecondary institutions. In 2006-2007, approximately 514,000 students received Perkins Loans, with an average amount borrowed of \$2,208.
- **Stafford Subsidized Loans** are also provided to students based on their financial need. There are no credit checks or income requirements for Stafford Loans, but borrowers are charged fees of up to 4% for receiving the loans. These fees usually are deducted from the loan check before the proceeds are provided to the borrowers. Subsidized loan borrowers qualify for an **in-school interest subsidy**, which means that the federal government pays the accrued interest on the loan while borrowers are enrolled in higher education, and for six months after borrowers leave higher education (the “grace period”). Undergraduates who receive subsidized loans will also qualify for a reduced interest rate. As of this writing, the rate for new borrowers is 6.8%. Beginning on July 1, 2008, the interest rate on subsidized Stafford Loans made to undergraduate students will be reduced to 6%, and then over the following three years will fall in stages to 3.4% for new borrowers on or after July 1, 2012. In 2013, the rate for all loans will rise back to 6.8%. In 2006-2007, 6.1 million college

students (undergraduates and graduate/professional students combined) received Stafford Subsidized Loans; the average amount borrowed was \$4,922 (College Board, 2007b).

- **Stafford Unsubsidized Loans** are also available to undergraduate and graduate students, but these loans are available to students regardless of their financial need (but all borrowers must still file a FAFSA). However, Stafford Unsubsidized Loans do not have an interest subsidy, and borrowers are charged the interest on their loan while they are in school and during the grace period. Unsubsidized borrowers may pay the interest while they are in school, or may have it capitalized (added to the principal balance of the loans). These borrowers also do not qualify for the reduced rate of interest – their loans are currently fixed at 6.8% while they are enrolled in school, during the grace period, and during the repayment period. Students with very high college costs and high financial need may receive both subsidized and unsubsidized loans. The total amount all students may receive varies by their year in school and their financial dependency status. In 2006-2007, \$23.7 billion was borrowed under the unsubsidized Stafford program (undergraduate and graduate/professional borrowing combined).
- **Federal PLUS Loans** are available to the parents of financially dependent undergraduates who are enrolled at least half time at postsecondary institutions. The loans are not based on applicant's financial need, but parents must pass a credit check in order to qualify for this aid. Parents may borrow up to the full price of attendance at their children's colleges, minus any aid received from any other source. Interest on parent PLUS loans begins as soon as the loan funds are disbursed, and repayment begins within 60 days after the loan check is received. In 2006-2007, about \$10 billion was borrowed through the Federal PLUS program (College Board, 2007b).
- **FFEL and Direct Loan Programs** are two different programs to distribute Stafford and PLUS loans to students. The majority of these loans come from the Federal Family Education Loan (FFEL) Program. FFEL loans are provided through banks, credit unions, and other private lenders. Students apply to their lender to receive FFEL loans (after completing the FAFSA). Some schools participate in the Direct Loan Program, in which the schools distribute loans directly to their eligible students. Otherwise, the loan amounts and most other basic features of the loans are identical. The one difference is in the PLUS loan; new parent borrowers in the Direct Loan PLUS program pay a fixed interest rate of 7.9%, while the rate for FFEL PLUS loans is 8.5%.

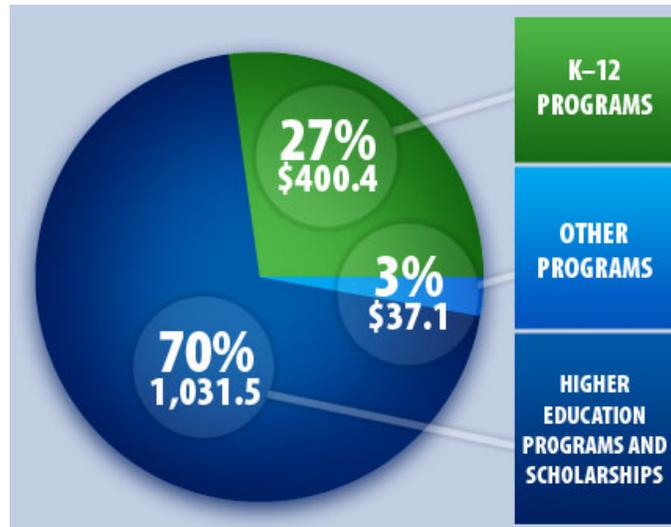
### III. State Grants & Scholarships

State governments are another excellent source for grant-based financial aid awards. In 2006-2007, states collectively provided \$7.7 billion in grant awards to postsecondary students (College Board, 2007). In 2007, South Carolina students received roughly \$757 million in grants to help pay tuition and fees and other postsecondary expenses (South Carolina Education Lottery Overview, <http://www.sceducationlottery.com/educationwins/educationwins.aspx>). More information about SC Lottery Programs and the SC Tuition Grants Commission is below.

**State Lottery Funded Programs.** The largest broad-based grants for South Carolina residents are the various assistance programs funded by the South Carolina Education Lottery. Between 2000 and 2007 the legislature has appropriated almost \$1.5 billion dollars from lottery proceeds to

support a number of educational purposes and programs. (SC Education Lottery Overview, <http://www.sceducationlottery.com/educationwins/educationwins.aspx>).

**Figure 3.1**  
**Lottery Appropriation- January 2, 2002 to June 30, 2007 (dollar amounts in millions)**



Source: <http://www.sceducationlottery.com/educationwins/educationwins.aspx>

As Figure 3.1 below shows, about 27% of these funds have supported K-12 programs, but the largest amount, 70%, support higher education, with the largest portion, \$757 million, allocated to higher education scholarship and tuition assistance programs (refer to Figure 3.2).

**Chart 3.2**  
**Lottery funds allocated to higher education (dollar amounts in millions)**



Source: <http://www.sceducationlottery.com/educationwins/educationwins.aspx>

As Figure 3.2 illustrates, the \$757 million that South Carolina college students and families have received are part of several financial assistance programs for students enrolled in the state's colleges and universities. **These scholarships are 1) the Palmetto Fellowship Scholarship, 2) the LIFE Scholarship, 3) the HOPE scholarship, 4) Lottery Tuition Assistance, and 5) the South Carolina Need Based Grant.** Three of the programs are merit based. Each assistance program provides a different amount of financial support and each has different requirements for initial and continuing eligibility.

#### **Program Detail:**

The South Carolina Education Lottery financial assistance programs include: 1) the Palmetto Fellows Scholarship 2) the LIFE Scholarship, 3) the HOPE Scholarship, 4) Lottery Tuition Assistance, and 5) the South Carolina Need Based Grant. Each provides a different amount of financial support and each has different requirements for initial and continuing eligibility.

- ***Palmetto Fellows Scholarship*** was established for the purposes of recognizing and rewarding the state's most academically talented high school seniors, as well as encouraging these students to remain in South Carolina. Those students who apply and are then selected as recipients will be notified. After receiving this notification, the students must return a scholarship acceptance form to the Commission on Higher Education and to the financial aid offices at the institution they attend. Also, students receiving this award must enroll at an eligible four-year institution the fall term that immediately follows high school graduation.
- ***LIFE Scholarship*** was established for the purposes of increasing access to higher education and providing incentives for students to better prepare for higher education. The LIFE Scholarship is the only state merit based program that is available to students enrolled at four-year and two-year institutions in the state.
- ***HOPE Scholarship*** was established through the South Carolina Education Lottery Act. This scholarship is a one year award available only to entering students enrolled at four-year institutions in the state.
- ***Lottery Tuition Assistance Program*** provides assistance to eligible full-time and part-time students who enroll at one of the sixteen colleges within the South Carolina Technical College System, at one of the two-year branch campuses of the University of South Carolina, or at an independent two-year college within the state. Recipients may have enrolled in the eligible institutions directly after their high school graduation, or many years after high school graduation. Students who initially enrolled after high school but withdrew and then re-enrolled at an eligible institution may also receive these awards.
- ***Need-Based Grant Program*** was established for the purpose of providing financial assistance to South Carolina's neediest students. This program is limited to students enrolled at an eligible public institution and the program is administered by the financial aid offices at these colleges and universities. The amount of the grant awarded to each student can vary. The award can be applied to the student's cost of attendance.

The cumulative high school grade point average required for initial eligibility for the Palmetto Fellows Scholarship differs from the grade point average required for the LIFE and HOPE

Scholarships. Table 3.1 presents a summary of the eligibility and application requirements for each of the three state merit-based scholarship programs.

**Table 3.1  
Initial Eligibility Requirements for Merit Scholarships**

	<b>Palmetto Fellowship</b>	<b>LIFE</b>	<b>HOPE</b>
<b>Academic</b>	<p>1200 on SAT or 32 on the ACT.</p> <p>Minimum 3.5 cumulative grade point average at high school graduation.</p> <p>Graduate in the top six percent of graduating class.</p> <p align="center">OR</p> <p>1400 on SAT or at least 32 on the ACT.</p> <p>Earn a minimum 4.00 cumulative grade point average.</p>	<p><b><u>Four-Year institutions</u></b> Meet two of the following criteria:</p> <p>At least 1100 on the SAT or at least 24 on the ACT.</p> <p>Have a minimum 3.0 cumulative grade point average by the end of the senior year in high school.</p> <p>Graduate in the top 30 percent of graduating class.</p> <p><b><u>Two-Year Institutions</u></b> Have a minimum 3.0 cumulative grade point average by the end of the senior year in high school.</p>	<p>Have a minimum 3.0 cumulative grade point average by the end of the senior year in high school.</p>
<b>Enrollment</b>	Available to those attending eligible four-year institutions and enrolling as full-time degree seeking students.	Available to those attending eligible four-year and two-year institutions and enrolling as full-time degree seeking students.	Available to those attending eligible four-year institutions and enrolling as full-time degree seeking students.
<b>Application</b>	Students must complete and there is an application deadline. Application materials are sent to high schools and home school associations.	An application is not required. The college/university will review the students' high school transcripts and notify eligible students.	An application is not required. The college/university will review the students' high school transcripts and notify eligible students.

Source: South Carolina Commission on Higher Education, Scholarship Brochure, [http://www.che.sc.gov/StudentServices/scholarship\\_brochure.pdf](http://www.che.sc.gov/StudentServices/scholarship_brochure.pdf)

While the award amount differs for each of these scholarship programs, the scholarships have **several common features**. They can be applied to any recognized educational costs of attendance (tuition, fees, room, board, books, etc); they can only be used during the fall and spring semesters; and students can only receive one of these scholarships during the same academic year.

There are **two important differences** among these programs – semester limits for eligibility and academic requirements for continued eligibility. With the exception of certain academic programs, students can only receive the Palmetto Fellows Scholarship or the LIFE Scholarship for eight semesters. The HOPE Scholarship is limited to two semesters. Although limited to two semesters, a recipient of the HOPE Scholarship who has a 3.00 cumulative grade point average at the college and successfully completed thirty credit hours during the academic year could be eligible for a LIFE Scholarship during the student’s second academic year.

**Table 3.2**  
**Scholarship awards, term of eligibility, and requirements for continued**  
**Eligibility (2007-2008)**

	<b>Palmetto Fellows</b>	<b>LIFE</b>	<b>HOPE</b>
<b>Maximum Award Amount per Academic Year</b>	\$6,700 for the first year  \$7,500 for second, third, and fourth years	\$4,700 plus a \$300 book allowance (four-year institutions)  Cost of tuition and a \$300 book allowance for students enrolled at a two-year institutions	\$2,800 plus a \$300 book allowance
<b>Terms of Eligibility</b>	8 semesters from the date of initial college enrollment (10 semesters for students enrolled in approved five year bachelor degree programs)	2 semesters from initial college enrollment in a one year educational program;  4 semesters from initial college enrollment in a two year educational program; and  8 semesters from initial college enrollment (10 semesters if enrolled in approved five year bachelor degree programs)	2 semesters from the date of initial college enrollment
<b>Continued Eligibility</b>	Maintain at least 3.00 cumulative grade point average and earn a minimum of 30 credit hours each academic year.	Maintain at least 3.00 cumulative grade point average and earn a minimum of 30 credit hours each academic year.	Cannot be continued past 2 semesters

Source: South Carolina Commission on Higher Education,  
[http://www.che.sc.gov/New\\_Web/ForInstitutions/Scholarship\\_Guidelns.htm](http://www.che.sc.gov/New_Web/ForInstitutions/Scholarship_Guidelns.htm)

As these eligibility criteria illustrate, academic performance in high school, as well steps taken to prepare for postsecondary education, will determine whether a student receives one of these awards. Taking the right courses in high school, working with teachers and counselors, and preparing for

standardized college entrance examinations are steps that can improve a high school student's chances of earning one of these scholarships.

During the 2007 fall semester, approximately 40% of South Carolina residents enrolled at four-year SC colleges and universities received assistance through one of these merit based scholarship programs.

### **Lottery Tuition Assistance:**

Funds awarded for Lottery Tuition Assistance scholarships can only be applied the cost of tuition and fees not paid by other federal and state grants. As such, this program provides the greatest amount of assistance to those who do not receive other federal or state financial assistance. The less aid an eligible student receives from the Federal Pell Grant program, for example, the greater the Lottery Tuition Assistance award.

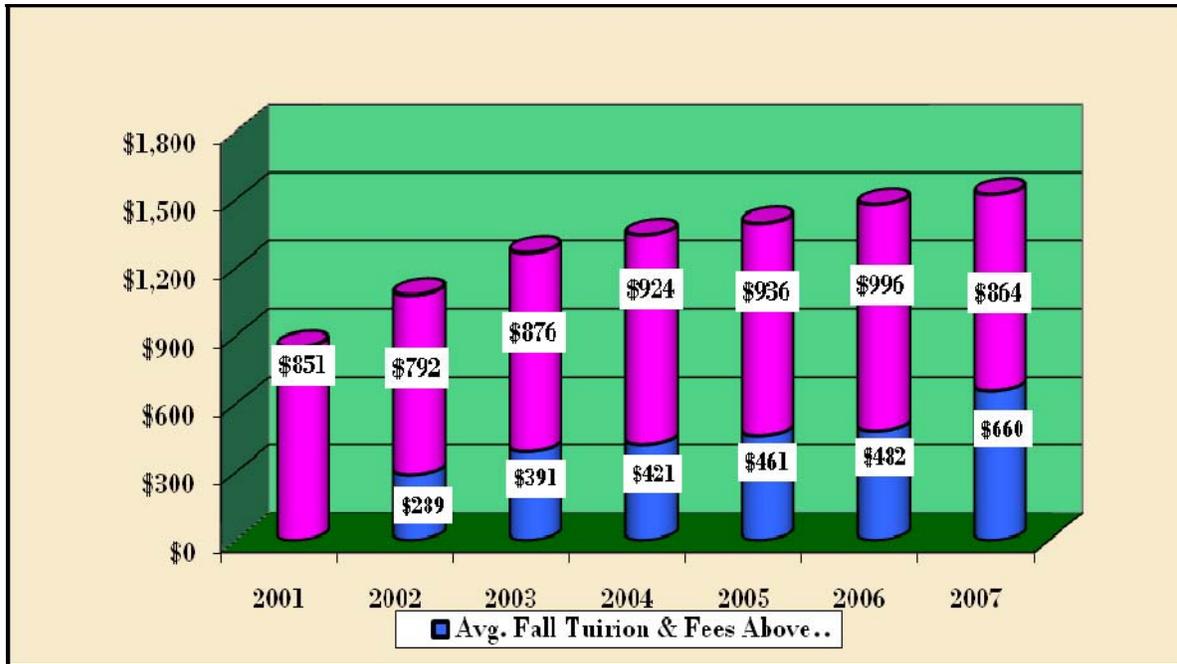
For students to receive a Lottery Tuition Assistance grant they must first complete the FAFSA, and once it is processed, each eligible institution will determine which students meet the eligibility requirements. Eligible students are those who are legal South Carolina residents who are accepted and enrolled in a degree, diploma, or certificate program at one of the eligible institutions. These students must be enrolled for a minimum of six academic credit hours per semester, and must not be a LIFE Scholarship recipient.

**To *continue* receiving Lottery Tuition Assistance, students must file a FAFSA every year of enrollment and must continue to meet the requirements listed above.** In addition, recipients enrolled at a Technical College who have attempted 24 credit hours at the college, and must have at least a 2.00 grade point average by the end of their first academic year. Lottery Tuition Assistance recipients enrolled at an independent two-year college or at one of the two-year branch campuses of the University of South Carolina must meet the college's standards of academic progress. Information about these standards can be obtained from institution's academic catalog, student handbook, or from the college's financial aid office.

The Lottery Tuition Assistance Program does not limit the number of terms a student can receive assistance. However, once students complete a degree, diploma, or certificate program, they cannot receive Lottery Tuition Assistance funds again for five years (there are some exceptions, and potentially affected students should consult their institution's financial aid office for more information). In addition, Lottery Tuition Assistance is awarded throughout the academic year--fall, spring, and summer semesters. The maximum Lottery Tuition Assistance award could vary from year to year and, although rare, from semester to semester.

During the 2007 fall semester, approximately 34 percent of South Carolina residents enrolled at an eligible two-year institution in the state received assistance through this program. The Lottery Tuition Assistance Program has helped to limit the amount of tuition that these students had to pay. Figure 3.2 displays the average amount of tuition that a student receiving the maximum Lottery Tuition Award would have paid for a semester's tuition and academic fees at one of the college's within the South Carolina Technical College System.

**Figure 3.3**  
**Average amount of tuition at one of the colleges within the South Carolina Technical College System paid by students receiving the maximum Lottery Tuition Assistance Award**



Lottery Tuition Assistance provides an important source of financial aid for students who do not fit into the traditional merit categories, especially those who would not qualify for other federal assistance.

**South Carolina Tuition Grants Program.** In South Carolina, the “need-based” grant program for residents attending the 21 independent colleges is the South Carolina Tuition Grants Program. Created in 1970 by the state legislature, the South Carolina Tuition Grants Program gives eligible state resident students the “choice” of attending the institution that best meets their academic and cultural needs. Each year approximately \$35 million is awarded to 12,500 eligible South Carolina students attending the state’s private institutions. The tuition grants are awarded in the form of need-based grants that range up to \$3,200 per year. **Application for the grants is made by completing and submitting the FAFSA by June 30.** By indicating on the form that you are a South Carolina resident, and by listing one of the participating state’s private colleges in the “College Choice” section, the Commission automatically considers your information, computes your eligibility, and notifies you and your institutions of the application results. Students must re-apply annually and are limited to four years of assistance at the undergraduate level.

Institutional aid programs

A third major source of grant aid for undergraduate students is the institution itself. Many public and private colleges provide scholarships based on financial need and academic merit. Nationally, colleges and universities provided more than \$26.3 billion in need- and non-need awards to students and families in 2006-2007. These awards are funded by institutional endowment funds or other

resources, or are the value of the waiving of tuition and fee charges or other student expenses. Many of these awards have gone to students from families with income of \$100,000 or more (NCES, 2006). The University of South Carolina, for instance, recently announced the creation of its **Gamecock Guarantee** program, which guarantees tuition and fee assistance for financially needy students. Many other public and private universities in South Carolina also provide generous institutionally funded scholarships to students. The financial aid office at each of these institutions can provide more information on them.

### **Are there other types of loans besides federal and state grants and loans?**

In addition to the federal and state grant and loan programs, a number of private organizations, local community organizations and other groups award scholarships. Collectively, private scholarships provided about \$10.2 billion in scholarships and grants to students (College Board, 2007b). Several very reputable organizations that sponsor scholarship search Web site include:

- The College Board ([www.collegeboard.com](http://www.collegeboard.com))
- Peterson's ([www.petersons.com](http://www.petersons.com))
- [www.Finaid.org](http://www.Finaid.org)

Two other sources of information about paying for college include **TRIO** and **GEAR UP** counselors at local community colleges, universities and trade schools. TRIO programs are a mix of federal programs sponsored by the Department of Education designed to support students from low-income or disadvantaged backgrounds; families with first generation college students; and students with disabilities. The programs range from school-aged children in middle school all the way to the undergraduate bachelor's degree. Additionally, the program includes professional training and help for those interested in adult education opportunities. Certain programs are excellent resources for families who need extra help for college financing:

- *Student Support Services*. This program is designed to help student successfully enroll and complete postsecondary education. Offering more than study aids and tutorial services, services are available for personal and financial counseling as well.
- *Talent Search Program*. This program targets low-income students with the academic potential to succeed in higher education. The main goal is to decrease and prevent high school students from dropping out of school. Talent Search participants receive help with career counseling, tutorial services, mentoring, and information about going to college including financing options available at the schools they choose.
- *Upward Bound*. This program provides opportunities for high school students from low-income families; high school students from families in which neither parent holds a bachelor's degree; and low-income, first-generation military veterans who are preparing to enter postsecondary education. Services include academic training in math, science, literature, cultural awareness, and work study program opportunities.

The second mix of programs is a mix of programs created to increase the numbers of students from low-income and economically disadvantaged areas who successfully enter college. Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) may be found in both middle

schools and high schools in economically disadvantaged and low-income areas. The program offers college scholarships to low-income students in pursuit of a college degree.

