

U100: HOW TO REDUCE YOUR COLLEGE COSTS

Aim to Graduate in Five Years or Less

California State University, Northridge (CSUN) is aware of the hardship you and other students suffer due to dramatic fee increases. CSUN is trying to control the indirect costs of college by:

- Reducing the cost of supplies such as using standardized and recycled clickers
- Reducing the cost of books by implementing a textbook rental policy with the Associated Students bookstore
- Developing “e” materials, where appropriate, as substitutes for texts
- Initiating block scheduling so that, as an example, upper-division majors can get two-day-a-week schedules; save commuting costs; and free up time for paying jobs. This could result in hundreds of dollars of saved.

Table 1 below shows that the indirect cost of education (see the black) exceeds the direct cost (see the red) of CSUN in 2011-2012:

Table 1

Costs	Living with Family (\$)	Apartment or Dorm (\$)
Fees	6,488	6,488
Books and Supplies	1,746	1,746
Food and Housing	4,346	12,276
Transportation	1,362	1,296
Miscellaneous	3,288	3,074

Q1. What percent do fees comprise of the total cost of going to university, if the student lives in a dorm or apartment (not with family)?

Source: http://www.calstate.edu/sas/fa_coa.shtml

Please go through the financial aid website.

Let's project into the future. For a student starting at CSUN in 2009-2010 fees, Table 2 below shows what it would cost to graduate in 4, 5, 6, or 7 years, factoring in inflation of fees and books and supplies at 8% per year while the other costs rise 5% per year.

Table 2

Years to graduation	Fees , books, supplies (\$)	Food, housing, transportation, misc (\$)	Cost (\$)
4	29,015	37,602	66,617
5	37,775	48,206	85,981
6	47,236	59,340	106,576
7	57,454	71,031	128,484

Q2: Complete Table 3 below using information from Table 2. Because students pay by the semester, not by the course, and because fees are going up, not down, each course effectively cost a lot more the longer you stay. Assume a total of 120 units, or 40 three-unit classes, are needed to graduate.

Table 3

Years to graduation	Cost unit of credit (dollars)	Cost per unit credit (dollars)
4	$66,617/120 =$	
5	$85,981/120 =$	
6	$106,576/120 =$	
7	$128,484/120 =$	

CSUN students understand that fees are paid by the semester, not by the units of credit. Taking more than four years to graduate is very costly. While it is true that students may have jobs and family commitments that limit the time for school, the cost of prolonging attendance is very high.

Did you know: nationally, college graduates have been shown to earn about one million dollars more, over a lifetime, than high school graduates?

"The Jobless Rate for People Like You" is an [interactive graph](#) from *The New York Times* (6 Nov. 2009) showing how the current U.S. unemployment rates affect people based on their gender, age, race, and/or educational attainment.

Q3. Use “The Jobless Rate for People Like You” [interactive graph](#) to answer the following questions.

- a) What is the current unemployment rate for Women (ages 15 to 24) of All Races with a High School Diploma?
- b) What is the current unemployment rate for Women (ages 15 to 24) of All Races with a College Degree?
- c) Locate the data that pertains to your age, race, etc. Compare this unemployment rate to someone with the same data who has a college degree.
- d) Find the unemployment rate for a few other groups and compare the results. Write a short response about your findings.

Table 4

Graduation Rates for First Time Freshmen

Entering Fall Cohort	Total Cohort Count	4 years or less	5 years or less	6 years or less	7 years or less	8 years or less	9 years or Less	10 years or less	11 years or less	12 years or less
1997	2568	3%	18%	32%	38%	42%	44%	46%	46%	47%
1998	2286	6%	23%	36%	43%	46%	48%	49%	50%	
1999	2602	7%	24%	36%	43%	47%	49%	50%		
2000	2821	8%	25%	39%	46%	49%	52%			
2001	3270	8%	26%	39%	46%	49%				
2002	3662	8%	26%	39%	46%					
2003	3595	10%	30%	43%						
2004	2975	12%	33%							
2005	3713	11%								
2006	3690									
Average	3118	8%	26%	38%	44%	47%	48%	48%	48%	47%

