Affording Your MIT Education

Elizabeth Hicks, Executive Director
Student Financial Services
April 2015
What will we cover today?

• Student expense budget
• Billing and payment
• Financial aid awards
• Parent contribution and payment options
• Student contribution and self-help
• Next steps
How much does it cost?

$63,250 plus travel

- Tuition and Fees
  - Tuition $46,400
  - Student Life Fee $304

- Room and Meals
  - Room allowance* $8,710
  - Meal allowance* $5,020

- Other
  - Book allowance* $1,000
  - Personal allowance* $1,816

We use $63,250 plus travel as the student expense budget for financial aid.
*Actual costs may vary based on individual choices.
How much is room?

- Freshmen are required to live on-campus

- On-campus housing costs vary based on dorm and type of room ($7,250 to $9,850)

- The most expensive double is $8,710 a year

- In July, we bill all freshmen based on the $8,710 rate and then adjust in September

- For financial aid we use a room allowance of $8,710
How much are meals?

- There are abundant dining choices (meal plans, TechCASH and cooking for yourself)

- Only students living in a residence hall with a dining facility must purchase a minimum meal plan

- Some students prefer creating a TechCASH account to use their MIT ID for meals in MIT’s dining halls and other local facilities

- For financial aid we use a meal allowance of $5,020
Is there a health fee?

- **MIT Student Medical Plan**, provides students with health care and services at MIT Medical as part of their tuition.

- All registered students are automatically enrolled in the **MIT Student Extended Insurance Plan** and billed unless they file a waiver by the deadline.

- Waivers are granted if the student has comparable coverage.
Billing and Payment

- Online student billing and payment system (MITPAY)
- Account set-up in student’s name
- Option for student to set up parent(s) as authorized payers
- Monthly email reminders sent the 10th of every month
When and how do we pay?

Options to pay online, by wire, by mail or in person. Most MIT families pay online.

Fall
- Bill July 10th
- Payment Due August 1st

Spring
- Bill December 10th
- Payment Due January 1st
What will we pay?

Credits

Charges

Tuition and student life fee

Financial aid (Scholarships, grants and loans)

Room, dining plans, and other

You pay the difference between charges and credits, if any.
Financial Aid Awards

• We believe families have primary responsibility for paying for education

• We award MIT financial aid based on demonstrated need and meet full need

• The generosity of MIT alums and friends makes it possible to award MIT scholarships
How did you decide what our financial aid award would be?

Financial need = Financial aid award

Expected family contribution includes an expected parent contribution and an expected student contribution.
What is the expected family contribution?

• What we expect your family can afford over time toward one year of your MIT education

• Includes contribution from parent income and assets

• Includes contribution from student income and assets, with a minimum summer savings expectation
What is the best strategy for meeting the expected parent contribution?

- Past income
  - Savings/investments
- Present income
  - Current cash flow
  - MIT Monthly Payment Plan
- Future income
  - Borrowing, such as the Federal Direct PLUS loan, other private parent loans, and home equity loans
What is a student expected to finance and how?

Minimum expected student contribution and self-help = $7,500

- Outside awards
- Budget choices
- Summer savings
- Term-time earnings
- Student loan
Sample Financial Aid Awards for 2015-2016

- Expected Parent Contribution
- Minimum Expected Student Contribution and Self-help
- MIT Scholarship

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An Example of How to Map Your Resources to Your Expenses

**Billed Expenses**
$60,434

- Tuition, Student Life Fee, Housing and Dining
- MIT Scholarship $40,750
- Outside Scholarship $2,500
- Student Loan $2,500
- Parent $14,684

**Out-of Pocket Expenses**
$2,816

- Books, supplies and personal
  - Parent $316
  - Student $2,500 (summer and term-time earning)
Student Term-time Work

• A reasonable amount of term-time work is a great way to cover out-of-pocket expenses

• Two-thirds of undergraduates work

• Most work 10-15 hours a week and earn $3,000 a year

• We have an open job market including paid research (UROP) and community service positions
Student Loans

• Prudent use of loans is a great way for students to invest in their education

• Student loans are applied directly to billed expenses

• Federal loans carry better terms and conditions than private loans

• You decide the amount to borrow and initiate the process by sending an email to getaloan@mit.edu
Spring 2015

- By 5/1 accept offer of admission
- Finalize your financial aid award
- Review mid-May UAAP virtual mailing
- Review MIT Monthly Payment Plan information
- Find a summer job
- Report any new outside scholarships
- Initiate student loan process
Summer 2015

• Between 5/1 – 7/1 submit online Student Information Review Form

• Initiate the parent loan process

• On 7/10 check student MIT email for MITPAY information and authorize parents

• By 8/1 pay your fall semester bill
Fall 2015

- By 9/15 submit MIT Student Extended Insurance Plan waiver
- Open up a bank account
- Check out student jobs and if you are offered on-campus employment, complete required forms (I-9, federal and state tax forms, and direct deposit for payroll)
- Freshmen planning to work in the fall semester must bring acceptable documentation of identity and employment authorization to obtain an I-9
- Apply for an SSN (international students)
Winter 2016

• Begin preparing to reapply for financial aid by gathering all your 2015 information
Student Financial Services (SFS)

- Please contact Student Financial Services (SFS) in the Student Services Center if we can be of help with financing your MIT education

- You can stop by for a visit, phone, or email us
Questions