There are other federal programs many students may not realize they are eligible for participation in, most notably the **Leveraging Education Assistance Partnership Program (LEAP)**, and **Vocational Rehabilitation Programs**. LEAP assists states in providing grants or work study to students. Programs usually vary by state. In South Carolina, the program is administered by South Carolina Higher Education Tuition Grants Commission. The office is located in Suite 2100, 101 Business Park Boulevard, Columbia, SC 29203. The telephone number is (803) 896-1120, or on the web at <http://www.sctuitiongrants.com>.

Vocational Rehabilitation Programs provide states grant money to help individuals with disabilities with training, employment and independent living. The program further offers scholarships to students interested in working with individuals through rehabilitation. In South Carolina, the office can be reached at South Carolina Vocational Rehabilitation Department, 1410 Boston Avenue, P.O. Box 15, West Columbia, SC 29171-0015. They may also call Toll Free: (800) 832-7526, TTY: (803) 896-6532 or visit <http://www.scvrd.net>.

### **Some Words of Caution about Loans and Private Lenders**

States and postsecondary institutions also provide a very small number of loans programs, while many banks and other lenders provide **private or alternative loans**. Private loans have become very popular over the past decade. In 1996, students received about \$1.3 billion in “non-federal” loans. In 2006, they received \$17.3 billion (College Board, 2007b). While graduate students are the largest borrowers of private loans, more undergraduates have turned to these loans for assistance. Nationally, about 5% of bachelor’s degree candidates at four-year public colleges and 9% of those at private institutions received private loans in 2004-05, according to the National Postsecondary Student Aid Study (NCES, 2006).

Private loans may seem to have advantages over federal loans: many allow borrowers to receive the full amount of their financial need or cost of attendance; some programs allow students to receive the assistance without having to complete a FAFSA. **But there are several disadvantages to private loans**. They often charge much higher interest rates than federal loans. Also, most private loans do not subsidize the interest – students are charged the accrued interest and must either pay it while in school or have it capitalized. More importantly, the vast majority of private loans do not provide any protections against unforeseen borrower hardships. Federal loans allow a portion of the repayments to be forgiven and accrued interest to be cancelled if borrowers teach in low-income areas or provide other community services; private loans do not offer these and other benefits. We strongly encourage you to work with your institution’s financial aid professionals.

Saving and investing for college does require planning, but if you are in a position where you have not had enough time or resources to plan, you may be find yourself more likely to participate in predatory lending practices. Predatory lending includes a wide range of financial practices that often target low-income individuals or those individuals without a wide range of financial knowledge about lending practices.

Most often, predatory lending takes the form of “easy” money or loans such as easy credit, quick cash, or even loans based on your car or existing home equity. When you read the small print, however, you see a few red flags:

- Excessively high interest rates or fees;
- Abusive or unnecessary provisions that are not beneficial to you as the borrower: excessive administration fees, balloon payments, single-premium credit life insurance, large pre-payment or payoff penalties and,
- Absence of underwriting that ignores a borrower’s repayment responsibility.

While all of these characteristics are not necessarily predatory on their own, they do have the ultimate goal of stripping equity from the borrower and complicating the pay back process.

One of the easiest ways to avoid predatory lending is by learning as much as you can about your credit history and creditworthiness. Creditworthiness is actually your credit risk. Lenders often use this to consider your loan terms. Your credit history is your financial transactions information. Your creditworthiness is based heavily on your credit history, and this is why it is so important for you to have access to your credit history and credit scores. As a consumer, you can get a free copy of your credit report, but you will more than likely have to purchase your credit score. You can use [www.annualcreditreport.com](http://www.annualcreditreport.com) to check reports from all three bureaus.

Another good way to decrease your chances of getting caught up in predatory lending practices is to shop around for lenders. If you live in a lower income community or a distressed community, chances are there are probably not too many financial services businesses. The financial aid office at any of your possible institutions can offer the best advice on contacts for student loans.

The Department of Housing and Urban Development (HUD) recommends a few other tips for protecting yourself.

- Do NOT let anyone persuade you to make a false statement on your loan application, such as overstating your income, failing to disclose the nature and amount of your debts, or even how long you have been employed.
- Do NOT let anyone convince you to borrow more money than you know you can afford to repay.
- Never sign a blank document or a document containing blanks. If someone else inserts information after you have signed, you may still be bound to the terms of the contract. Insert "N/A" (i.e., not applicable) or cross through any blanks.
- Read everything carefully and ask questions. Do not sign anything that you don't understand.

Finally, if you are absolutely not sure about a lender, you can check with South Carolina’s Department of Consumer Affairs at 1-800-922-1594 or even chat live with someone from the department at: <http://www.sccoconsumer.gov>.

**I'm still confused! What other resources are out there to help me understand financial aid?!**

Financial aid personnel in many states, including South Carolina, participate in an annual event called **College Goal Sunday**. This event offers workshops at which aid professionals will answer questions about the FAFSA and the process of applying for aid. To get more information about College Goal Sunday, visit the Web site <http://www.collegegoalsundayusa.org/> and click on the link for South Carolina.

The financial aid administrators at any of the South Carolina postsecondary institutions are also available to answer questions. Other Web sites, such as [www.FinAid.org](http://www.FinAid.org), provide a good review of the aid system and calculators that estimates families' EFCs before applying to college and student loan repayments after college.



# Chapter 4

## Investing In Your Child's Education: Understanding College Savings and Investment Choices

Kirk A. Nix, CWS®

### Introduction

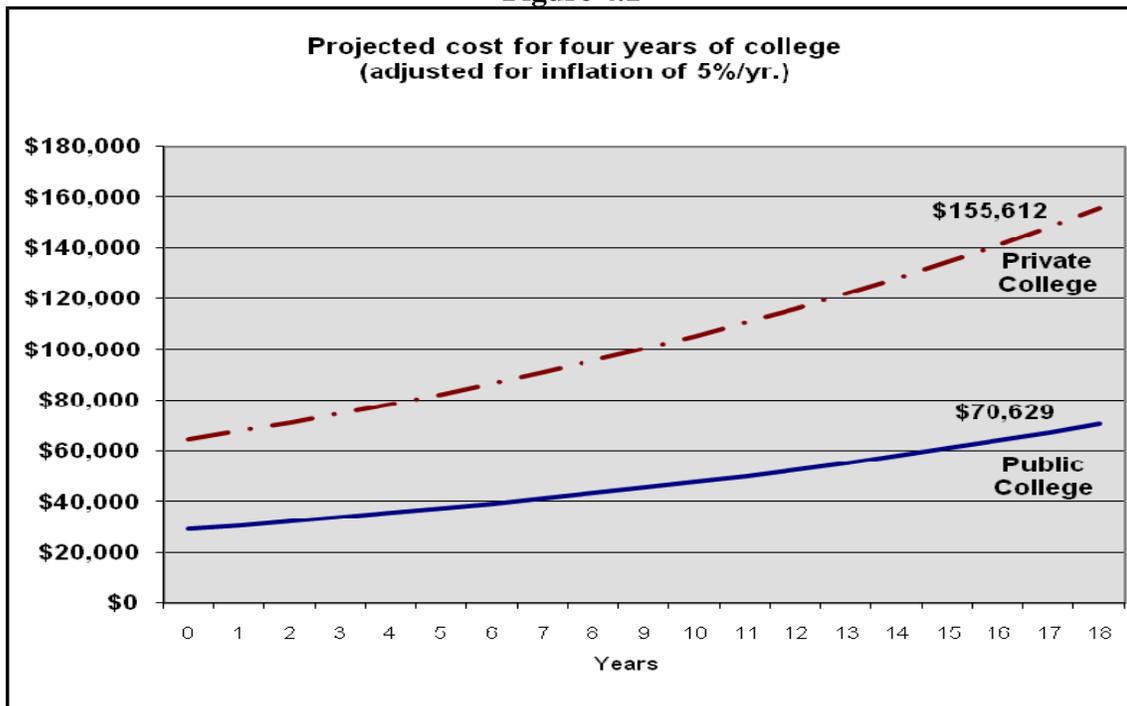
Unfortunately, higher education costs are on the rise – and a college savings strategy is no longer only a consideration, but should be a requirement for families who wish to help their child attain a college degree. This chapter outlines the things you should consider when planning for how to fund your child's college education.

If paying for your child's college education is your goal, you'll need to plan well in advance. College education expenses have climbed over five percent annually during the past 10 years, more than double our nation's inflation rate. That means a child born today could need over \$70,000 to attend a four-year public college in 2026, more than double today's tuition. Expenses have increased even more for private colleges.

### What does a College Education Cost?

In recent years, college costs have often exceeded the general rate of inflation for many reasons. The figure below takes current SC median tuition and projects possible college costs for a child born in 2007, with amounts adjusted for the average college inflation.

Figure 4.1



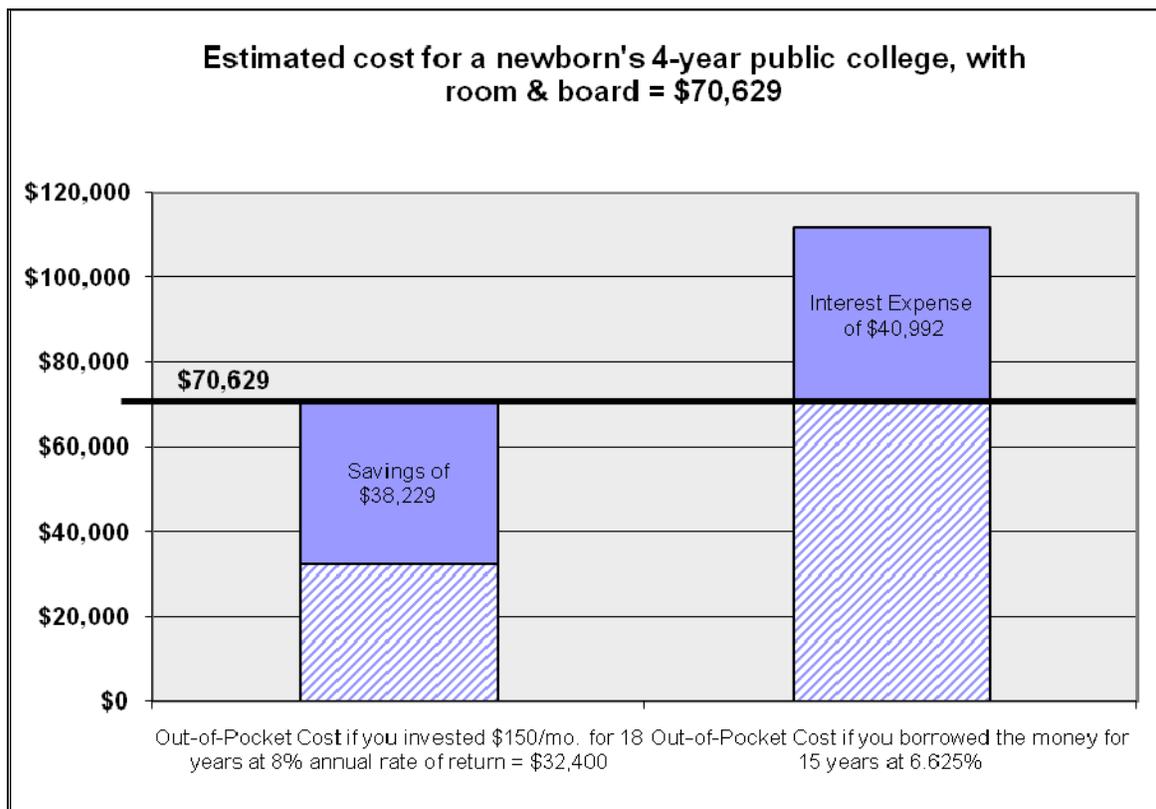
SOURCE: The Chronicle of Higher Education Almanac Issue 2007-2008.

There are many costs involved in going off to college, and most families will depend on their student to shoulder some, if not all, of the burden. Grants and scholarships, discussed in Chapter 3, cover the some costs, but many students still need to come up with funds for books, extracurricular activities, dining out, clothes and transportation. These essentials can really add up, and families need to consider how they will be funded. Chapter 5 includes valuable information for students who will need to work while in school.

Every year, thousands of families take out loans to cover college-related expenses, assuming a financial burden that's often far greater than anticipated. In 18 years it could cost more than \$70,000 to send your child to college. Let's look at a hypothetical investing vs. borrowing example. You could wait until your child is 18 years old and borrow the money, paying interest for at least 15 years.

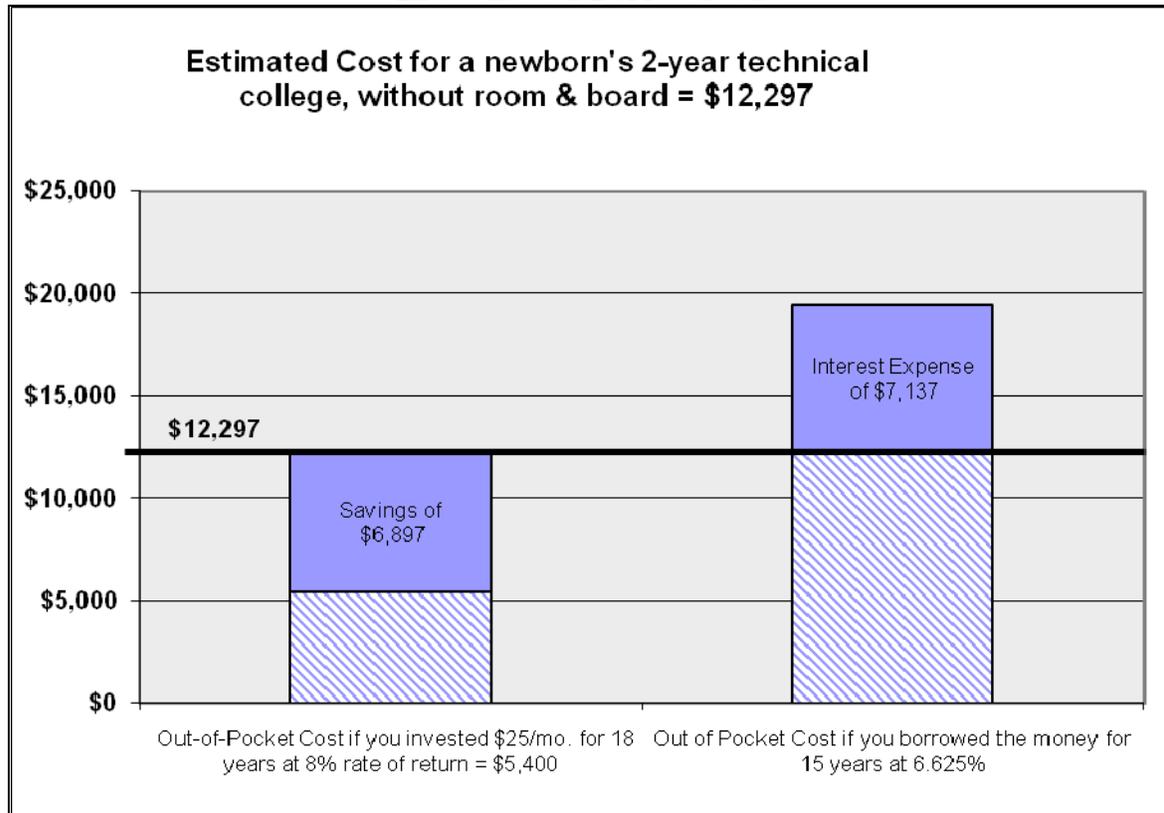
Figure 4.2 illustrates the power of investing only \$150 a month over 18 years, with the cost of education estimated at \$70,629. The investment of \$150 per month results in an 18 year total of \$38,229 and, therefore, a cost of \$32,400. The out-of-pocket cost if borrowed is the \$70,629 PLUS an interest expense of \$40,992, for a total educational cost of \$112,621.

**Figure 4.2**  
**Invest now or Borrow later?**



We realize, however, that these days saving money is harder than ever. We don't want you to be discouraged. There are many possibilities that you can afford. Figure 4.3 shows the return on investment if investing only \$25 a month.

**Figure 4.3**  
**Invest now or Borrow later?**



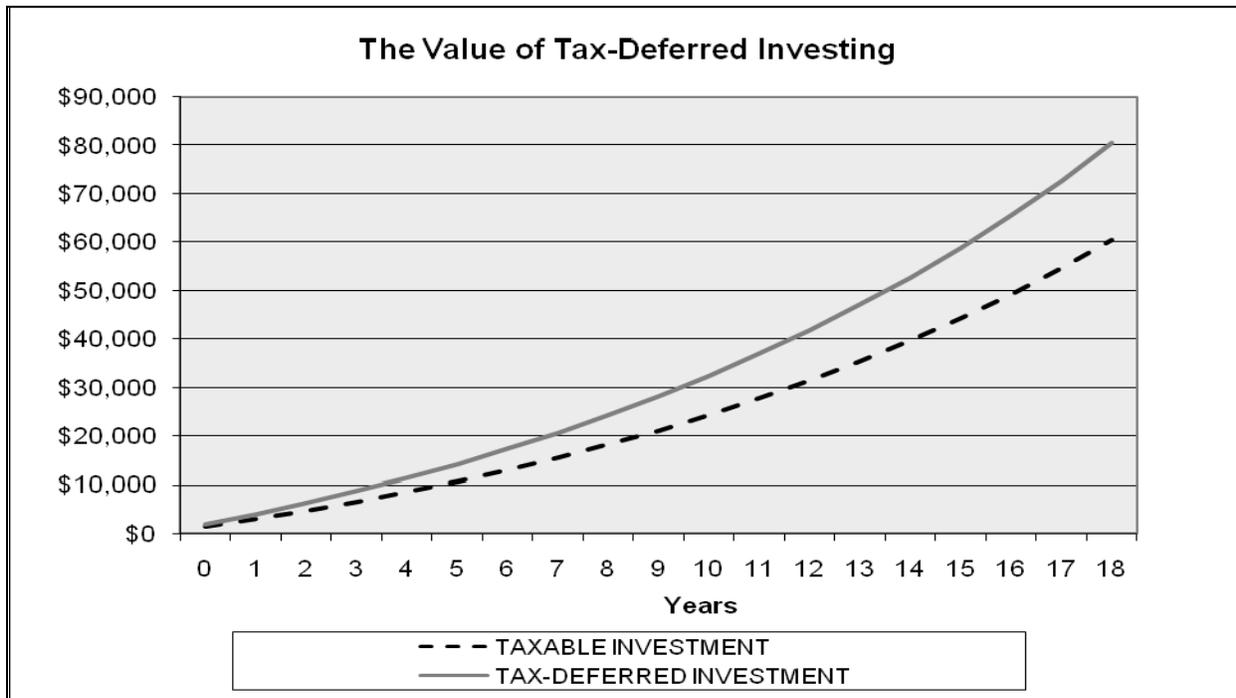
SOURCE: College cost estimates based on values from The Chronicle of Higher Education Almanac, Issue 2007-08. Loan percentage rate based on Stafford Loan issued by SallieMae after July 1, 2006. Assumes consolidates all federal education loans into a SMART LOAN account that locks in a lower interest rate and, depending on the loan balance, can extend repayments up to 30 years. Examples are for illustrative purposes only, are not reflective of any particular investment, and do not take taxes into account. 529 Plans do not guarantee an investment or any specific rate of return, and you may have a gain or a loss on the amounts invested. Periodic investing plans do not assure a profit and do not protect against loss in a declining market.

## I. Tax Deferred Savings Plans

These include 529 College Savings Plans and the Coverdell Education Savings Account. IRS Code-529 provides that states may sponsor college savings and investment programs where the funds invested are after-tax dollars – hence the name “529 plans.” Qualified withdrawals from 529 plans are free from federal income tax until December 31, 2010 under current law. After that time, the earnings portion of qualified withdrawals will be subject to federal income tax at the beneficiary’s federal tax rate. Federal tax, a 10% penalty, and state tax apply to nonqualified

withdrawals. The chart does not take into account any applicable taxes or 529 plan fees and expenses (which vary by plan provider), which would lower the results shown.

**Figure 4.4**  
**How Tax-Deferred Growth helps you achieve your Goals**



The difference in total savings if a family invests \$300 each month in a taxable investment account with an average annual return of 8 percent versus a tax-*deferred* investment account with the same average annual return is approximately \$20,000 less over 18 years.

### **529 College savings plans**

There are two types of 529 plans – prepaid tuition plans, which let you lock in tomorrow’s tuition at today’s rates, and college savings plans, which let you choose from a menu of investments and offer more return potential, as well as greater risk.

A 529 College Savings Plan is a state-sponsored, tax-advantaged plan that can help families and individuals save for higher education expenses. These plans offer a number of benefits, including tax-deferred growth and federal income tax-free withdrawals when used for qualified education expenses. This federal income tax-free treatment is now permanent for 529 plans through passage of the Pension Protection Act of 2006.

#### Some important features of 529 plans include:

- Federal income tax benefits
- Special gift and estate tax treatment while saving for college
- Professional investment management
- No income restrictions

- Control over the assets you've accumulated
- Low contribution requirements
- High contribution limit
- Wide choice of colleges

Effect on Financial Aid: Assets in all types of 529 savings plan accounts are considered in the “Expected Family Contribution” (EFC) calculations (see Chapter 3) only if the account is owned by an independent student or the parent of a dependent student. Also, tax-free distributions (those used to pay for qualified education expenses) are not counted as income to either the parent or student in the financial aid determination process.