Q4. Explain what Table 4 shows _____

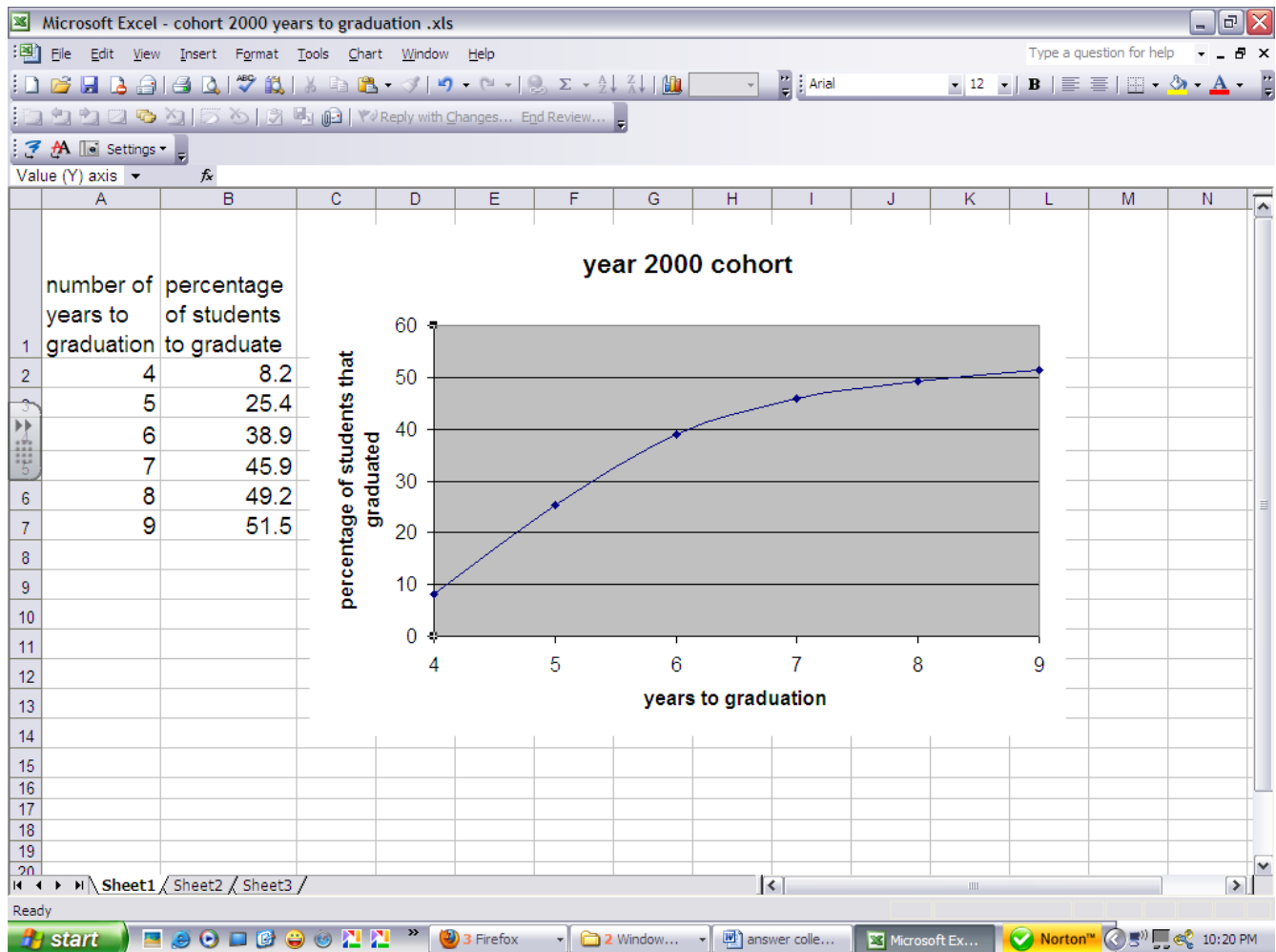
Q5. On average, what percentage of students in Table 4 graduate in 5 years or less?

Q6. On average, what percentage of students in Table 4 graduate in 7 years or less?

Here’s the row showing graduation rates for the F2000 entering cohort:

Entering Fall Cohort	Total Cohort Count	4 years or less	5 years or less	6 years or less	7 years or less	8 years or less	9 years or less
2000	2821	8%	25%	39%	46%	49%	52%

Here’s what happens when we turn this chart into a graph:



Q7. The graph is strictly increasing – that is, the percentage of students that graduated goes up as time goes on. Why? Where does the curve seem to level off? Explain why that makes sense.

Summary: The answers to Q1- Q6 show cost versus benefit analysis of time to degree can help you reduce your costs and complete your degree in a timely manner.

Time is money. A ten-year student loan of \$10,000 at 4.5% (for subsidized loans) or 6.8% (for unsubsidized loans) generally will cost around \$5,500 (ie Total paid = $\$10,000 * 1.045^{10}$ or about \$15, 530; therefore the interest paid is $\$15530 - \$10,000 = \$5530$). That is less than a year of fees and books: See Table 1.

Discussion Question: Could you use that \$10,000 loan to pay for classes now instead of taking five classes while working to pay for them? That is: is it better for you to borrow the money now in order to take more credits now instead of taking fewer credits and delaying graduation? If you apply the time and money to taking more credits now, the long-term savings can be significant. Look at your Table 2 again.

Good Advice: Have a plan. Students who switch schools, change majors too late or too often, or add second degrees usually take years longer to graduate or wind up with excess credits by the time they reach their senior year.

To decrease your time to graduation look at
<http://www.csun.edu/anr/plans/>

Q8. Estimate: how much more does it cost to graduate with 144 units rather than the minimum 120 units if you are taking 12 units per semester?

- \$ Summer courses are expensive at \$345 per credit unit.
- \$ Financial aid is only available to students with less than 130 units. (Any additional borrowing will have to come from other sources.)
- \$ CSUN has strict disqualification, course repeat, and withdrawal policies. It is very difficult for students to repeat failed classes. Expect substantial increases in cost and time to degree if you fail or withdraw from courses.
- \$ CSUN also has strict satisfactory academic progress policies for Financial Aid. It is not available to students who do not make satisfactory progress (which basically means that your GPA should stay above a C or 2.0 average). For more information on satisfactory academic progress, see <http://www.csun.edu/finaid/sap-policy10-11.html>
- \$ Super Senior Initiatives: Enrollment beyond 140 units will be restricted to courses required to graduate in the major for which the student has accomplished the highest percentage of requirements.

REALLY, DO THE MATH!

Aim to graduate in 5 years (or less)!

The longer you wait, the more it costs.

Note: We use 2011 dollars throughout this assignment. We expect fees to raise about 30% summer 2011-2012 if the state cuts our budget by over \$500 million.

<http://www.csun.edu/finaid/cost12.html>