Federal Income Tax Benefits:

The Pension Protection Act of 2006 provides for:

- the creation of prepaid tuition programs (discussed later in this chapter);
- allows rollovers from one account to another every 12 months;
- allows same-beneficiary rollovers;
- eliminates the mandated state-imposed penalties on non-qualified distributions;
- makes first cousins eligible family members for purposes of rollover or change of beneficiary rules and,
- preserves the income tax exclusion at the state level in states that follow the federal tax treatment of 529 plans.

**Special Gift and Estate Planning Considerations:**

The IRS clearly had college planning in mind when it drafted Section 529 of the Internal Revenue Code. However, it also left the door open to use 529 plans as estate planning tools. That’s because a contribution to a 529 plan is considered a completed gift from the donor to the beneficiary named on the account, even though the account owner, not the beneficiary, maintains control over the money while it’s in the account. **Tax rules permit you to give \$12,000 (indexed to inflation) to as many individuals as you choose each year, free from federal gift taxes.** Couple can give \$24,000 without incurring taxes. As a result, one method of reducing a taxable estate is to make scheduled gifts up to the tax-free limits each year. You might give \$12,000 to each grandchild on an annual basis, for example.

529 plans also allow you to accelerate your gifting. To do this, you could elect to make a lump-sum contribution of up to \$60,000 to a 529 plan in the first of a five-year period (\$120,000 for a couple). Of course, you wouldn’t want to make additional taxable gifts to that beneficiary during the five-year period. And if you use the five-year averaging election and die before the five years are up, a prorated portion of the contribution may be considered part of your taxable estate. But the wealth transfer potential can be substantial: An individual who has five grandchildren could immediately remove up to \$300,000 from his or her taxable estate by contributing the money to five separate 529 plan accounts. Five years later, they could do it again.

Professional Investment Management:

When choosing a 529 plan, look beyond estate planning considerations. There are dozens of plans available and their features and rules can vary greatly. To narrow down the choices, consider

working with a qualified financial professional. Be sure to consult an estate-planning attorney or tax professional before making any decision that could affect your tax liability.

No Income Restrictions:

There are no income restrictions with regard to making a contribution to any 529 account.

Control Over the Assets You've Accumulated:

Although the assets contributed to a 529 plan are no longer considered part of your taxable estate, you still exercise control over the money. You decide how it will be invested – within the confines of the plan's available investment options – and when it will be withdrawn. You also have the right to change beneficiaries, in the event that the original beneficiary decides not to attend college, for example. And doing so generally won't trigger tax consequences if you choose a beneficiary who is a member of the original beneficiary's family. If there isn't a suitable beneficiary, you also have the option of closing the account and taking the money back, although earnings will be subject to income taxes, as well as a 10% penalty.

Low Contribution Requirement:

Depending on your plan provider, the minimum contribution to start up a new 529 plan account can be as low as \$25 (though most are typically \$50 – \$100), with additional contribution minimums being as low as \$25 each.

High Contribution Limit:

Total plan contribution limits often exceed \$200,000, depending on the plan you choose.

Wide Choice of Colleges:

All accredited colleges and universities in the U.S. and at many colleges abroad.

**FUTUREScholar 529 College Savings Plan**

FUTUREScholar is SC's section 529 college savings plan. There is a cumulative contribution limit of \$250,000 per beneficiary. Investment options include an age-based portfolio and a years-until-enrollment portfolio, six allocation portfolios, index-based portfolios, or a stable-value fund (for risk-averse families). Qualified withdrawals are exempt from Federal and SC state income taxes, and contributions are fully deductible for SC income tax purposes. Columbia Management manages the program.

In addition to the federal tax benefit, South Carolina is one of many states that offer a state income tax deduction for contributions to their particular state-sponsored plan as well as income tax-free withdrawals for qualified expenses.

Savings can be used at most accredited colleges and universities in the U.S. and at many colleges abroad. Qualified expenses include tuition, fees, eligible room and board, books, supplies and required equipment (such as computers) for attendance at a higher education institution. Qualified expenses also include certain additional enrollment and attendant costs of a beneficiary who has special needs.

Unlike money for some other college savings vehicles, the account owner maintains control over all of the funds in the 529 College Savings Account. 529 College Savings Plans also offer gift and estate tax planning benefits.

The treatment of investments in a 529 College Savings Plan varies by school. Assets are typically treated as the account owner's and not the student's. Any investments, including those in 529 accounts, may affect the student's eligibility to get financial aid based on need. You should check with the schools you are considering for details.

### **Section 529 Prepaid Tuition Plan (SCTPP)**

SCTPP is South Carolina's section 529 prepaid tuition plan. The program allows families to lock in tuition rates at any of SC's 13 public colleges and universities at today's prices. The contract may also be used at private or out-of-state colleges, and pays the average amount paid by the program to SC four-year public colleges and universities. Qualified withdrawals are exempt from Federal and SC state income taxes, and contributions are fully deductible for SC income tax purposes. Check with the South Carolina Treasurer's Office for updates regarding program status, rules and guidelines at [www.sctpp.sc.gov](http://www.sctpp.sc.gov).

### **Independent 529 Plan**

Independent 529 Plan is another prepaid tuition plan and is sponsored by *private* (or *independent*) colleges across the U.S. Families that purchase tuition certificates today will be able to use their certificates at any college that joins later. If a college should ever withdraw from Independent 529 Plan, it would still be obligated to honor all certificates that were purchased prior to its withdrawal. Several colleges in SC participate in the Independent 529 Plan program:

- Charleston Southern
- Claflin University
- Columbia College
- Converse College
- Furman University
- Presbyterian College
- Wofford College

### **Coverdell Education Savings Accounts**

Formerly known as Education IRAs, Coverdell ESAs (Education Savings Accounts) are another way to save and enjoy tax-deferred growth and withdrawals that are generally federal tax-free.

**Coverdell ESAs have one important advantage over other tax-advantaged education savings plans – they can be used for primary and secondary (K-12) tuition and expenses, as well as for higher education.** Parents who plan on private or religious school can start a Coverdell ESA when the child is very young and have tax-advantaged savings in hand by the time the child reaches school age.

Like 529 plans, Coverdell ESAs are funded with after-tax money. But in the case of the Coverdell ESAs, contributions are not federally tax-deductible, but accrue tax-free and withdrawals for

qualified education expenses are exempt from federal taxes. Contributions are, however, tax-deductible in some state, including South Carolina.

Who is eligible? Coverdell ESAs are available for beneficiaries (students) who are under age 18 when the account is established. There are exceptions for beneficiaries with special needs.

Contribution Limits: The maximum annual contribution is \$2,000 per beneficiary. Single tax filers with adjusted gross income (AGI) of \$95,000 or less, or joint filers with an AGI of \$190,000 or less are able to contribute the full \$2,000. Partial contributions are available to those with incomes above the limits. Corporations and tax-exempt organizations may also contribute to these accounts.

Ownership:

Funds are controlled by the account owner (usually, the parents; but in other cases, the custodian, guardian, or trustee) at all times.

Types of Investments: There are no limitations on the types of investments in Coverdell ESAs.

Qualified Expenses: As with similar plans, qualified expenses for Coverdell ESAs include: tuition, fees, books, supplies, and equipment required for enrollment. If the beneficiary is enrolled at least half-time at an eligible institution, certain room and board expenses are included. Qualified expenses also include public, private, and religious elementary and secondary school expenses.

Taxation of Earnings: Investment earnings compound free of federal taxes. Withdrawals used for qualified K-12 and higher education costs are free of federal taxes, and, in some cases, state taxes as well. Withdrawals used for other purposes are subject to a 10% penalty on investment earnings, and account owners must also pay income taxes on earnings. Penalties are waived if the beneficiary dies or becomes disabled.

Withdrawals: The balance in a Coverdell ESA must be distributed within 30 days after a beneficiary turns 30 years old. Age limits do not apply to beneficiaries with special needs. Benefits not needed by the named beneficiary can be transferred to a family member.

Effect on Financial Aid: Account assets are generally considered to be the account owner's rather than the student's. Once withdrawals begin, the assets are considered to belong to the student. Coverdell ESA withdrawals can be used in the same year as 529 plan withdrawals and federal tax credits.

## **II. Taxable Alternatives**

### **Traditional Investment Account:**

Another option for a college savings strategy is a traditional investment account at a broker/dealer. In addition to helping families determine which strategy is best for them, a broker/dealer has several options available for consideration that can be held in a non-qualified (for tax purposes) investment account.

Savings accounts, CDs, growth stocks, and growth mutual funds are all good choices when saving for a future expense like college. However, be aware that the growth of all of these investment choices is taxable as ordinary income to the account holder at both the federal and state levels. Be sure to investigate all of the available qualified plans outlined in this chapter before deciding on an investment strategy.

Other, tax-preferred ways of saving inside a traditional investment account include:

U.S. Savings Bonds: Interest on series EE savings bonds issued after 1989, or Series I savings bonds, may (certain limits apply) be excluded from income if qualified are paid in the year the bonds are redeemed.

Municipal Bonds: A special form of state-issued, tax-exempt municipal bond. Interest on these bonds is generally tax free, at both the state and federal levels.

Zero-coupon Bonds: These bonds generally pay slightly higher interest than traditional corporate bonds. This is mainly because all interest is paid at the bond's maturity, rather than, semi-annually, along the way. The interest, when paid at maturity, is taxed as ordinary income to the bondholder. These are good choices if you want the bond's principle and interest to be available at some point in the future. Simply purchase a bond that matures when you will need the money.

Custodial Account: Custodial accounts are individual accounts owned by a minor by managed by custodian (usually a relative of the minor), since minors cannot legally own their own investment accounts. The Uniform Gift to Minors Act (UGMA) governs these accounts. They are generally referred to as UGMA ("ug-mah") accounts. The main advantage of an UGMA account is that earnings are taxed at the "kiddie" tax rate:

- The first \$700 in unearned income (e.g., interest, dividends, capital gains, etc.) is not subject to tax, either at the child's rate or the parent's rate.
- Unearned income of more than \$700 and up to \$1,400 is taxed at the child's rate (generally 15%, but usually much lower than the parent's rate).
- Unearned income of more than \$1,400 is taxed at an adjusted parent's rate (unless the child's rate is greater).

The "kiddie" tax rules *do not* apply if:

- The child is under age 14 and neither parent is alive at the end of the taxable year, **or**
- The child is age 14 or older as of December 31st of the taxable year.

## **Other Approaches**

Home equity loans: Parent with equity in the family home may want to consider taking out a home equity loan (home equity line of credit). If certain conditions are met, the interest on such a loan can be tax deductible. Inquire at your bank or home mortgage company.

Internships and Co-ops: Many companies offer summer internships and/or co-op employment opportunities. These programs are program-specific to certain curriculums and are available at most colleges. Inquire at the department office or office of the Dean of the college your child is planning to attend.

Part-time employment: Obviously, this will depend on your child being willing and able to take on the extra workload of a part-time job while also being devoted to schoolwork. Not to mention having available transportation to get to and from work. Many colleges have department that hire students on a part-time basis to assist in many areas, from office administration to laboratory research. Inquire at the department office or office of the Dean of the college your child is planning to attend.

Life Insurance cash value: Cash-value life insurance policies can provide another source of low-cost loans. These, however, will reduce the available death benefit of the policy. If a policy lapses or is surrendered with a loan outstanding, the loan will be treated as taxable income in the current year, to the extent of gain in the policy. Also, policies considered to be modified endowment contracts (MECs) are subject to special taxes. Consult your insurance agent for details.

Borrow from Qualified Plans: Some types of employer-sponsored qualified plans allow a participant to borrow from the plan. There are generally strict rules regarding the repayment of such loans. Consult your plans administrator or employer human resources coordinator for more information.

Skip a year: Some colleges will admit a student and defer admission allowing the student to live at home, work full-time and save the earnings for college. Inquire at your college's admissions office.

Live at home and commute: A family can save several thousand dollars a year by having a student live at home and commute to school.

Choose a lower cost school: State-supported public colleges and universities generally charge a lower tuition for in-state residents. To further save money, some students begin their studies at less expensive community or junior colleges and then transfer to a four-year school to complete their degree.

Begin early and seek professional advice: The key step in paying for a child's education is to begin the process as early as possible. A great deal of information, as well as counseling, is available from high schools, colleges, and the various government agencies involved in higher education, at little or no cost. Questions involving income, gift, or estate taxes should be carefully reviewed with competent, professional tax and investment advisors.

## COMPARISON OF COLLEGE SAVINGS OPTIONS

	<b>Tax Breaks</b>	<b>Contribution Limit</b>	<b>Income Restrictions</b>	<b>Potential Sunset Changes</b>	<b>Federal Financial Aid Impact</b>	<b>Flexibility of Funds' Use</b>
<b>529 College Savings Plan</b>	Qualified distributions tax-free. (Some states may also offer tax breaks.)	Up to total of about \$300,000 for some plans; may pay gift taxes if more than \$12,000 a year. Can donate up to \$55,000 at one time.	None	Earnings withdrawals will be taxed at child's rate after 2010.	Considered parent's assets, assessed up to 5.6%. Family should consider naming non-immediate family as owner (0%).	Tuition, fees, room, board, and graduate school.
<b>529 State Prepaid Plan</b>	Qualified distributions tax-free. (Some states may also offer tax breaks.)	Maximum varies by state, but plans cover, in general, up to five years of college costs.	None	Earnings withdrawals will be taxed at child's rate after 2010.	Considered parent's assets, assessed up to 5.6%.	For most plans, tuition, fees, room and board.
<b>Independent 529 Plan</b>	Qualified distributions tax-free.	Maximum is based on 5 years full time tuition and fees at the most expensive member college. For the 2005/2006 Program Year, the maximum is \$165,000.	None	Earnings withdrawals will be taxed at child's rate after 2010.	Considered parent's assets, assessed up to 5.6%.	Covers tuition and mandatory fees.
<b>Coverdell Education Savings Account</b>	Qualified distributions tax-free.	Up to \$2,000 a year	For single filers, \$95,000 - \$110,000; for joint filers, \$190,000 - \$220,000.	Contribution limits would revert to \$500 after 2010.	Considered parental asset. Generally assessed at up to 5.6%.	Post-secondary costs; K-12 costs, some computers.
<b>Custodial Accounts</b>	Children's Earnings: Over 18 - taxed at child's rate. Under 18 - less than \$850 tax-free. Next \$850 taxed at child's rate. Excess of \$1700 taxed at parents' highest marginal rate.	No total maximum, but may pay gift taxes if more than \$12,000 a year.	None	Favorable 5% tax rate set to expire in 2010.	Considered student's assets, assessed at 35%.	Anything that benefits the minor.
<b>Savings Bonds</b>	Interest earned is tax-free if used for qualified higher-education purposes.	Maximum annual purchase is \$30,000 in Treasury Direct and \$30,000 in paper bonds.	For 2006, under \$78,100 for singles; under \$124,700 for joint filers.	None	Considered parent's assets, assessed up to 5.6%.	Tuition and mandatory fees.
<b>Taxable Accounts</b>	Up to 15% tax on capital gains and dividend income.	Unlimited	None	Favorable 15% tax rate set to expire in 2010.	Considered parent's assets, assessed up to 5.6%.	Unlimited
<b>Zero-coupon Bonds</b>	Interest earned is taxable in year earned.	None	None	None	Considered parents' assets, assessed up to 5.6%.	Unlimited
<b>Tax-free Gifting</b>	No taxes, within limits	\$12,000 per year, per person	None	Favorable 5% tax rate set to expire in 2010.	Considered student's assets, assessed at 35% if held >60 days	Unlimited

## Tax-Advantaged Strategies

The U.S. Congress has passed federal legislation designed to lighten the burden of paying for higher education. Because the rules surrounding these strategies can be complicated, the counsel of a qualified tax or financial advisor is recommended. A taxpayer may not take both credits in the same tax year.

Education tax credits: Two separate tax credits are available:

- The Hope Scholarship Credit: provides up to \$1,650 (in 2007) per student, for tuition and fees paid during the first two years of college, and
- The Lifetime Learning Credit: provides a credit of up to \$2,000 for qualified education expenses.

Interest deduction on education loans: A limited deduction (taken as an adjustment to gross income on your tax return) is available for interest paid on student loans. For 2007, the deduction is limited to \$2,500 (certain restrictions apply).

Deduction for higher education expenses: Through 2007 a taxpayer may take (as an adjustment to gross income) a deduction for qualified higher education tuition and related expenses for a qualifying individual at a qualifying higher education institution. The maximum deduction is \$4,000. Other restrictions and requirements apply.

Exclusion of U.S. Savings Bond interest: Interest earned on U.S. Savings Bonds is normally taxable. However, if a taxpayer pays qualified education expenses in the same tax year as the interest is earned, the interest on qualified savings bonds (Series I, and Series EE issued after 1989) may be excluded from income. Income level and filing status requirements may apply.

Withdrawals for Traditional IRAs prior to age 59<sup>1/2</sup>: Withdrawals used to pay qualified education expenses are exempt from the 10% penalty on withdrawals before age 59<sup>1/2</sup>. Amounts withdrawn, however, will generally be subject to regular income tax. If withdrawal is made from a Roth IRA, only the earnings will be taxable.

### Calculate how much you'll need to save

Sending someone to college is an expensive undertaking. If you've already started saving, you're probably wondering if you will have enough saved when the time comes. Or, you may be wondering how far financial aid will take you. Use the College Savings Calculator found at [www.finaid.org](http://www.finaid.org), along with other useful calculators on this site.

**NOTE:** Participation in any of the college savings plans mentioned in this chapter does not guarantee admission to any college or university, nor does it affect the admissions process.

**NOTE:** Consider the investment objectives, risks, charges and expenses before investing in any of the college savings plans mentioned in this chapter.

**NOTE:** The tax information herein is not intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding tax penalties. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

**Sources and Additional Resources:**

Cannon Financial Institute, *Concepts for Professionals*, (2007 edition). Referenced for pp. 19-39

## Additional Sources of Information:

- Office of the Treasurer of South Carolina, provider of section 529 Prepaid Tuition Plans (SCTPP). Contact at: PO Box 11568, Columbia, SC 29211. Call 1-888-7SC-GRAD, or visit: [www.scgrad.org](http://www.scgrad.org)
- TIAA-CREF, provider of Independent 529 Plans. 1-888-381-8283, or visit: <http://www.tiaa-cref.com>, or [www.independent529plan.org](http://www.independent529plan.org).
- Franklin-Templeton Investments – Distributors of the Franklin-Templeton 529 College Savings Plan, visit [www.franklintempleton.com](http://www.franklintempleton.com), or call 1-800-818-4030.
- Columbia Investment, provider of the Future Scholars Plan. Contact at: PO Box 8036, Boston, MA 02266. Call 1-888-244-5674, or 800-765-2668; or visit: [www.futurescholar.org](http://www.futurescholar.org)



## Chapter 5 Working Through College: Is a Job Part of Your Investment Plan?

Mark D'Amico, Ph.D. & Hope Rivers

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If you are reading this book, you have probably made the decision that either you or a family member is investing in a college education. Congratulations on your decision, it is probably one of the most important you will ever make. In previous chapters you learned about how much that investment costs, the different investments available, and ways to prepare financially through federal aid and lottery-funded programs. In this chapter you will learn about another way of paying for college . . . a job!

Depending on age, family commitments, and plans for the future, someone working through college fits in one of two categories:

- 1. A student who works**
- 2. An employee who studies**

These two options may appear to be the same, but there is an important difference and an important decision for any college student to make. Each student must answer the question about whether work or school comes first. You might think that the correct answer is that school must come first. While the investment in a college education is very important, other priorities ranging from caring for children to paying housing costs may limit a student's opportunity to be completely focused on college. The important thing is that a student is in the situation to excel in courses, whether enrolled in one course or six. As you read through this book and this chapter in particular, you should know that it is okay to work while in college, and in some cases students even perform better in college when working. Another benefit of working while in college is gaining professional skills needed after graduation and the potential for making connections that will lead to a job after graduation.

On the following pages, you will find some basic facts about students who work (and employees who study), how work may or may not affect one's chance to be successful in college, and most importantly the different options for working while in college.

### **Facts about Working Students**

The once common college lifestyle of living on campus, taking classes, and socializing is no longer a luxury that many of today's college students can afford. Part-time employment is a reality for three out of four college students in the United States (Mullane, n.d. para. 4). In most cases, paying school expenses serves as the primary motivator for working.

Roughly two out of three working adult undergraduates (students age 24 or older) consider employment their primary responsibility, while the remaining one out of three consider themselves students who work to pay for educational expenses (Berker & Horn, 2003). On average, employees who study are older (average age of 36) than students who work (average age of 30). Also, employees who study are more likely to be married and have children and other family responsibilities than younger college students. On the other hand, as one might expect, students

who work are more likely to be enrolled in school full-time and devote more time to education and less to work than those who are primarily focused on work.

In addition to the differences related to their dedication to work versus school, there are differences in college choice. Employees who study attend technical and community colleges at a higher rate than students who work, 61 percent compared to 30 percent. Forty-five percent of students who work are enrolled in bachelor degree programs; while only twenty-three percent of employees who study are reported to be enrolled four-year programs (Berker & Horn, 2003). The two groups also differ in their fields of study. Employees who study often major in technical and career-focused fields such as business or computer science, and students who work are more likely to major in social/behavioral sciences, such as psychology, sociology, and political science.

The amount of time that a student works while enrolled in college and the amount of financial aid they receive are clearly connected. The receipt of financial aid is more likely to influence how much a student works rather than whether a student works. Because employees who study often attend college on a part-time basis, they are less likely to apply for and receive financial aid than students who work. Overall, reports show that the more financial assistance a student receives, the less likely the student is to work full-time and the more likely he or she is to work part-time (NCES, 1994). The chart below outlines the distribution of undergraduate employment status while enrolled.

**Table 5.1**  
**Working Hours of Undergraduate Students**

Undergraduate Programs	% Not working while enrolled	% Working 1-15 hours per week	% Working 16-24 hours per week	% Working 25-34 hours per week	% Working 35 or more hours per week
Associate's degree	21.1	7.0	12.2	14.5	45.2
Bachelor's degree	21.1	15.0	16.9	15.6	31.4
Undergraduate certificate	28.8	6.7	10.2	12.8	41.6
Other undergraduate	24.6	6.5	8.8	12.8	47.3

Source: U.S. Department of Education, National Center for Education Statistics, 1989-90 National Postsecondary Student Aid Study (NPSAS:90), Data Analysis System.

The facts and figures about working students demonstrate that most students work, but you should know that the amount of hours you work while in college may have an impact on your ability to graduate.

### **Does a Job Impact Academic Performance?**

Over the years, many studies have been conducted to determine whether students with jobs are more or less likely to be successful in college. According to the American Council of Education (2006), most students do not report that their college experience is limited by work. However, many students do report that work limits their class schedule, the number of classes taken, and

access to college facilities. Limits increase among students working more hours, especially those working off campus.

The American Council of Education reports that work does not necessarily have a negative impact on college grades. In fact, students working part-time (1-20 hours per week) and attending not-for-profit (public and private) colleges and universities earn slightly higher grade point averages than those who do not work; however, there are some modest decreases in grade point averages as students work more than part-time. Employees who study, many of whom are older and attend college part-time, earn higher grade point averages than students who work.

Contrary to the American Council on Education report, a study of business students conducted by researchers at Arkansas State University found that time spent working did not have a negative impact on grade point average (Nonis & Hudson, 2006).

Among students age 24 and older, progress toward earning a degree may be slowed by working full-time. A study conducted for the National Center for Education Statistics, indicates that employees who study are less likely to earn degrees within six years than students who work. Of particular concern is that more employees who study leave college during the first year than students who work (Berker, Horn, & Carroll, 2003).

**So, what does this all mean for someone just starting college?** The good news is that the studies cited above show promise for both students who work and employees who study. The important lesson is that there are not vast differences in academic performance among students with jobs compared to students who do not have jobs. In some cases, a part-time job may contribute to improved performance. If work is going to be a part of your family's college experience, do not despair. Working your way through college is doable.

## **Job Options**

Now that you are closer to making a decision about whether you or the student in your family will have a job while in college, the next important step is to determine which type of work makes the most sense. The majority of students with jobs work off campus, but there are also opportunities for part-time, on-campus jobs. In addition, many students work full-time during the summer and on holiday breaks to save for college expenses. Yet others combine their professional aspirations with work while in college through apprenticeships, cooperative education, and paid internships. All work arrangements are good options depending on each student's situation. The important thing is to make the right decision for you.

The fundamental question is whether you or your family member will be an employee who studies or a student who works. The remainder of the chapter discusses different work options that lend themselves to employees who study, students who work, or both:

- On-campus jobs and Federal Work Study
- Off-campus jobs
- Internships and cooperative education
- Research-related work

- Registered apprenticeships
- Summer and seasonal jobs

### *On-Campus Jobs and Federal Work Study*

On-campus jobs and Federal Work Study cater to students who work part-time, while going to school full-time. One type of on-campus employment is through the Federal Work-Study (FWS) Program, which provides funds for part-time jobs that allow students to earn money needed to pay for educational expenses. FWS awards are a form of federal financial aid. Positions are available both on and off campus. Students are encouraged to find positions that provide work experience in their field of study or provide valuable service to the community.

While pay rates vary slightly between jobs, the amount you may earn cannot exceed your total approved FWS. This total is noted on your award letter. Wages for this program must equal the current federal minimum wage, but could be higher depending upon the type of work you do and the skills required. It is very important that you plan your work schedule at the beginning of each term and figure out how long it will take for you to exhaust the funds.

#### **The formula is simple:**

$$(Work-Study Award Amount / Hourly Pay Rate) / \# Weeks in Term = Hours per Week$$

Your employer may have the option of extending your work period if your FWS award is small and funds will be depleted before the end of the semester. Discuss this possibility with your supervisor as soon as possible so that alternative funds may be used to support your position when FWS funds are exhausted.

Remember that getting a FWS job involves the same steps as needed for landing any on-campus position, including successfully completing the application and interview process. At many colleges, on-campus jobs and FWS jobs are part of the same student job posting list. In these cases, every job is fair game for all students, and there is no guarantee that the position you want will be available to you. So, pick several positions that look promising, and make sure your work schedule does not conflict with your class or study schedule. Keep in mind that the earlier you get started, the better your chances of finding the perfect job. Check the student job posting list during your summer orientation to get a jump start on the prospective openings. You should start the application process over the summer in an effort to secure the perfect position before the semester begins.

For more information about on-campus and FWS job opportunities, contact your college's financial aid and student employment offices. The staff can direct you to the most up-to-date job postings.

### *Off-Campus Jobs*

Off-campus jobs, both full- and part-time, are available to students who work and employees who study. Many students who work opt to take jobs off campus during the school year in order to make some extra money or to gain experience in a field that they might enter after graduation. Off-campus jobs require more of a time commitment than the average on-campus job when you include

the time spent getting to and from work. The additional time required can take away from your academics, grades, and social life. Also, off-campus jobs are often hard to get and retain unless you have reliable transportation.

There are some wonderful advantages to working off campus despite any potential hurdles that you might encounter. First, off-campus jobs provide you the flexibility of working evening hours. This can be a major advantage if your class schedule does not permit you to work during the day. Second, some off-campus jobs require only weekend hours. This option allows you to focus solely on your academics and campus activities during the week. Third, off-campus jobs can often provide you with hands-on experience in your degree field. Practical experiences are very beneficial in that they provide you personal knowledge that can help you to better determine if a particular career field is truly of interest.

For off-campus employment questions, contact your college's job placement office or employers in the area. In addition to providing information on jobs, job placement staff can advise you on the travel time required to reach a particular off-campus location.

### *Internships and Cooperative Education*

Internships and cooperative education (co-ops) fit under the broader umbrella of experiential learning, and typically cater to students who work. Essentially, these are arrangements whereby students learn in a professional environment, often earn academic credit toward a degree, and may earn a salary. Perhaps the greatest benefit of both options is for students to gain professional experience in a future career area. The experience may even lead to a professional position after graduation.

Internships are available to students throughout their undergraduate careers. While you may think of internships as being mostly for juniors and seniors, opportunities do exist for students in the first and second year of college. In fact, participating in internships early in one's college career allows the student to gain a better understanding of a career field while in the process of selecting a major. Most internships are either part-time during the academic year for one or two semesters or full-time during the summer, and they yield academic credit toward graduation. Not all internships provide wages, so if working through college to finance your education is a priority, it will be important to identify paid internships.

Co-ops, like internships, offer opportunities for students to gain experience; however, the arrangement is often different. Students in co-op programs work full-time and do not take classes while in the co-op. Many co-op arrangements alternate semesters of work and school. So, in a particular academic year, a student may work during the fall semester and study during the spring semester and repeat the sequence in the following year. While working, co-op students can typically expect a wage depending on qualifications, skills, the work setting, and field of study. In some cases, participating in a co-op may delay graduation, but delays may pay off when it comes time to look for a professional position after graduation.

For students looking to finance their education, internships and co-ops may provide opportunities to earn wages, but they do not provide a long-term stable work opportunity throughout the college

years. However, the long-term benefit of work experience in a student's major is an excellent strategy for launching a career.

For more information on internships and co-ops, talk with faculty in your major academic department and career or job placement offices, use your network of friends, family, church and community members, and previous and current employers, and look at experiential learning books and websites in addition to attending student job fairs held at colleges and universities.

### *Research-Related Work*

If you are particularly ambitious, or naturally curious, you might consider a job conducting research. While many think that only graduate students conduct research, there is a move to include more and more students in research during the undergraduate years. There is so much momentum in this area that national organizations have formed to ensure research opportunities for students in the freshman through senior years. The Council on Undergraduate Research (CUR) is a non-profit organization with a membership that includes more than 900 college and universities. Additionally, the National Conferences on Undergraduate Research (NCUR) is an organization that establishes meetings for undergraduates to share the research they have conducted. According to NCUR, research opportunities for students exist at all types of institutions both public and private: technical and community colleges, teaching colleges and universities, and research universities.

A research-related job would probably be most appealing to students who work, as another type of on-campus job; however, an employee who studies could consider adding additional work hours to their already busy schedule to gain research-related experiences.

While involved in research projects conducted by faculty, undergraduate students may earn wages competitive with or exceeding those of other on-campus jobs, depending on skills and qualifications. Typically, students nearing graduation would be able to perform more advanced work; therefore, they are likely to earn higher wages. Opportunities for competitive wages are at times dependent on research grants that faculty receive to conduct research. While paid undergraduate research opportunities may be funded by the college or university you are attending, projects funded with external grants may have more resources to pay students.

The National Science Foundation (NSF) has created a grant program for colleges and universities seeking to include undergraduates in research. The Research Experiences for Undergraduates (REU) program identifies the following key areas for undergraduate research funding: astronomical sciences, atmospheric sciences, biological sciences, chemistry, computer and information science and engineering, cyber-infrastructure, Department of Defense, earth sciences, education and human resources, engineering, ethics and values studies, international science and engineering, materials research, mathematical sciences, ocean sciences, physics, polar programs, and social, behavioral, and economic sciences.

If you or your family member entering college is studying in a field related to one of the above areas, you may be more likely to find a paying job in undergraduate research. Currently several REU projects are funded at higher education institutions in South Carolina. Please keep in mind

that research is conducted in all areas of study, so the list above is not all inclusive of research-based majors.

In addition to earning wages, there are other benefits to participating in undergraduate research. Students have an opportunity to earn academic credit for the research conducted, apply what they learn in classes, develop strong relationships with faculty members, build a resume that may help when seeking a job after graduation, and gain experience that will help gain admission into graduate school and earn scholarships.

To learn more, your or your family member attending college should talk with instructors conducting research who may invite students to participate in their research projects, talk with faculty members in the major area of study, visit the college or university's undergraduate research office and/or job placement office, and talk with other students who have participated in undergraduate research projects.

### *Registered Apprenticeships*

Another opportunity that families may consider when making college preparation plans is the possibility of pursuing an apprenticeship. In apprenticeship programs, a student is actually an employee of a company that sponsors a program and may have a portion or all of education and occupational training costs covered through the program. Apprenticeships demonstrate the most formal example for employees who study. It is truly a "learn while you earn" arrangement.

Apprenticeship programs that bring the greatest benefits to students are often registered with the United States Department of Labor (USDOL) and are therefore called "registered apprenticeship" programs. According to the USDOL, there are approximately 440,000 apprentices working and studying nationwide.

An individual accepted into a registered apprenticeship program has the dual benefit of furthering his or her education in the classroom while also participating in supervised on-the-job training. Typically, apprentices are paid a regular salary that increases as he or she advances through the program and gains more skills that are required to become fully qualified in his or her chosen profession. Employers that sponsor registered apprenticeship programs often coordinate the classroom portion of their program (called "Related Technical Instruction," or RTI) with local community or technical colleges which means that many apprentices are not only employees but are also students that are earning academic credit while on the job. Such an arrangement clearly provides an attractive pathway for working through college and also opens the door to future educational opportunities and advancement in one's chosen career field.

At the conclusion of a registered apprenticeship program, a student will typically earn an academic credential from a higher education institution, such as a certificate or a degree, and hold a national certification from the USDOL. The combination of the degree and USDOL certification tells employers across the country that an individual is highly qualified in their profession.

Traditionally, apprenticeships have been used with great success in careers such as the construction industry and advanced manufacturing. However, apprenticeships are becoming more common in

fields such as health care, child development, and information technology. In fact, over 1,000 occupations are currently recognized as “apprenticeable” by the USDOL. In 2007, South Carolina charged the Technical College System with the development of a statewide coordinated registered apprenticeship delivery system—called “Apprenticeship Carolina”—that will work to expand the opportunities available across the state.

For more information about registered apprenticeships, you may contact businesses with apprenticeship programs directly, college career centers and job placement offices, or the apprenticeship contact within South Carolina’s technical and community colleges.

### *Summer and Seasonal Jobs*

Many full-time students consider summer as a time for fun. However, employees who study may think of summer as a time when they can focus on their full-time jobs without worrying about sitting through classes and writing papers or a time when they can fit in a few additional classes. Alternatively, students who work may view summer as a time when they can work full-time in a seasonal job to save money for the upcoming academic year.

While summer fun may not be the highest priority of someone working to pay for college, seasonal employment opportunities exist that combine enjoyable experiences with professional growth and good wages. Regardless of your personal interests or reasons for pursuing summer work, it is likely you can find a great job that meets your needs as long as you start the job search process early. Believe it or not, January is the best time to start learning more about prospective summer jobs. There are literally thousands of summer employment opportunities every year with locations all over the United States and abroad. For example, summer tour guide jobs are great for dynamic, outgoing people who have a good sense of humor and interest in history. Seasonal guides typically receive a base pay, tips, and sometimes excellent perks from area vendors.

#### **Did you know that many summer jobs offer the following?**

- Free or discounted room and board,
- Travel allowances to help defray the expense of traveling from home to the job site,
- Monetary and other types of bonuses for completing a summer employment contract,
- Raises and added benefits for employees who return for consecutive summer seasons,
- Job opportunities after college graduation and excellent references, and
- Opportunities to make new friends from other parts of the country or the world.

For more information about summer and seasonal employment opportunities, contact your college’s career services office. The staff can direct you to the best resources available to meet your personal and career interests. If you are undecided about your career interests, ask your career counselor about taking an interest inventory assessment. These assessments are designed to help you to determine how your career and personal interests align.

## Guideposts

As you plan to make your investment in college, you should use the following guide post to help you select the appropriate work situation for you. Remember, there are many ways to be successful while working through college, and you must find your way to achieve your college goals.

- Step 1: Through your family's financial planning for college, determine whether work is going to be a part of you or your family member's college experience.
- Step 2: Decide whether you are going to be a "student who works" or an "employee who studies."
- Step 3: Learn about the different options for work that make sense to you.
- Step 4: Seek out college resources through advisors in your academic department and career centers to help you make your decision.
- Step 5: Know that every semester you complete successfully moves you or your family member one step closer to graduation.

American Council on Education. (2006). *Working their way through college: Student employment and its impact on the college experience*. Washington, DC: Author.

Berker, A., & Horn, L. (2003). *Work first, study second: Adult undergraduates who combine employment and postsecondary enrollment*. Washington, DC: National Center for Education Statistics.

Mullane, L. (n.d.). *Working Students: What higher education needs to know*. American Council on Education. Retrieved July 27, 2007 from <http://www.acenet.edu>

National Center for Education Statistics (1994). *Undergraduates who work while enrolled in postsecondary education: 1989-90*. Washington, DC: Author.

Nonis, S. A., & Hudson, G. I. (2006). Academic performance of college students: Influence of time spent studying and working. *Journal of Education for Business*, 81(3), 151-159.



## Chapter 6

# Maximizing Your Investment Return: Planning for Career Success

Jennifer V. Frank

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### Higher Education as an Investment

Higher education is an investment – an investment of money, of time, of yourself. While there are certainly costs that are associated with pursuing additional education beyond high school, there are also substantial benefits, financial and otherwise, that accrue over time to individuals who choose to make such an investment. Nobel Prize winning economists Theodore Schultz<sup>4</sup> and Gary Becker<sup>5</sup> developed and expanded the concept of “human capital,” a theory that explains the relationship between these investments and outcomes. **Human capital is based on the assumption that, when educational investments are made in individuals, their knowledge, skills, and capabilities increase along with their future levels of productivity and earnings in the workplace.** While portions of the economic benefits from investments in human capital are in the form of returns to individuals (e.g., higher earnings), other benefits accrue as returns to society (e.g., increased tax revenues and economic activity). In addition, a number of non-monetary benefits have been documented as a result of higher education, including increased job satisfaction, civic involvement, capacity for adaptability in times of economic change, and consumption of leisure activities.<sup>6</sup>

While lifelong careers were once the norm, this is no longer the case. Workforce trends suggest that current and future generations will hold multiple jobs and even potentially work in multiple career fields over the course of their lives. Workers must have the ability to quickly adapt their knowledge and skills in this dynamic and rapidly changing environment. Now more than ever, a premium value will be placed on attaining additional education beyond high school in order to prepare workers to contribute to and succeed in the modern workplace.

As you and your family consider investing in a college education, it is important to understand the potential impact of higher education on expanded career opportunities and earnings potential. This chapter examines these links for you in detail. It begins with a discussion of outcomes that are related to a college education and presents the notion of higher education as a lifelong investment. Job market data for South Carolina and other regions, including high-growth career fields and future workforce projections, are also presented. The chapter concludes with information about how colleges and universities support students and graduates in the career planning and exploration process.

### What impact will higher education have on my career options?

People are often hesitant to even think about a college education if they are uncertain about the field of study they want to pursue or if they are undecided about their career interests. While some

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<sup>4</sup> Schultz, T. W. (1963). *The economic value of education*. New York: Columbia University Press.

<sup>5</sup> Becker, G. (1964). *Human capital: A theoretical and empirical analysis with special reference to education*. New York: Columbia University Press.

<sup>6</sup> Bowen, H. R. (1977). *Investment in learning: The individual and social value of American higher education*. San Francisco: Jossey-Bass.

individuals dream of a specific career from a very young age, whether it be a doctor, writer, architect, or teacher, and follow this plan precisely – making careful, logical choices during each step of their education in order to open the right doors at the right times – most people find that their career path features some unexpected twists, turns, and surprises.

Do not sell yourself short by limiting your thinking about college as merely a means to an end – as only a way to prepare for a specific job or career field that you already have in mind. Rather, try to view college as an opportunity to learn more about your talents, skills, and interests – a place where you will be challenged to expand the scope of your thinking about your future. Exposure to new ideas, new subjects, and new people in college can play an important role in your career decision-making. No one will expect you to walk through the door during the first day of college knowing exactly what you want to do after you graduate, so remember that **placing such unrealistic expectations on yourself may cause you to miss out on some important opportunities for learning and growth.**

As referenced in previous chapters, South Carolina’s colleges and universities offer a diverse range of programs and fields of study. For students who are interested in initial training or retooling for a specific job, particularly in fields that require licensure or certification, the state’s technical colleges offer an excellent array of options, both for-credit and non-credit, degree-seeking and non degree-seeking. For students who want to study a specific subject area in depth but also want to gain broader exposure to the liberal arts and sciences, there are hundreds upon hundreds of program options in the form of two-year associate’s degrees and four-year bachelor’s degrees. Depending on how your academic interests eventually unfold and the requirements of the career you want to pursue, you may decide to continue your education even further to attain a graduate or professional degree. The point is that regardless of where you envision yourself career-wise, South Carolina’s colleges and universities have a place for you.

Again, it is important to keep in mind that being competitive in today’s rapidly changing workforce is not just about being prepared for a single job or career. Advances in research and changes in technology can make everything we know obsolete in only a very short period of time. As a result, employers generally are not just looking for workers with depth of knowledge in a single area, but new hires who can engage in problem-solving, think critically, communicate effectively, and adapt to changing circumstances. Colleges and universities are effective “proving grounds” that help students build these skills and prepare for these realities in the workplace. **Research now suggests that adults can expect to average more than four different careers in their lifetime.**

### **What does it mean to think about higher education as an investment?**

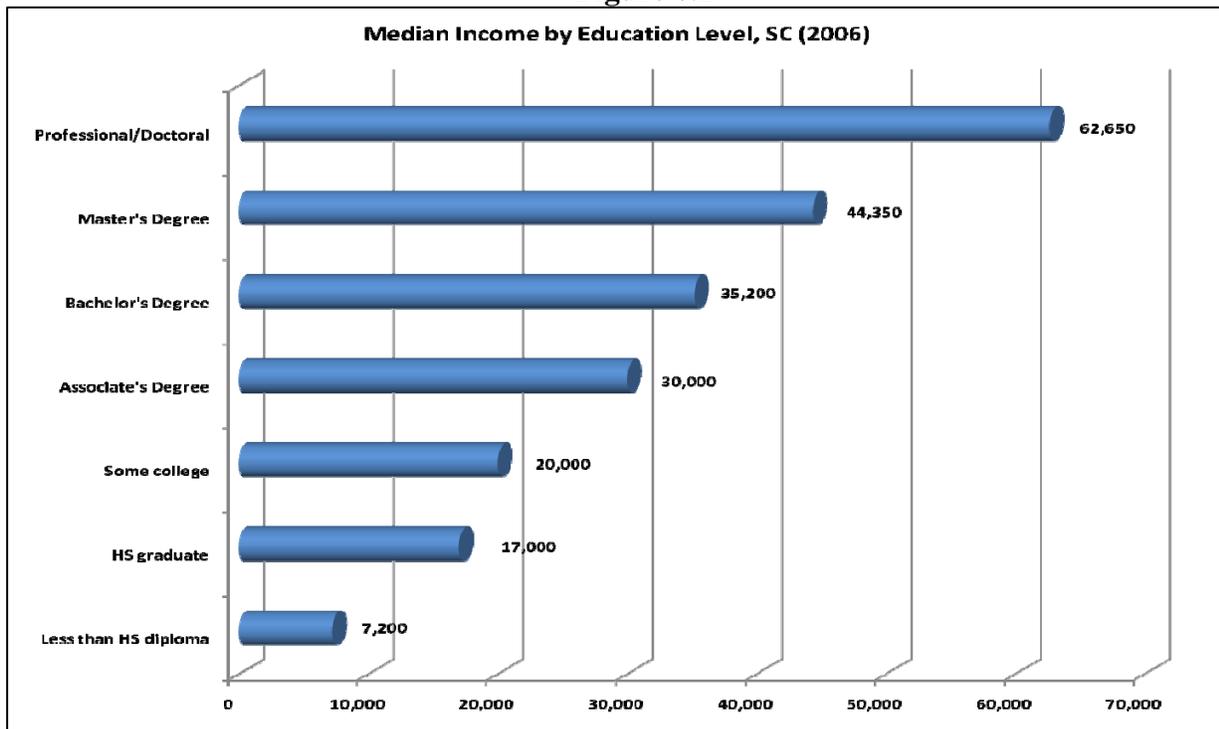
One way for you and your family to think about higher education is as a form of investment. While there are certainly time and money costs associated with pursuing additional education beyond high school, there are also substantial benefits that will follow you well into the future. In economic terms, this concept is known as building “human capital,” a theory that explains the relationship between increased education and a range of positive outcomes for both individuals and society. Human capital is based on the assumption that, when people pursue additional educational opportunities, their knowledge, skills, and capabilities likewise increase along with their future

levels of productivity and earnings capacity.<sup>7</sup> While a portion of these benefits return to educated individuals (such as increased wages and expanded career mobility), other benefits accrue to society at large (such as greater economic prosperity and a more informed citizenry).

There are a wide range of approaches to calculating returns to investments in higher education. Obviously, these returns will vary across individuals, depending on factors such as where they live and where they work. However, studies consistently report that on average, the higher the level of education, the higher the level of earnings over the course of one's lifetime. Likewise, individuals who have attended college or who hold a college degree are also less likely to experience unemployment when compared with high school graduates only.

Consider, for example, the snapshot below from the U.S. Census Bureau, reporting annual earnings for South Carolinians in 2006 by level of education.<sup>8</sup> Among citizens with less than a high school diploma, their median annual salary was \$7,200. For those holding a high school diploma, it was \$17,000. For South Carolina citizens who had pursued additional education beyond high school, you will see that their median annual salaries increased with each incremental step of education: \$20,000 for some college but no degree, \$30,000 for an associate's degree, \$35,200 for a bachelor's degree, \$44,350 for a master's degree, and \$62,650 for a doctoral or professional degree. As reported by the U.S. Census Bureau, the earnings gaps across these groups have continued to widen over the past several decades.

**Figure 6.1**



Source: U.S. Census Bureau

<sup>7</sup> For example, see Schultz, T. W. (1963). *The economic value of education*. New York: Columbia University Press, or Becker, G. (1964). *Human capital: A theoretical and empirical analysis with special reference to education*. New York: Columbia University Press.

<sup>8</sup> U.S. Census Bureau. *5% Public Use Microdata Sample (PUMS) Files*.

According to U.S. Census Bureau data, 22.7 percent of South Carolina residents ages 25 and older held at least a bachelor's degree in 2006 – ranking South Carolina 40<sup>th</sup> in the nation on this measure.<sup>9</sup> Increasing the number of college graduates is an important social issue for South Carolina, as human capital provides the foundation for a state's economic development and quality of life for its residents.<sup>10</sup> As the College Board observed, "Investments in higher education pay off very well, both in dollars and in improvements to quality of life. The individuals who successfully participate in higher education generate both types of returns for themselves as well as for society as a whole."<sup>11</sup>

### **What are the job market trends in South Carolina and beyond?**

According to the South Carolina Employment Security Commission, the state's labor force was at an all-time high in 2006, employing 2,146,400 workers.<sup>12</sup> The largest growth industries in South Carolina were those in the professional/business services areas and educational/health services areas. Like other states, South Carolina is continuing to shift from a farming and manufacturing-based economy to a service-based economy, resulting in the creation of thousands of new jobs that require additional knowledge and skills. As noted by the South Carolina Employment Security Commission, "Many of the students who now enter the workforce cannot compete for the most desirable jobs coming into the state because these jobs require increasingly higher skill levels."<sup>13</sup>

Recent employment trends in South Carolina appear to mirror trends nationwide. The U.S. Department of Labor's Bureau of Labor Statistics projects that between 2004 and 2014, 18.7 of the 18.9 million new jobs that will be created in the U.S. economy will be in service-providing industries.<sup>14</sup>

In the *Occupational Outlook Handbook, 2006-07 Edition*, the Bureau of Labor Statistics lists the 20 occupations that are projected to grow the most rapidly at the national level between 2004 and 2014. The majority require that employees have some form of postsecondary training and education beyond high school. These top 20 occupations include (in order of highest projected growth):

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<sup>9</sup> U.S. Census Bureau. (2006). *American Community Survey*.

<sup>10</sup> National Center for Public Policy and Higher Education. (April 2004). *The educational pipeline: Big investment, big returns*. Washington, DC: Author.

<sup>11</sup> College Board. (2006). *Education pays: Second update*. Washington, DC: Washington Office of the College Board. p. 1.

<sup>12</sup> South Carolina Employment Security Commission. Labor Market Information Department. (2007). *Vital signs 2007: Economic and workforce trends in South Carolina*. Available online at [http://www.sces.org/lmi/pubs/OnlinePubs/Economic\\_and\\_Workforce\\_Annual\\_Report.pdf](http://www.sces.org/lmi/pubs/OnlinePubs/Economic_and_Workforce_Annual_Report.pdf).

<sup>13</sup> Ibid, p. 9.

<sup>14</sup> U.S. Department of Labor, Bureau of Labor Statistics. (2006). *Occupational outlook handbook, 2006-07 edition*. Washington, DC: U.S. Department of Labor.

**Table 6.1**

**20 Highest Projected Growth Occupations in the U.S. (2004-2014)**

Home Health Aides  
Network Systems and Data Communications Analysts  
Medical Assistants  
Physician Assistants  
Computer Software Engineers for Applications  
Physical Therapist Assistants  
Dental Hygienists  
Computer Software Engineers for Systems Software  
Dental Assistants  
Personal and Home Care Aides  
Network and Computer Systems Administrators  
Database Administrators  
Physical Therapists  
Forensic Science Technicians  
Veterinary Technologists and Technicians  
Diagnostic Medical Sonographers  
Physical Therapist Aides  
Occupational Therapist Assistants  
Medical Scientists  
Occupational Therapists

Source: *Bureau of Labor Statistics*

A similar picture emerges when considering future job market data specific to the State of South Carolina, provided by the Regional Dynamics and Economic Modeling Laboratory at the Strom Thurmond Institute at Clemson University. Projecting South Carolina's workforce numbers into the future using a variety of economic and demographic factors, the following occupations are expected to have at least a 25 percent increase in the overall number of positions in the state over a 10-year period between 2005 and 2015:

**Table 6.2**  
**Projected High Growth Occupations in South Carolina (at least a 25% increase in the projected number of positions between 2005-2015)**

<b>Category</b>	<b>Industry</b>
Arts	Motion Picture and Video Industries Sound Recording Industries
Computer and Information Sciences	Computer Systems Design and Related Services Data Processing Services Information Services Software Publishers
Consumer Services	Commercial/Industrial Machinery and Equipment Rental and Leasing Consumer Goods Rental General Rental Centers Specialized Design Services Warehousing and Storage
Education and Training	Business Schools and Computer and Management Training Child Day Care Services Educational Support Services Elementary and Secondary Schools Technical and Trade Schools
Health Care and Medical Services	Community Care Facilities for the Elderly Home Health Care Services Medical and Diagnostic Laboratories Offices of Dentists Offices of Other Health Practitioners Offices of Physicians Other Ambulatory Health Care Services Other Residential Care Facilities Outpatient Care Centers Personal Care Services
Managerial and Administrative Services	Business Support Services Employment Services Facilities Support Services Investigation and Security Services Management, Scientific, and Technical Consulting Services Office Administrative Services

<b>Category</b>	<b>Industry</b>
Social Services	Community Food/Housing and Emergency Relief Services Individual and Family Services Vocational Rehabilitation Services
Tourism	Amusement Parks and Arcades Gambling Industries Other Amusement and Recreation Industries
Transportation	Charter Bus Industry Interurban and Rural Bus Transportation Other Transit and Ground Passenger Transportation School and Employee Bus Transportation Taxi and Limousine Service Urban Transit Systems
Utilities	Cable Networks and Program Distribution Remediation and Other Waste Management Services Water, Sewage, and Other Systems

Source: *Regional Dynamics and Economic Modeling Laboratory, Strom Thurmond Institute, Clemson University*

Likewise, the *South Carolina Job Outlook*, published by the South Carolina Employment Security Commission, lists a range of projected high-growth occupations (and average salaries) in the state over the next 10 years.<sup>15</sup> These occupations are also categorized by the level of education needed for each: occupations that require four or more years of education beyond high school; occupations that require up to two years of education beyond high school; and occupations that require on-the-job training, work experience, and/or a high school diploma. This publication is available for you to access online at [http://www.sces.org/lmi/pubs/OnlinePubs/SC\\_Job\\_Outlook\\_Brochure.pdf](http://www.sces.org/lmi/pubs/OnlinePubs/SC_Job_Outlook_Brochure.pdf).

### **Who will help me navigate the career planning and preparation process?**

Career planning and preparation are processes that begin long before you land your first job. While many students enter college with well-defined interests and a specific career goal or outcome in mind, others have little or no direction career-wise, or only a vague idea about their post-graduate plans. Students often lack access to the information they need about the necessary education, experience, and qualifications to enter certain career fields, or how their own unique blend of skills, interests, and abilities can translate into a successful career. It is important to know that colleges and universities are prepared to work with you regardless of where you see yourself falling on this career planning spectrum.

<sup>15</sup> South Carolina Employment Security Commission. Labor Market Information Department. *South Carolina Job Outlook 2004-2014*. Available online at [http://www.sces.org/lmi/pubs/OnlinePubs/SC\\_Job\\_Outlook\\_Brochure.pdf](http://www.sces.org/lmi/pubs/OnlinePubs/SC_Job_Outlook_Brochure.pdf).

In order to assist you on this journey, colleges and universities have offices that are specifically designed to help you with career-related issues. These offices frequently have “Career Planning,” “Career Development,” “Career Placement,” or “Career Services” in their titles, but more generally are known as the “Career Center” on campus. Career Centers provide a wide range of services that span the entire college experience – from new students exploring major selection and general career interests to graduating students and recent alumni preparing for entry into the workforce. The staff in these centers have specialized training and expertise in working with college students and addressing their unique career development needs.

The selection of an academic program or major in college can be an important first step in exploring career opportunities. While this choice does not ultimately define or determine one’s career path – there are plenty of English and Math majors working in the corporate world, for example – it can play an integral role in the career decision-making process. For students who are still in the exploratory stages and seeking initial direction career-wise, there are several tools available for assistance, including assessments and inventories to help them take a closer look at their talents, skills, and interests, and link these to majors and careers. Students are also encouraged to think about other opportunities to enhance their professional experience and exposure to potential career fields, including internships, apprenticeships, co-op work, or study abroad. In addition to academic advising by faculty, guidance from Career Center staff can help students plan appropriately to reach their post-graduate goals, whether these goals include directly entering the workforce or pursuing additional education.

For students who are nearing the completion of their education and actively searching for employment, the Career Center can help them effectively market themselves to potential employers. Individual career counseling and group workshops on such topics as job search strategies, resume and cover letter writing, interview skills, and salary negotiation can help students enhance their preparation and confidence for the job search process. Career Center staff can help students manage these sometimes overwhelming processes by providing tips and pointers in such areas as utilizing online resources for the job search. Career Centers will even provide individualized resume critiques in order to help students effectively present themselves in writing and tailor their background experiences to the job market. Many college and university campuses hold job fairs, either on an annual basis or several times per year, where employers from a wide range of industries and sectors come to campus to interview and recruit students as prospective employees. Academic departments in specialized career fields such as Accounting, Engineering, Nursing, or Teacher Education will also have their own network of recruitment contacts with employers who frequently hire their graduates.

In addition to the campus Career Center, faculty and alumni are excellent resources for students as they engage in the career planning process. College faculty are well-acquainted with the range of career possibilities within their academic field, including options for graduate and professional school, and the types of jobs that their recent graduates have taken. Many departments and schools maintain databases of alumni contacts who are willing to talk to students about their career interests via informational interviews, or who have internship or apprenticeship opportunities available to students who want to gain professional experience. Many people will tell you that they initially got their foot in the door of a business or organization through a connection made possible by a faculty

member or a fellow graduate of their college or university. Thus, it is important to realize that colleges or universities create professional networks that can extend well beyond your time on campus.

## **Summary**

South Carolina's colleges and universities take great pride and ownership in the professional accomplishments of their students and alumni and will continue to ensure that they are highly sought after and valued in the workplace. Many students come to higher education with a specific career path in mind, while others enter college with a wide range of potential interests. Still other students find that their once well-defined career plans significantly change and evolve as they are exposed to new people, ideas, and experiences in college. In order to meet your needs regardless of where you are in the decision-making process, colleges and universities provide a wide range of services to help you further explore and define your career interests and solidify your post-graduate plans. College and university faculty, staff in the Career Center, and fellow students and alumni can be important sources of information and support for you.

In our contemporary knowledge-based economy, a post-high school education is more important now than ever for initial entry and continuous advancement in a wide range of professions. As discussed in this chapter, future projections show that many of the highest growth career fields in South Carolina and elsewhere will require that workers have earned at least an associate's or bachelor's degree. Thus, while a college education is a substantial financial investment for you and your family, it is also important to remember that it can pay back significant returns in the form of increased earnings potential and expanded career opportunities over the course of your lifetime.



## Chapter 7

# Investment Costs: How Tuition and Fees are used at Institutions

Gary M. McCombs, Col. Curt Holland, & Teresa Smith, Ph.D.

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### Introduction

There are perhaps no questions more important to families investing in higher education than wondering how their investment dollars are used by the institutions. Bills to students contain lists of fees and other charges, and tuition increases seem to occur each year without any direct relation to inflation or actual costs. Costs today are often increasing in areas not seen on any campus tour, with security and technology leading the way in changing costs. Salaries, often the most public cost, are only part of the landscape; energy costs and construction represent the foundation of an institution.

Institutions need to do a better job of explaining charges to families, and this chapter attempts to answer some of the most common questions asked by SC families.

### What makes Higher Education Different than a Business?

Institutions of higher education have been a part of the American culture for many years, with the first recognized institution being Harvard College (now University) founded in 1636. It seems that from the very beginning, the value of such institutions has never been questioned, but they have consistently been viewed as something of a mystery. What exactly are these institutions? What value or utility do they provide to society? And of great importance and interest, how are they funded and why are the funding requirements so diverse among different institutions?

The mystery of higher education still exists for many families. It is relatively easy to understand General Motors or General Electric, for example. After all, General Motors produces cars, and it is certainly easy to identify their product and understand the product's value and utility. The same can be said for the refrigerator produced by GE. Along with identifying and understanding the products of these companies, most of us can see the relationship between the *cost to produce* the product and the *cost we pay* for the product. When it comes to higher education, there seems to be an identity crisis of some kind, with the products produced being more complicated and the relationship between cost to produce and cost paid, as well as the value of the product, unclear and confusing.

Part of this confusion is due to the fact that **in higher education, the product being produced actually contributes to the end product.** Stated another way, a vehicle produced by GM does not play any role in the finished product. A refrigerator produced by GE cannot enhance, by actions of its own, its cooling efficiency. The people producing the product have sole control over the end product. In education, however, the student (or, if you prefer, the product) contributes significantly to the finished version of the product. For instance, two students can attend the same classes and lectures on accounting theory and practice, and when these students take the final exam, one may pass while the other fails. Perhaps one student chose to study and the other did not; multiple factors outside of the classroom contribute to each student's learning within each course. Events such as

this certainly contribute to the aura of mystery that has long surrounded the higher education “industry” but, in the final analysis, institutions of higher education are like any other company or industry. They are created to produce a product and provide a service and, as such, the 3 Ms of production (Money, Machine, and Manpower) define the financial landscape of the institutions.

In its simplest definition, higher education can be defined as an industry with three primary missions – Instruction, Research and Public Service. Instruction is the imparting of knowledge. Research is the discovery of knowledge and addition to the pool of knowledge. Finally, Public Service is the distribution of this knowledge to the general population. While institutions may not address all three missions equally, higher education – the “industry” of higher education – was created to and is funded to address these for the benefit of all citizens.

### **Why are Private Institutions More Expensive?**

In other chapters in this *Guide*, you’ve read about public and private education. Public institutions are those that were created by legislative action of the State of SC and are considered agencies within state government. The Introduction (page 8) covers the specific sectors and missions of our public institutions. Public institutions receive money from the State each year that supplements the actual cost of educating students.

In addition to the public institutions in South Carolina, there are four-year and two-year private institutions. These institutions are not publicly created, but initiated either individually or with another organization, such as a religious denomination. The major financial distinction between public and private institutions is that private schools receive NO state general fund appropriations. **They have higher sticker prices because they do not receive supplements from the State and, therefore, the cost is more reflective of the actual cost of education.** It must be noted that because of financial aid, like that at public institutions, the published sticker price does not reflect what each student pays. Often, more than 80 percent of students receive some form of financial aid. South Carolina students attending private non-profit institutions are eligible for Lottery Scholarships.

### **How do Institutions decide how to spend their Money?**

Just as other businesses, institutions develop budgets at the beginning of each year. The institution’s budget identifies the revenues to be generated and expenses to be incurred in order to produce the product and the intended level of service. These financial plans define the priorities of the institution for the coming year and should be developed within the context of the institution’s long range strategic plan.

Appropriations are funds provided from the general revenues of the State with the intended purpose of supporting a *public good* – in our case, education. The amount of funds appropriated differs from the amount of funds needed. The General Assembly determines the level of support it wishes to provide for SC college students. In that way, higher education differs from a business because a source of our revenue, the State, can shift its support each year, making it harder to plan for student charges.

Usually, about 80 percent of an institution's budget is spent on salaries, and this is typical for schools across the country. After that, there is some flexibility in how the schools set priorities for spending and, therefore, may decide to spend money in an area not everyone agrees is the best use. For example, institutions may use some of their own money for start-up research projects or as match money for grants. Another institution may choose to spend more money on student activities or athletics. Typically, there are not significant changes from year to year on spending and, for public institutions all annual financial reports are available to the public.

### **What Factors guide Tuition and Fee decisions?**

Each institution is governed by a Board of Trustees or Board of Directors, selected in various and sundry ways. For public institutions, these Boards are selected in a manner prescribed in the enabling legislation passed by the General Assembly. For private institutions, the Boards are selected and empowered by the Articles of Incorporation and By-Laws. Almost universally, the administration of the institution makes student fee recommendations to the governing Board which has ultimate power and responsibility for approving the fee structure.

Institutions have a very limited selection of revenue sources. The primary sources for public institutions are local/state appropriations, student fees, and limited support from endowments. In the case of private institutions, funds received from student fees, private donors, and earnings on the institution's endowment are the primary sources of revenue.

The operating and capital budgets for institutions are based upon anticipated enrollments and programs/services to be offered. The associated costs are influenced by the market conditions for faculty/staff, the quality of service desired and inflationary pressures.

As stated before, institutions are like other businesses in some respects, so they must consider their target market in setting price and student fee structure. Institutions do not develop their yearly budgets and student fee structure from the perspective of "we have this much money, now how do we spend it." Their approach is quite the opposite – "we plan to do this, so how can we fund it within our budget constraints." A more accurate description of the process is that institutions estimate the costs of providing the desired level and quality of service, followed by a decision on the necessary student fees to fund the operational plan. In times of decreasing state appropriations for higher education, fees may be increased solely to compensate for lost state revenues in order to protect the quality of the education offered.

**For private institutions**, funding needs are determined in ways unique to each institution, but the overall process is the same. There is a plan, priorities, estimates of needed dollars, and a resulting budget. All institutions, whether public or private, must follow their mission statement in deciding the level and type of service to be provided, the anticipated cost to provide this service, and the sources of funding available to finance the operational plan. For the private institutions, we have already stated that state appropriations are non-existent. Most private institutions have endowment funds or other restricted sources from which investment earnings are acquired and available for operational use. Endowment funds are those funds acquired by the institution through philanthropic efforts under the condition that the principal be held in perpetuity, with a portion of the yearly investment earnings made available for operational use.

## **What involvement does the General Assembly have in student fee decisions?**

Currently the General Assembly has placed few limitations on the student fees charged by the State's public institutions. All institutions must charge out-of-state students the total cost of their instruction. There has been recent consideration by the General Assembly to restrict state college fee increases to no higher than the Higher Education Price Index (HEPI). This has met with stiff resistance from the colleges because appropriations to the institutions have fluctuated from previous levels. Chapter 8 covers the statewide budget data in much greater detail.

## **What is HEPI and why do I read about it in the paper?**

HEPI, or the *Higher Education Price Index*, is essentially the Consumer Price Index tailored specifically for higher education. This means that the Index evaluates how much costs for higher education have changed in a given year. Energy costs, salaries, construction, and other areas are included. This index is compiled by the Commonfund Institute and has averaged four percent per year for the past 10 years.

Some of the controversy each year occurs because tuition and fees for South Carolina institutions have increased at rates greater than HEPI. This is due in large part to the reduction in state appropriations. Colleges have typically not passed on the cost to make up the total reductions of a significant budget cut during the same year. Instead, they have chosen to phase the recovery over several years. For example, SC colleges took a *mid-year budget cut* of about 10 percent in 2001. Add the four percent inflation from the HEPI and the loss of buying power for that year was 14 percent. Colleges could not keep up with inflation and also had to mitigate the appropriation reductions with both internal cost savings and fee increases averaging four to five percent above the HEPI over the next three years. Each year there was an appropriations reduction the colleges fell that much further behind and the catch-up cycle continued.

## **What Impacts do State Budget cuts have on student fees?**

Local/state appropriations are one of the primary sources of funding for public institutions. When the State cuts the amount appropriated to the public institutions, the shortfall will have to be covered by an increase in student fees. It must always be remembered that inflation continues, along with new mandates from governmental agencies. Thus, in a period of stagnant or reduced funding from the State, these increased costs must be covered with fees from students. It is each college administration and board of trustees' responsibility to protect the quality and reputation of that institution's diploma.

Chapter 8 goes into more detail about the process used in South Carolina to allocate money to the institutions.

## **Why does it cost more to attend one institution than others?**

An institution's operating budget is influenced by many factors, including student/faculty ratios, average class size, faculty and staff salaries, courses of study, the number and age of buildings and their square footage, support services for students, and local market conditions. Thus, an institution

with smaller classes, on a large campus, or offering degrees in costly areas of study would probably cost more than an institution operating on a small campus, with courses of study predominately of the liberal arts nature.

At one time the State appropriated different amounts to the high cost institutions, but with the restricted budget conditions of the past several years, state funding has not kept pace with increased costs. As a result, several institutions have had to increase their fees at a greater rate than their sister institutions.

### **Where does my Tuition Money go?**

To this point, we've focused on general operating funds. However, institutions find it desirable and necessary to provide services other than the three core services mentioned above. These ancillary services include things such as food services, health care services, student activities and athletics, just to mention a few. For public institutions, state law requires that the revenues generated by these services be sufficient to cover the full cost of the service and to provide for the future capital needs (equipment, buildings, etc.) of the operation.

The expenditures of the institutions tend to be broken out into these primary percentages:

- Salaries & benefits (account for about 80 percent of expenses)
- Facilities, infrastructure, & energy costs
- Supplies supporting student instruction & activities
- Technology equipment and support

Most institutions post their annual budgets on their web sites, and you will see that there are more commonalities than differences in how schools spend their money.

### **Where does the Education Lottery funding go?**

Institutions receive some of the Lottery funds for technology needs. However, the majority of the Lottery funds directed to higher education come in the form of Palmetto and Life scholarships. These funds are made available to the student, to be used at the institution of the student's choice. **The institutions do not receive this money in addition to the tuition and fees charged to the students.** Chapter 3 covers Lottery funding in greater detail.

### **Why is it less expensive to attend a Technical College?**

Technical Colleges offer different services to students than four-year institution and have different accreditation requirements. Four-year institutions must employ most of their faculty with terminal degrees in their teaching areas, and they must have a larger proportion of full-time faculty for a particular student body size. Many students find it cost effective to get the required freshmen/sophomore level courses at technical colleges, then transfer to a four-year institution and still graduate on time. To facilitate this approach, many of the technical colleges and four-year institutions have "articulation agreements" in place that specify which courses can be transferred for credit. Also, student fees do support other programs, such as Greek Life activities or extensive

athletic intramurals that are offered by four-year institutions and are not available at most of the technical colleges.

### **What is an Auxiliary Enterprise?**

Auxiliary Enterprises are service functions, such as dining services, bookstores, residence halls, certain athletic teams, and health services that provides a specific service to the users/consumers of the service. These functions are the closest thing to a profit/loss type business that is found on a college campus. By state law, the fee structure for each Auxiliary Enterprise must be set to cover the full cost of providing the service and providing for the long-term capital needs of the enterprise. While these services are available to all students, only those students using the service will be charged. For example, your housing charge is what is needed to run the residence halls, but those funds are maintained separately from the general fund and must cover renovation or maintenance costs associated with residence hall operations.

### **Are costs going up more dramatically in some areas than in others?**

Another funding need of public institutions is in capital investment, or new buildings, equipment, major renovations to existing facilities. There is some funding for these available from the state through state bond funds, but this requires action by the General Assembly. The last bond bill was passed in 2000, and thus, most institutions have had to acquire the necessary funds from private donations, governmental grants, or issuing institutional bonds. Private institutions are not eligible for state funded bonds, so these institutions have always relied upon private donations and institutional borrowing to meet their capital needs.

### **When do I get billed and are there any payment options?**

If you are a full-time student who registers over the summer or in a previous semester, bills will be mailed or made available online by July. It is important to remember that those bills are based on what the student has registered for as of that date, because students have usually two weeks once the semester starts to make changes. Adding a class with a lab, for example, could change a bill.

Most schools will work with you on payment options, but they are best discussed through the financial aid office ahead of time (as discussed in Chapter 2 and 3). Schools have strict deadlines for payments, and families with questions must contact either the financial aid office or the bursar as early as possible if they need special accommodations.

### **What are all the parts of my Student's Bill? What are the special fees, such as Technology and Library Fees?**

With the periods of State appropriation reductions, or zero or limited growth in the appropriations over the past decade, many institutions pursued what can be phrased as Activity Based Pricing. Simply stated, this pricing strategy seeks to pass the cost of the service or resource along to the consumer of the resource. A prime example would be a science lab fee. The chemicals, equipment, and facilities to produce a science class is much more expensive than that required for an English class. Thus, the lab fee would be charged to each student in the science class.

College of Charleston  
 Treasurer's Office  
 170 Calhoun St.  
 Charleston, SC 29424

Paul Test  
 Student ID#: 10238021  
 Statement Date: 07-25-2007  
 Due Date: 08-06-2007

**A**

**SAMPLE BILL**

Transaction Date	Code	Description	Charge	Credit
		Previous Balance	\$ 512.00	
3/30/2007	90013	Adv Tuition Deposit / Cr Card		\$ 100.00
3/30/2007	90205	Dorm Pre-pymt/Dep - Via/MC		\$ 100.00
<b>B</b> 4/18/2007	31400	Dormitory application fee	\$ 30.00	
4/18/2007	90110	Credit Card/Dorm appl fee		\$ 30.00
<b>C</b> 5/17/2007	22102	New Student Program Fee	\$ 75.00	
5/17/2007	22123	Family Program Fee	\$ 20.00	
5/17/2007	90020	Credit card/New Stud.Prog.Fee		\$ 75.00
<b>D</b> 5/17/2007	90022	Credit card/Fam. Prog. Fee		\$ 20.00
7/3/2007	10300	Academic fees / non resident	\$9,366.00	
7/3/2007	20022	Geol Lab	\$ 50.00	<b>E</b>
7/3/2007	31017	Buist Dorm	\$ 2,248.00	
7/3/2007	41171	15 Meals/Week	\$ 1,225.00	
7/6/2007	92000	Validated financial aid		
		Estimated Fin Aid 7977.00		
<b>F</b>	82000	CofC Academic Scholarship		\$ 5,477.00
	83385	Presidential Scholarship		\$ 2,500.00
7/23/2007	10010	Convocation Fee	\$ 15.00	
<b>CURRENT DUE</b>			<b>\$5,239.00</b>	

**Guide to Sample Bill:**

- A. Due date.** Please note that the bill is due before student arrives on campus.
- B. Dorm/housing fees.** Note the early date that housing applications are due.
- C. Orientation fees.** Most schools charge for orientation and may have a separate charge for family orientation.
- D. Academic fees.** This is a semester charge for in-state or out-of-state tuition.
- E. Lab fees.** Lab fees may differ by course or by amount.
- F. Scholarship / Financial Aid.** Your bill will have credits for scholarships or other grants. If an expected amount is not listed, contact your financial aid office.

These special fees emerged initially to raise necessary funds for needed infrastructure investments on the campus, but have since evolved, in large part, to passing along the cost to the ultimate user.

It's not your imagination that most bills, especially for full-time resident students, are more complex than they used to be. In some efforts to charge students only for the services they use (when possible), specialized fees are separated out in a bill. Institutions have great flexibility in creating and managing these separate fees, so they will not be the same across multiple schools.

## **Conclusion**

The purpose of this chapter has been to give you a flavor for the financial needs and resources available to the higher education institutions within our state. Many pages could be filled addressing these and other related topics. If a student and/or parent have specific financial questions about any institution, then the institution's web site would be an excellent point from which to begin a search for information and answers. If not available there, then a call to the Business Office of the institution would be an appropriate next step.

In summary, higher education institutions are like other businesses in many ways. They are in business to offer a product and must find a way to offer that product/service at a cost that is acceptable within their targeted market. As consumers, we all want to minimize our costs. However, as informed consumers, we understand that it is equally important to get maximum value from our expenditure. For education, that means the consumer affects the outcome as much as the producer. That is why it is so important that students and parents view higher education as an investment, an investment of time, money, hopes and dreams, with the expectation of acceptable returns in the future.

## Chapter 8

# The Public's Investment: The SC Funding Process for Higher Education

Catherine E. Watt, Ph.D., Frank Fusco & Gary M. McCombs

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Public higher education entities are creatures of the state, in that they exist by virtue of state law. As such they are eligible for public funding and subject to the specific laws that govern their operations. Often it may seem as if the process for funding the institutions is a black hole that no one understands, and the purpose of this chapter is to try and explain how the state funding process works, the possible effects that state budget cuts may have, and how state money affects the amount of tuition you pay. Finally, we will show you how South Carolina funding compares with other states and how South Carolina has supported higher education over time.

### **What are the steps taken between the institutions and the State in the budget calendar?**

It is easy to get caught up in and, at times, confused by financial models and allocation plans, but it must never be overlooked that the amount of appropriations available to our public institutions is a direct result of work by the Governor and General Assembly. To be absurd in illustrating this point, if the General Assembly approved no State funds for higher education, one important source of revenue to our institutions would disappear.

For colleges and universities, the budget process begins in July and August when Presidents present their priorities and achievements to the SC Commission on Higher Education. On a broader level, the state budget process begins in the winter as all state agencies including higher education provide information as to their funding needs to the General Assembly. For higher education, this information is reviewed by the Commission on Higher Education (CHE) which makes funding priority recommendations to the Governor and General Assembly. The CHE utilizes a formula called the Mission Resources Requirement (MRR) to determine the dollar amounts that go forward. The MRR is covered in greater detail in the next question.

The Governor provides his recommendations for the entire state budget to the General Assembly in December or early January.

Early in the legislative session, the Presidents of the public four-year institutions as well as the President of the SC Technical College System present their budget priorities to the Education subcommittees of the House and the Senate. During this time, the Presidents can discuss items “below the line” for which they would like money but are not part of the funding formula.

The House of Representatives and the Senate budget deliberations usually end in June with the budget being adopted before the state fiscal year begins on July 1.

Families should note that this annual calendar, with state budgets sometimes not determined until June, can hinder institutions' efforts to plan early for tuition and fee changes. One criticism leveled at institutions is that announcing fee changes in June is unfair to families struggling to pay for college. Both institutions and the Legislature are trying to improve financial planning to prevent last minute tuition increases.

## **How does the CHE determine how much money institutions need?**

Most states do use some type of formula to calculate the amount of money needed by their institutions. South Carolina is no different, but to most people, the allocation process is large part of the mystery surrounding the costs of higher education.

The public institutions, working in conjunction with various legislative committees and the Commission on Higher Education (CHE), develop their “production” plans each year. **The plans of all public institutions are then input into a financial model, known as the Mission Resources Requirement (MRR), to calculate the projected cost that the institution will incur in providing their planned level of service.** The MRR model has been defined, developed, and refined over the past 25+ years to evolve to its current state. The MRR is a methodology, based on the following factors:

- Instruction
- Research
- Public Service
- Libraries
- Student Services
- Physical Plant
- Administration

### **The above pieces are used to determine the expected cost to operate a specific institution.**

Thus, the institution’s financial operational need is determined. As in any financial model, the results are only reasonable estimates, only as good as the data, assumptions, and relationships used in the model.

The results from the MRR are used to determine the amount of State appropriations for each institution, through another process known as the Resource Allocation Method. As with the MRR, the Allocation Methodology is reviewed yearly and has been modified many times since its creation. CHE’s publication on the 2007-08 MRR can be found at <http://www.che.sc.gov/Finance/Fin/MRRManual/2007-08MRRBooklet.pdf>.

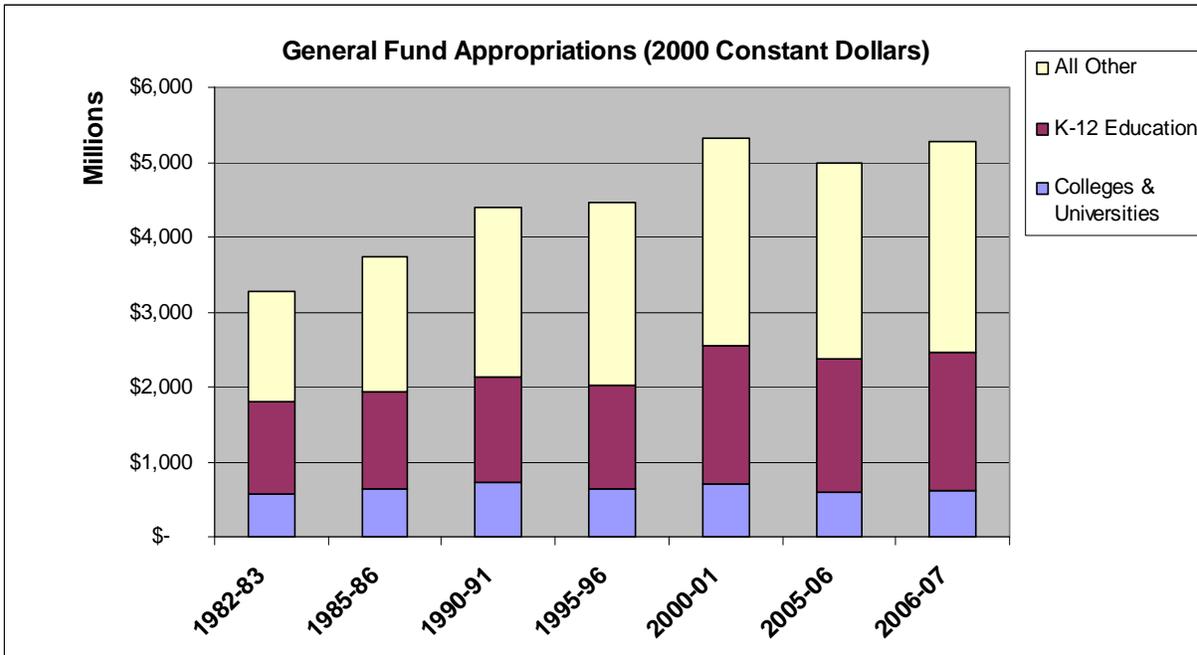
## **What State funds are used for Higher Education?**

South Carolina’s State Budget has two overarching categories, **General Funds** and **Total Funds**. General Funds are those dollars from taxes and other state revenues. The total general fund revenue projected for 2007-08 year was \$6.7 billion with about 40 percent from the sales tax and 48 percent from income taxes. By law, all sales tax collections are earmarked for K-12 public education.

Total Fund dollars include General Funds *plus* funds brought into state agencies from other sources, which for higher education includes sponsored research grants, contracts, and even tuition and fees. For colleges and universities, the General Fund amount represents Education & General (E&G) appropriations, exclusive of below the line items. The Total Fund amount typically represents the overall institution budget, excluding items such as foundation revenues, endowments, and auxiliaries (e.g. housing, parking).

When SC budget data was gathered from 1983 through 2007, funds were transposed into constant 2000 dollars to improve evaluation of changes over time. This means that in constant buying power, considering inflation, what changes have occurred in funding. In constant dollars, the General Fund has increased 62 percent, from approximately \$3.3 billion to \$5.3 billion. For the specific state budget category of education, general fund appropriations have increased 39 percent, again in constant 2000 dollars. Table 1 below shows how the funds to the institutions have remained constant over time, compared with K-12 education and the total General Fund.

**Figure 8.1:**



**Table 8.1:**

	1982-83	1995-96	2000-01	2006-07	Percent Change
To Institutions	\$ 569,074,545	\$ 634,020,233	\$ 707,426,770	\$ 611,973,166	7.54%
K-12 Education	\$ 1,234,012,441	\$ 1,391,407,830	\$ 1,846,083,904	\$ 1,843,652,709	49.40%
Other Education	\$ 87,532,427	\$ 118,059,127	\$ 206,432,566	\$ 169,053,467	93.13%
<b>Total State General Funds</b>	<b>\$ 3,263,976,754</b>	<b>\$ 4,458,439,469</b>	<b>\$ 5,316,901,837</b>	<b>\$ 5,276,346,747</b>	<b>61.65%</b>

Note: All figures in constant 2000 dollars.

Figure 8.1 illustrates that as the State General Funds have increased, appropriations to higher education have decreased. Appropriations for 2006-07 to higher education institutions from *General Funds* represent 11.6 percent of the total general state funds, and that includes funding for Public Service Activities. It has been stated that 17 percent of the State's total funds are appropriated to higher education, and that this amount is significantly above that of our neighboring states and the country. It is important to note that publications citing the 17 percent figure are accurate when the *Total Funds* category from all higher education budgets is summed as a percent

of total budgets. For example, Clemson University received \$84.7 million in educational appropriations from state general funds, but the total educational funds budget was \$471 million, inclusive of federal funds, tuition and fee revenues, and other revenue sources. The general educational appropriation (\$84.7 million) excludes PSA funds and lottery scholarship dollars.

**What is a bond bill? Why do we need a separate fund for buildings?**

An additional source of revenue is state capital improvement bond funds for new facilities, upgrades and deferred maintenance. The debt service for these bonds is paid for by the state and does not appear in the higher education budget. Generally higher education institutions have received about two-thirds of the bond bill authorizations.

**Table 8.2:  
Last 3 Bond Bills – Top 3 Appropriations**

<b>1997</b>	1) <i>Higher Ed</i>	\$167.7M	(67%)
	2) Corrections	\$ 51.4M	(21%)
	3) Natural Res.	\$ 10.0M	( 4%)
<b>1999</b>	1) <i>Higher Ed</i>	\$179.5M	(60%)
	2) Education Dept.	\$ 35.0M*	(12%)
	3) Ports Auth.	\$ 24.0M	( 8%)
<b>2000</b>	1) <i>Higher Ed</i>	\$ 89.1M	(65%)
	2) Education Dept.	\$ 11.0M*	( 8%)
	3) Public Safety	\$ 9.4M	( 7%)

\* 1999/Includes \$21M for Education, \$2M for the Opportunity Scholars and \$12M for the SDB (excludes \$750M special appropriation). 2000/Includes \$10M for Education and \$1M for the SDB.  
Source: Senate Finance Committee November 15, 2006 Briefing Document

Other than the enactment of the Research University Infrastructure Bond Act in 2004, the state has not adopted a bond bill since 2000. The Research University Infrastructure Bond Act authorized \$250 million for higher education. Thirty million dollars was deferred maintenance for non-research universities and \$220 million was for the three major research universities to promote research and the growth of the state’s economy.

Higher education institutions have the authority to request and receive institution bond funding for capital improvement needs, however, such bonds are paid from the tuition of each institution. The capacity to issue these bonds is based on the amount of tuition revenue generated by an institution.

**How does the Lottery money get calculated in the money for the institutions?**

Lottery funding is provided for higher education purposes. For families and for the public, it can be confusing to figure out how the money brought in from the lottery helps higher education. As covered in Chapter 3 and in Chapter 7, lottery funds are distributed based on legislative mandate.

While the amounts may vary each year based on revenues, the areas targeted cannot change very much by law. **Lottery Scholarship money follows the student and supplements what they pay in tuition; none of the scholarship money is allocated directly to an institution.**

For the 2007-08 total lottery funds are projected to be \$266 million with \$30 million for the Endowed Chairs program and \$166 million going to students for scholarships, tuition assistance and grants. It should be mentioned that lottery revenues have been decreasing and any long-term plan for higher education should consider that this revenue source may not always exist.

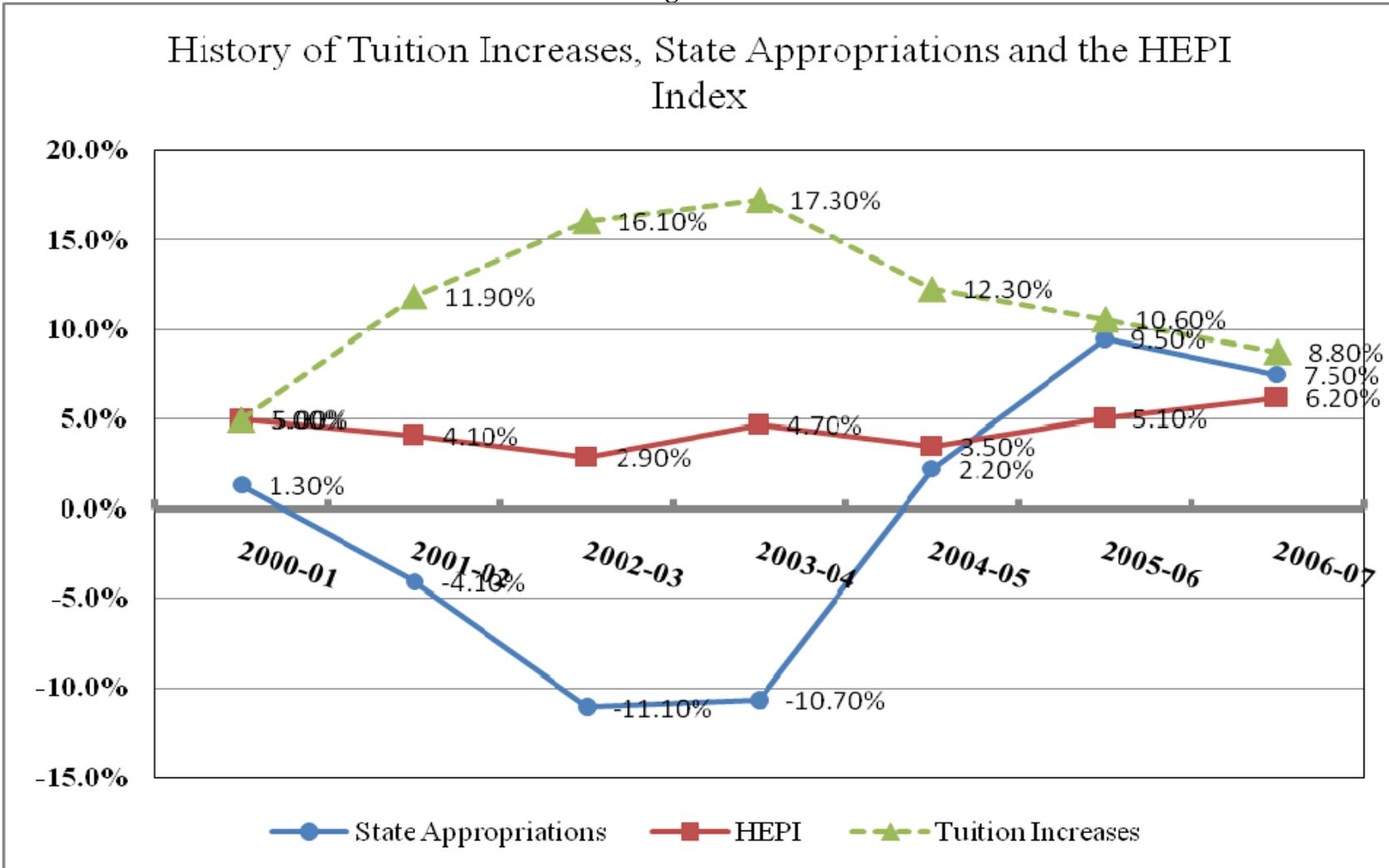
### **What is the Legislature doing to better manage funding and costs of colleges?**

Naturally, considering how higher education is funded and how priorities are established leads to questions of how well the funding process is achieving desired results and how much funding is truly necessary. For example, some legislators have proposed imposing annual tuition caps for institutions based on inflation. Almost annually there are indications that some elected officials are not satisfied that costs are being held down sufficiently. This year the General Assembly created a nine member task force to develop and recommend a multi-year statewide strategic plan for higher education. It is to include missions and programs, enrollment, funding and costs, facilities and technology and planning and organization.

### **Have the large tuition increases been caused by state budget cuts?**

In recent years the state has faced significant mid-year revenue shortfalls creating challenges for administrators and for state budget writers. For higher education these state reductions have been offset by tuition increases. Figure 8.2 illustrates almost a mirror image of state fund reductions and corresponding tuition increases that appear to reflect the institutions' efforts to maintain their funding against the effects of inflation and budget reductions. As the appropriations were cut, and inflation adjustments were not made by the State, the institutions were forced to raise tuition to keep up with expenses.

Figure 8.2



Source: Senate Finance Committee November 15, 2006 Briefing Document

## Aren't Public Institutions mostly funded by the State?

For all institutions, the State's general appropriations are only a percentage of their total annual budgets.

Over time, substantial changes have occurred in the proportion of institutional budgets provided for by the General Fund appropriations. In 1982-83 all institutions received more than 40 percent of their operating budgets from State general appropriations, and eight institutions received more than 60 percent of their operating funds from state support. **By fiscal year 2007, no institution received more than 36 percent of its budget from appropriations.** Table 8.3 shows the percentage of each institution's total budget that comes from State General appropriations.

**Table 8.3**  
**State Appropriations as a Percent of Institutional Total Budgets Over Time**

Agency Title	1982- 83 % Gen Fund Support	2000- 01 % Gen Fund Support	2006- 07 % Gen Fund Support
CLEMSON UNIVIVERSITY (non-PSA)	46.6%	28.2%	18.2%
COASTAL CAROLINA UNIVERSITY		24.0%	11.6%
FRANCIS MARION UNIVERSITY	68.7%	38.1%	36.1%
LANDER UNIVERSITY	52.9%	37.5%	28.4%
MEDICAL UNIVERSITY OF SOUTH CAROLINA (non-hospital)	42.7%	22.7%	16.2%
SOUTH CAROLINA STATE UNIVERSITY (non-PSA)	55.2%	33.6%	19.1%
STATE BOARD FOR TECHNICAL & COMPRE ED	54.6%	45.3%	31.6%
THE CITADEL	42.0%	21.1%	13.4%
UNIV. OF SOUTH CAROLINA COLUMBIA	54.1%	34.6%	20.9%
UNIVERSITY OF CHARLESTON	61.5%	20.8%	17.6%
USC-AIKEN CAMPUS	64.9%	29.9%	20.3%
USC-BEAUFORT CAMPUS	61.8%	34.0%	16.8%
USC-LANCASTER CAMPUS	62.2%	40.1%	20.5%
USC-SALKEHATCHIE CAMPUS	55.1%	41.7%	25.9%
USC-SPARTANBURG CAMPUS	60.9%	33.4%	16.8%
USC-SUMTER CAMPUS	61.9%	46.2%	29.9%
USC-UNION CAMPUS	62.1%	42.7%	24.5%
WINTHROP UNIVERSITY	52.7%	28.6%	16.9%
<b>TOTAL TO INSTITUTIONS</b>	<b>51.1%</b>	<b>32.6%</b>	<b>21.5%</b>

Note: All calculations based on constant 2000 dollars.

Another way to look at this is to evaluate the dollars PER STUDENT (FTE) that the state provides. If state dollars are intended to supplement what the cost of education is per student, then this measure is a very appropriate way to evaluate state support. FTE is a simple calculation that includes full-time students plus a ratio of part-time students.

Changes in General Fund appropriations per Full-Time Equivalent (FTE) student have not kept up with either inflation or with increases in enrollment. From 1983 through 2006, enrollment at South Carolina public colleges and universities has increased 54.4 percent. In constant 2000 dollars, general fund appropriations per FTE have changed from \$5,762 in 1983-84 to \$4,478 in 2006-07, a decrease of 22 percent.

**Table 8.4:  
Changes in Appropriations per FTE over Time**

	1983-84	1995-96	2000-01	2005-06	2006-07	Percent Change
General Approp. to Institutions	\$509,898,540	\$634,020,233	\$707,426,770	\$588,094,311	\$611,973,166	20.02%
FTE Enrollment	88,487	110,027	115,748	135,442	136,657	54.44%
<b>General Approp. per FTE</b>	<b>\$ 5,762</b>	<b>\$ 5,762</b>	<b>\$ 6,112</b>	<b>\$ 4,342</b>	<b>\$ 4,478</b>	<b>-22.29%</b>

NOTE: All figures in constant 2000 dollars.

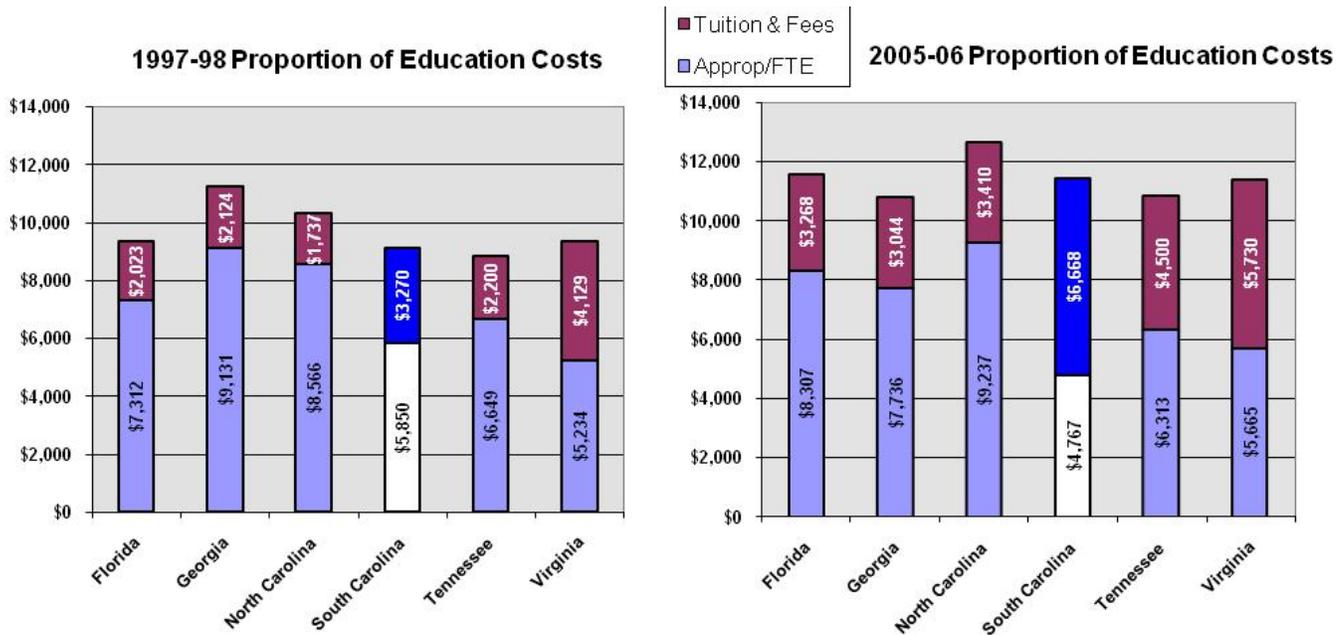
**In real dollars, this decline amounted to more than \$1,250 in state cuts per student.** This shortfall in state appropriations was covered by increased efficiencies at the institutions, some reductions in services, elimination of some programs, and undeniably, increases in the tuition and fees charged to students.

**Do the South Carolina institutions just charge more to educate students? Aren't they wasting money?**

There is no mistaking that in-state tuition for South Carolinians has increased. For comparison, we can review the cost of education across the 16 southeastern states. One method for calculating this comparison is to use the Southern Regional Education Board (SREB, [www.sreb.org](http://www.sreb.org)) appropriations per FTE plus the *median* tuition and fees charged. To do this, **we assume that the appropriations per student plus the in-state tuition and fees charged should approximate the "Cost of Education" per student.** For out-of-state students, they are paying the actual cost of education.

When utilizing the Cost of Education concept, the cost proportions have changed for the four-year public institutions as shown below:

**Figure 8.4**  
**Cost of Education over Time for Selected States**



The above figure is not in constant dollars and uses data only from four-year institutions. One of the items to notice is that while all states have experienced increases in the Cost of Education, **South Carolina's shift in the proportion coming from general appropriations is significant.**

**Table 8.4:**  
**Changes in Proportion of State Support, Selected States & Years**

	1997-98		1999-00		2001-02		2003-04		2005-06	
	Approp/ FTE	T&F								
Florida	78.3%	21.7%	76.7%	23.3%	74.6%	25.4%	72.8%	27.2%	71.8%	28.2%
Georgia	81.1%	18.9%	80.8%	19.2%	77.0%	23.0%	72.4%	27.6%	71.8%	28.2%
North Carolina	83.1%	16.9%	83.3%	16.7%	78.7%	21.3%	73.9%	26.1%	73.0%	27.0%
South Carolina	64.1%	35.9%	65.7%	34.3%	60.2%	39.8%	45.5%	54.5%	41.7%	58.3%
Tennessee	75.1%	24.9%	70.6%	29.4%	65.7%	34.3%	60.8%	39.2%	58.4%	41.6%
Virginia	55.9%	44.1%	63.2%	36.8%	64.1%	35.9%	49.9%	50.1%	49.7%	50.3%

For four-year institutions:

- In 1997-98, the average Cost of Education among SREB states was \$7,385, and South Carolina was above the average at \$9,120.
- In 2005-06, the average Cost of Education among SREB states was \$11,090, and South Carolina was only slightly above that average at \$11,435. The overall average has increased 50 percent, but only 41 percent among SC institutions.

- Of the neighboring states, the percentage of cost accounted for by appropriations has shifted downward slightly. **Among all 16 SREB states, SC relies most heavily on tuition and fees to cover the costs of higher education.**

**I keep reading how it costs more for in-state tuition in SC than in Georgia or North Carolina. Is this true?**

Data from the Southern Regional Education Board (SREB), a well known data bank with standard definitions, was used to compare South Carolina’s appropriations with the 16 southeastern states.

Nationally, states have suffered from changing economic times and have also tried to manage competition among agencies for limited state funds. In 1985-86, the first year comparable information is available, South Carolina appropriations to four-year institutions exceeded the SREB average, \$4,525 to \$3,971. The two-year institutions in South Carolina have incurred a similar fluctuation. A sample of years and data are as follows:

**Table 8.5**  
**General & Special Purpose Appropriations per FTE**  
**All Four Year Institutions                      Two-Year Institutions**

	1985-86	1995-96	2000-01	2005-06	1988-89	1995-96	2000-01	2005-06
Alabama	\$4,117	\$4,101	\$5,365	\$6,268	\$2,357	\$2,417	\$3,674	\$4,115
Arkansas	\$3,836	\$4,657	\$6,855	\$6,972	\$3,227	\$4,025	\$4,975	\$4,499
Delaware			\$6,011	\$6,770			\$5,768	\$6,312
Florida	\$5,259	\$6,086	\$8,523	\$8,307	\$3,680	\$2,752	\$3,509	\$3,393
Georgia	\$4,179	\$5,328	\$8,364	\$7,736	\$2,835	\$3,725	\$4,994	\$4,229
Kentucky	\$3,975	\$4,251	\$7,309	\$7,085	\$1,959	\$2,319	\$3,447	\$4,240
Louisiana	\$1,997	\$3,028	\$4,232	\$5,127	\$2,528	\$2,252	\$3,210	\$3,514
Maryland	\$4,224	\$6,263	\$8,557	\$7,868	\$3,281	\$3,905	\$5,705	\$5,629
Mississippi	\$3,559	\$4,762	\$7,116	\$6,500	\$2,416	\$4,329	\$4,398	\$3,468
North Carolina	\$5,012	\$6,191	\$9,066	\$9,237	\$3,654	\$4,652	\$3,797	\$3,779
Oklahoma	\$3,486	\$3,857	\$6,095	\$5,741	\$2,478	\$3,270	\$4,682	\$3,809
<b>South Carolina</b>	<b>\$4,525</b>	<b>\$4,613</b>	<b>\$6,247</b>	<b>\$4,767</b>	<b>\$3,423</b>	<b>\$3,397</b>	<b>\$4,168</b>	<b>\$3,081</b>
Tennessee	\$3,965	\$5,223	\$6,006	\$6,313	\$3,286	\$3,340	\$3,839	\$3,979
Texas	\$4,472	\$5,168	\$6,649	\$6,594	\$3,357	\$3,439	\$4,357	\$4,781
Virginia	\$3,427	\$3,751	\$6,710	\$5,665	\$3,032	\$2,485	\$3,761	\$3,431
West Virginia	\$3,537	\$3,659	\$4,777	\$3,812	\$2,505	\$2,734	\$4,184	\$3,618
<b>SREB Average</b>	<b>\$3,971</b>	<b>\$4,729</b>	<b>\$6,743</b>	<b>\$6,548</b>	<b>\$3,215</b>	<b>\$3,293</b>	<b>\$4,102</b>	<b>\$4,071</b>

Note: These figures are not in constant dollars. MUSC is excluded from SC’s figures.

Institutions find Appropriation / FTE figure useful when explaining to constituent groups the need for tuition and fee increases because the figure clearly defines how the state contributes to the cost of education for its in-state students. In 1994-05, South Carolina funded institutions at close to the Southeast average. A decade later, **SC institutions are funded substantially below the other states**, including Georgia, which has a similar lottery state scholarship program.

Given all of the above information, the short answer to the question is that South Carolina has chosen to shift the burden of paying for higher education more to the students than to the state coffers. For students fortunate enough to qualify for merit awards, costs remain within southeastern averages; but for those who do not qualify, the burden is greater than that asked of our southeastern neighbors.

### **What should families and the public do to get involved in the discussion?**

The elected officials responsible for funding higher education need to hear from about what your expectations are related to education funding. Considering the timing of the budget process, providing insight to the Governor would need to occur in the fall. Given that legislators are in session from January to June, and are asked to consider numerous matters, it is likely best to speak with your legislator in the July to December time frame and follow up in January. This would enable him or her to bring your concerns to the appropriate committee and subcommittee leadership early in the session.

In the legislative budget process, the Ways and Means Committee in the House and the Finance Committee in the Senate develop and present budget recommendations to their respective bodies. Typically few changes are made by the time a budget arrives for debate by the full House or Senate since these committees spend an inordinate amount of time in subcommittee and full committee hearings, sorting out the needs of the state relative to the available funding. The appropriation of funds is a primary constitutional role of the General Assembly and, therefore, legislators need to hear how well government is working from their constituents and ultimately where to focus their improvement efforts. You can influence change by engaging in the process.



## Appendix A: About the Authors

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### Editor:

**Catherine E. Watt**, Ph.D. serves as Director of the Alliance for Research on Higher Education, a state-focused collaborative research center located in the Strom Thurmond Institute of Government and Public Affairs. Previously, she has served as Director of Institutional Research for Clemson University (2002-2006) and for Washington College (Md) (1997-1999), as well as Coordinator for Institutional Planning at University of Maryland University College (1995-97). Her research and publications have focused on statewide issues affecting higher education including K-12 school district performance, facilities management, and accountability. Catherine earned her bachelor and master's degrees from the University of South Carolina in psychology and special education respectively, and she earned her doctorate in Higher Education Policy and Leadership from the University of Maryland College Park.

### Contributing Editor:

**Gary M. McCombs** served as Senior Vice President for Business Affairs at the College of Charleston from 1993 through 2006. He previously served as Vice President for Business and Finance at Valdosta State College (1990-93), Assistant VP for Finance and Business at Winthrop College (1988-90), and Director of Business Systems Development for Clemson University (1980-88). Throughout his career Gary has led technology initiatives, physical plant operations, facilities planning, public safety, and human resources. He earned a bachelors degree in accounting from Clemson University in 1972, an MPA from Valdosta State University, and has expertise in management and computer science. Gary is now a member of the faculty in the School of Business Administration at the College of Charleston, teaching and collaborating on projects involving the financing of higher education.

### Authors (in alphabetical order):

**Russ Bumba**, Ed.D. has served as Senior Manager for Student Services and Research for the South Carolina Technical College System since January, 1999. Prior to this appointment, Dr. Bumba was the Dean of Student Services at Niagara County Community College. He also served as the Dean of Students at Kutztown University of Pennsylvania and held various Student Affairs positions at Indiana University-Bloomington, the University of Connecticut, and Kent State University. Dr. Bumba received his Ed.D. in Higher Education Administration from Indiana University, M Ed. in Student Personnel Administration from Kent State University, and BA in Rehabilitation Education from the Pennsylvania State University.

**Angelica Christie** M.Ed. is the Director of the Health Careers Program in the South Carolina Area Health Education Consortium (AHEC). She is also an instructor in the College of Health Professions at the Medical University of South Carolina. Her professional experience includes more than 17 years in the field of education with an emphasis on program development for minority and underserved students. Ms. Christie has certification as a Global Career Development Facilitator Instructor. She has a Bachelor of Arts degree in

English from Francis Marion University and a Masters of Education degree in Guidance and Counseling Services from Clemson University.

**Mark D’Amico**, Ph.D. is executive assistant for policy and administration with the South Carolina Technical College System (SCTCS), and previously served as special assistant to the president at Midlands Technical College. Prior to working in the two-year setting, Mark was assistant director of admissions at UNC Charlotte and interim director of admissions at Francis Marion University. As a lifelong learner and educator, Mark teaches leadership in the University of South Carolina’s higher education graduate program, and has taught undergraduate political science and English at other institutions. Mark holds a Ph.D. in curriculum and teaching (higher education) from UNC Greensboro, an M.A. in liberal studies from UNC Charlotte, and a B.A. in arts and humanities and a B.S. in business administration from Gannon University.

**Elise Davis-McFarland**, Ph.D. is vice president for student services at Trident Technical College where she oversees several student services and activities: admissions, registrar, counseling and career development, student employment, testing, financial aid, student activities orientation, and several federally-funded educational opportunity programs. Before going to Trident Technical College in 2002 Dr. Davis-McFarland was an associate professor of Rehabilitation Sciences and adjunct associate professor of Physical Medicine and Rehabilitation at the Medical University of South Carolina. She served as the program director for the graduate Communication Sciences and Disorders program. Elise is a member of several national organizations, including serving as the 2-year and community college representative for the Region III board of directors for the National Association of Student Personnel Administrators (NASPA). She is also active in National Council for Student Development (NCSD).

**Jennifer V. Frank** is the project manager for the Change and Sustainability in Higher Education (CASHÉ) grant, funded by the National Science Foundation, at the University System of Maryland. She has previously served as Director of Institutional Research at Loyola College in Maryland, Assistant to the Provost at Washington College, and Assistant to the Dean of the Graduate School at University of Maryland University College. Her research interests include K-16 partnerships, statewide education policy, institutional change, and the economic outcomes of higher education. She holds a B.A. in Leadership Studies and German from the University of Richmond and an M.A. in College Student Personnel from the University of Maryland College Park. Jennifer is a doctoral candidate in Education Policy and Leadership at the University of Maryland College Park.

**Frank Fusco** serves as Executive Director of the SC Budget and Control Board, Director of Budget and Legislative Affairs for the Governor (Hodges Administration), Director of Research for SC House Ways and Means Committee (Chairmen Henry E Brown, Jr. and Billy Boan), Research Analyst for SC House Ways and Means Committee, Research Analyst for the SC Joint Appropriations Committee, and Principal Auditor for SC legislative Audit Council. He also served as Federal Grants Auditor for the Governor’s Office (West Administration), and was a First Lieutenant US Army, earning a BA in 1970 from Florida Southern College. Frank is a recipient of the Milliken Medal of Quality Award, from the

South Carolina Quality Forum, which recognizes South Carolinians of vision who have demonstrated leadership, innovation and outstanding achievement in the implementation of quality systems and who have been an inspiration for others to follow.

**David Garr, M.D.** is a professor of Family Medicine at the Medical University of South Carolina (MUSC). He has been on the faculty of MUSC since 1985 and is presently the Associate Dean for Community Medicine, and the Executive Director of the South Carolina Area Health Education Consortium (AHEC). The mission of the South Carolina AHEC is to connect students to health careers, health professionals to communities, and communities to better health. Throughout his career, Dr. Garr has been involved in advocating on behalf of a more diverse health care workforce and better access to health care services. He helped launch a South Carolina initiative designed to establish regional coalitions to encourage and support more young people to pursue careers in health care. This initiative emphasizes mentoring, parental involvement, and Teach-the-Teacher programs for the purpose of helping students achieve their career goals. Prior to joining the MUSC faculty, Dr. Garr worked for six years as a rural physician in Utah followed by four years as a member of the faculty of a family medicine residency training program in Colorado.

**Curtice (Curt) E. Holland** joined The Citadel in 1998 as Vice President for Finance and Business Affairs, with responsibility for The Citadel's \$85 million annual operating budget and business support for 650 faculty and staff. Colonel Holland served in the United States Army for more than 27 years and was Deputy Chief of Staff, Resource Management (CFO), U.S. Army Pacific at Fort Shafter, Hawaii when he retired from military service. From August 1989 to December 1997, Colonel Holland served as Deputy Chief of Staff, Resource Management (CFO) for the Combined Arms Command, Fort Leavenworth, Kansas; graduated from the U.S. Army War College, Carlisle Barracks, Pa., and assumed his assignment in Hawaii in 1994. After serving three years in the Reagan White House as military advisor for national security affairs and military assistant to the Director of Office of Management Budget, he was selected to attend the Armed Forces Staff College, Norfolk, Va. Upon graduation, he returned to Washington, D.C. to serve for more than three years as the Legislative Assistant to the Chairman, Joint Chiefs of Staff. Col. Holland holds a B.B.A. in finance and an M.B.A. from the University of Oklahoma.

**Kip Howard** began his career in college admissions at his alma mater, Muskingum College (OH), in 1967. Following four years at the Ohio State University coordinating freshman admissions, he became director of admissions at Case Western Reserve University in 1976. Following stints at the University of Denver, University of North Carolina Asheville and again at Muskingum College, he became director of admissions and eventually Assistant Vice President for Enrollment Services at Ohio University. After 13 years at Ohio he accepted the position of Assistant Vice Provost for Enrollment Management at the University of South Carolina-Columbia in 2004. Kip holds a bachelors degree in history from Muskingum College and an MA in Student Personnel from Colgate (NY) University with additional graduate work at the University of Denver.

**Kirk A. Nix** CWS®, is a Certified Wealth Strategist and President of WealthCare, Inc., a Clemson-based financial advisory service that specializes in long-term wealth management

strategies for small business owners. Prior to opening his own firm, Kirk spent seven years as a financial advisor for Edward Jones and Citicorp Investment Services. Kirk has also worked in the textile industry for such companies as Sara Lee, Unifi, Dan River, and L.L. Bean, specializing in yarn formation, fabric treatments, and quality control. He holds a B.S. in Textile Management from Clemson University and an M.S. in Textile Technology from the Institute of Textile Technology in Charlottesville, Virginia.

**Kenneth Redd** was appointed Director of Research and Policy Analysis for the Council of Graduate Schools in August 2006. In his position, he provides research and data analysis on graduate school financial aid, enrollments, degrees conferred, and international admissions, applications, and enrollments. Prior to joining CGS, Ken served as Director of Research and Policy Analysis for the National Association of Student Financial Aid Administrators, and also served in various research and policy analysis positions for other organizations. His areas of research and publications include a variety of issues in higher education. He holds a Master's degree in Public Affairs from the University of Minnesota, and a Bachelor's degree in English and Political Science from Tufts University.

**Hope Rivers** is a graduate of the University of South Carolina (undergraduate degree: English and master's degree in Education). She is currently enrolled as a doctoral student in Higher Education Administration program at the USC. Hope has worked in State Government for the past 12 years. Currently, she serves as the Senior Manager for Curriculum and Instruction at the SC Technical College System.

**Connie Scrivens** has worked for her alma mater, the University of South Carolina-Columbia, for 19 years. In her role as the Associate Director for Marketing in the Office of Undergraduate Admissions, Connie interacts daily with a variety of stakeholders in the admissions process. One of her key roles is ensuring that prospective students receive relevant and timely information as they engage in their college search. Prior to her career in admissions, Connie served as marketing director for the University's premier public assembly facilities, Koger Center for the Arts and Carolina Coliseum. Connie earned both her bachelor's degree in journalism and her MBA from the University of South Carolina.

**Edward M. Shannon, III** has served as Executive Director of the South Carolina Tuition Grants Agency since 1980. Eddie is a 1975 graduate of Clemson University, and a 1994 graduate of the SC Executive Institute. Eddie's experience includes service for the SC Student Loan Corporation, as well as for Coker College.

**Teresa E. Smith, Ph.D.** served as Senior Vice President for Finance and Administration at Piedmont Technical College for more than 10 years, and now serves as Vice President for Administrative Services and CFO for at Tallahassee Community College in Tallahassee, Florida. Teresa earned her Ph.D. in Educational Leadership from Clemson University and her MBA from Winthrop University. She has taught higher education finance for the University of South Carolina and will teach a similar course at Clemson University for academic year 2008-09.

**Leslie Taylor-Grover, Ph.D.** currently serves as Assistant Professor of Public Policy at the Nelson Mandela School of Public Policy and Urban Affairs of Southern University and

A&M College. Previously, she was Director of the Emerging Scholars program for Clemson University. She earned her Bachelor's degrees in Mass Communication and in Social Policy (Dillard University) and her Master's degree in Public Policy and Public Administration (Mississippi State University). She earned her Ph.D. in Policy Studies from Clemson University. Her background includes working as a contract specialist and negotiator for NASA, as well as a non-profit consultant and grant writer for several rural organizations. She has also worked as a research analyst for the Stennis Institute of Government and the Institute on Family and Neighborhood Life, where her research focused on poverty, public education and socioeconomic well-being.

**R. Scott Verzyl** is Director of Undergraduate Admissions at the University of South Carolina-Columbia, a position he's held since 2004. He previously held the positions of Associate Vice President for Enrollment Management, Registrar and Director of Admissions at the University of Alabama in Huntsville, as well as several positions at Georgia Institute of Technology, including Associate Registrar and Assistant Director of Admissions. His corporate experience includes a senior consultant position with Systems and Computer Technology Corporation. In addition to his administrative duties, Scott enjoys teaching freshmen students each fall in the University's nationally-acclaimed transition course, "University 101: The Student in the University." He is also a frequent speaker at national conferences and serves on the South Carolina ACT Council as Chair Elect. Scott earned his BS in Management from Georgia Tech, and his MBA from Kennesaw State University.

**Benny Walker** has been at Furman University for 37 years and currently serves as Vice President for Enrollment. He is responsible for the marketing, recruitment, financing, enrollment and retention of students at Furman. With a broad range of expertise, Benny has been a regular presenter at admissions and financial aid professional meetings and also served a term as a trustee for the College Board.

**S. Malik Whitaker, J.D.** is the Director of the Families, Individuals and Children Council for the United Way of the Midlands. He is also a Parental Involvement Consultant with South Carolina Area Health Education Consortium. He graduated from the University of South Carolina in 1994 with a B.A. in Political Science and, in 1997, Malik obtained a Juris Doctor from the USC School of Law. He has worked as a Research Associate and Program Coordinator with the Benedict College Division of Community Development, serves on the Advisory Committee for the South Carolina Commission of Minority Affairs, and is a consultant with the South Carolina Institute on Poverty and Deprivation. Finally, he is a member of the Clemson Institute for Economic and Community Development's Taskforce for Education Friendly Schools. He is on the board of South Carolina Fair Share and is the immediate past president of The Concerned Black Men of Greater Columbia, Inc.

## Appendix B: Additional Web Sites and Information

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We recognize that not all of your questions may have been answered in our chapters. The following resources, including institutional contacts, may be useful in additional questions. We encourage you to visit our web site ([www.strom.clemson.edu/familyguide](http://www.strom.clemson.edu/familyguide)) where information will be updated and you can link directly to additional information.

College planning websites can provide excellent information and direction. A good site includes information on selection of middle and high school courses, education success strategies, career decision-making, self-assessment strategies, choosing the right college, the college application process, financial aid opportunities, SAT/ACT test preparation and other important information. Using a website planner is an excellent way to organize your college planning process.

- [www.educationplanner.com](http://www.educationplanner.com)
- [www.actstudent.org/college/checklist.html](http://www.actstudent.org/college/checklist.html)
- [www.collegeboard.com](http://www.collegeboard.com)
- [www.ed.gov/students/prep/college/thinkcollege/early/edlite-tcehome.html](http://www.ed.gov/students/prep/college/thinkcollege/early/edlite-tcehome.html)
- [www.greatschools.net/content/countdownToCollege.page](http://www.greatschools.net/content/countdownToCollege.page)
- <http://www.kuder.com>
- <http://www.scois.net/AboutUs.htm> (find out if your school uses this resource)

### Financial Planning Resources:

- FannieMae. For more information on predatory lending, visit: [www.fanniemae.org](http://www.fanniemae.org), [www.responsiblelending.org](http://www.responsiblelending.org).
- U.S. Department of Health, Education and Welfare (HUD). Visit: [www.hud.gov/offices/hsg/sfh/pred/predlend.cfm](http://www.hud.gov/offices/hsg/sfh/pred/predlend.cfm).
- The U.S. Department of Education. Visit <http://www.ed.gov>
- South Carolina Department of Consumer Affairs. Call 1-800-922-1594, or visit: [www.sconsumer.gov](http://www.sconsumer.gov).
- South Carolina Higher Education Tuition Grants Commission, Suite 2100  
101 Business Park Boulevard, Columbia, SC 29203-9498. Phone: (803) 896-1120  
Fax: (803) 896-1126 Email: [info@sctuitiongrants.org](mailto:info@sctuitiongrants.org); visit:  
<http://www.sctuitiongrants.com/>
- The College Board. To learn more about college financing options and resources, visit: [www.collegeboard.com](http://www.collegeboard.com).
- National Association of Student Financial Aid Administrators. Visit: <http://www.finaid.org>.
- U.S. Department of Education. Visit: [www.studendaaid.ed.gov](http://www.studendaaid.ed.gov)
- South Carolina Vocational Rehabilitation Department, 1410 Boston Avenue, P.O. Box 15, West Columbia, SC 29171-0015. Call Toll Free: (800) 832-7526, TTY: (803) 896-6532 or visit <http://www.scvrd.net/>
- U.S. Consumer Information Catalogue – visit: [www.peublo.gsa.gov](http://www.peublo.gsa.gov)
- For Free Credit Reports, visit: [www.annualcreditreport.com](http://www.annualcreditreport.com). Also visit:
  - Equifax, [www.equifax.com](http://www.equifax.com)

- TransUnion, [www.transunion.com](http://www.transunion.com)
- Experian, [www.experian.com](http://www.experian.com)

## SC Public and Private Institutions:

### Private Colleges and Universities

Institution	Web Site	Admissions Contact
Allen University	<a href="http://www.allenuniversity.edu/">http://www.allenuniversity.edu/</a>	803-765-6023
American College of the Building Arts	<a href="http://buildingartscollege.us/">http://buildingartscollege.us/</a>	843.577.5245
Anderson University	<a href="http://www.andersonuniversity.edu/">http://www.andersonuniversity.edu/</a>	864-231-2030
Benedict College	<a href="http://www.benedict.edu/">http://www.benedict.edu/</a>	803-705-4491
Bob Jones University	<a href="http://www.bju.edu/">http://www.bju.edu/</a>	1-800-252-6363
Charleston Southern University	<a href="http://www.csuniv.edu/">http://www.csuniv.edu/</a>	1-800-947-7474
Claflin University	<a href="http://www.claflin.edu">http://www.claflin.edu</a>	803-535-5747
Coker College	<a href="http://www.coker.edu/">http://www.coker.edu/</a>	843-383-8050 or 800-950-1908
Columbia College	<a href="http://www.columbiacollegesc.edu/">http://www.columbiacollegesc.edu/</a>	803-786-3871
Columbia International University	<a href="http://www.ciu.edu/">http://www.ciu.edu/</a>	800-777-2227
Converse College	<a href="http://www.converse.edu/">http://www.converse.edu/</a>	800-766-1125
Erskine College	<a href="http://www.erskine.edu/">http://www.erskine.edu/</a>	800-241-8721
Furman University	<a href="http://www.engagefurman.com/">http://www.engagefurman.com/</a>	864-294-2034
Limestone College	<a href="http://www.limestone.edu/">http://www.limestone.edu/</a>	800-795-7151 ext. 4554
Lutheran Theological Southern Seminary	<a href="http://www.ltss.edu/">http://www.ltss.edu/</a>	800-804-5233 ext 297
Morris College	<a href="http://www.morris.edu/">http://www.morris.edu/</a>	803-934-3200 x3225
Newberry College	<a href="http://www.lander.edu/">http://www.lander.edu/</a>	800-845-4955 ext 5127
North Greenville University	<a href="http://www.ngu.edu/home/">http://www.ngu.edu/home/</a>	800-648-6642
Presbyterian College	<a href="http://www.presby.edu/">http://www.presby.edu/</a>	800-960-7583
Sherman College of Straight Chiropractic	<a href="http://www.sherman.edu/edu/">http://www.sherman.edu/edu/</a>	800-849-8771
Southern Wesleyan University	<a href="http://www.swu.edu/">http://www.swu.edu/</a>	800-282-8798
Spartanburg Methodist College	<a href="http://www.smcsc.edu/">http://www.smcsc.edu/</a>	864- 587-4213
Voorhees College	<a href="http://www.voorhees.edu/">http://www.voorhees.edu/</a>	803-780-1030
Wofford College	<a href="http://www.wofford.edu/">http://www.wofford.edu/</a>	864-597-4130

### Public 2 Year & Technical Colleges

Institution	Web Site	Admissions Contact
Aiken Technical College	<a href="http://www.aik.tec.sc.us/x">http://www.aik.tec.sc.us/x</a>	803-593-9231
Central Carolina Technical College	<a href="http://www.cctech.edu/">http://www.cctech.edu/</a>	803-778-6605 / 800-221-8711 ext. 2005
Denmark Technical College	<a href="http://www.denmarktech.edu/">http://www.denmarktech.edu/</a>	803-793-1000

Florence-Darlington Technical College	<a href="http://www.fdtc.edu/">http://www.fdtc.edu/</a>	843-661-8289
Greenville Technical College	<a href="http://www.gvltec.edu/">http://www.gvltec.edu/</a>	864-250-8109
Horry-Georgetown Technical College	<a href="http://www.hgtc.edu/">http://www.hgtc.edu/</a>	843 349 5277
Midlands Technical College	<a href="http://www.midlandstech.com/edu/">http://www.midlandstech.com/edu/</a>	803-738-8324 or 800-922-8038
Northeastern Technical College	<a href="http://www.netc.edu">www.netc.edu</a>	800-921-7399
Orangeburg-Calhoun Technical	<a href="http://www.octech.edu/">http://www.octech.edu/</a>	803-535-1222
Piedmont Technical	<a href="http://www.ptc.edu/">http://www.ptc.edu/</a>	864-941-8369 or 864-941-8370
Spartanburg Community College	<a href="http://www.sccsc.edu/">http://www.sccsc.edu/</a>	864-592-4800 or 866-591-3700
Technical College of the Lowcountry	<a href="http://www.tclonline.org">www.tclonline.org</a>	843-525-8208
Tri-County Technical College	<a href="http://www.tctc.edu/">http://www.tctc.edu/</a>	864-646-1550
Trident Technical College	<a href="http://www.tridenttech.edu/">http://www.tridenttech.edu/</a>	843-574-6111 or 877-349-7184
University of South Carolina-Lancaster	<a href="http://usclancaster.sc.edu/">http://usclancaster.sc.edu/</a>	803-313-7073
University of South Carolina-Salkehatchie	<a href="http://uscsalkehatchie.sc.edu/">http://uscsalkehatchie.sc.edu/</a>	803-584-3446 or 800-922-5500
University of South Carolina-Sumter	<a href="http://www.uscsumter.edu/">http://www.uscsumter.edu/</a>	803-938-3717
University of South Carolina-Union	<a href="http://uscunion.sc.edu/">http://uscunion.sc.edu/</a>	864-429-8728 or 800-768-5566
Williamsburg Technical College	<a href="http://www.wiltech.edu/">http://www.wiltech.edu/</a>	843-355-4162
York Technical College	<a href="http://www.yorktech.com/">http://www.yorktech.com/</a>	803-327-8008

### Public 4 Year Colleges & Universities

Institution	Web Site	Admissions Contact
The Citadel	<a href="http://www.citadel.edu/">http://www.citadel.edu/</a>	843-953-5230 or 800-868-1842
Clemson University	<a href="http://www.clemson.edu/">http://www.clemson.edu/</a>	864-656-2287
Coastal Carolina University	<a href="http://www.coastal.edu/">http://www.coastal.edu/</a>	800-277-7000 ext. 2026
College of Charleston	<a href="http://www.cofc.edu/">http://www.cofc.edu/</a>	843-953-5670
Francis Marion University	<a href="http://www.fmarion.edu/">http://www.fmarion.edu/</a>	800-368-7551
Lander University	<a href="http://www.lander.edu/">http://www.lander.edu/</a>	888-452-6337
Medical University of South Carolina	<a href="http://www.musc.edu/">http://www.musc.edu/</a>	843-792-3281
South Carolina State University	<a href="http://www.scsu.edu/">http://www.scsu.edu/</a>	803-536-7185
University of South Carolina-Aiken	<a href="http://www.usca.edu/">http://www.usca.edu/</a>	800-969-8722
University of South Carolina-Beaufort	<a href="http://www.uscb.edu/">http://www.uscb.edu/</a>	843-208-8112
University of South Carolina-Columbia	<a href="http://www.sc.edu/">http://www.sc.edu/</a>	800-868-5872
University of South Carolina-Upstate	<a href="http://www.uscupstate.edu/">http://www.uscupstate.edu/</a>	864-503-5246
Winthrop University	<a href="http://www.winthrop.edu/">http://www.winthrop.edu/</a>	800-763-0230

