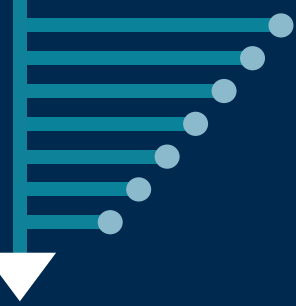


HOW TO PAY FOR COLLEGE

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Introduction



Going to college requires a big investment of both time and money. But the return on investment (ROI) of pursuing a bachelor's degree is high, especially when it comes to earning potential and long-term career opportunities.

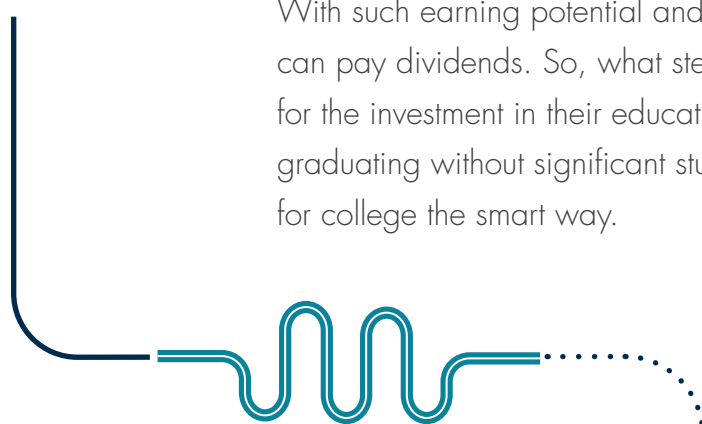
According to a study conducted by Georgetown University's Center on Education and the Workforce, individuals with a [bachelor's degree earn 84 percent more over their lifetime](#) compared to those with only a high school diploma. The study states that the median lifetime earnings for bachelor's degree holders is \$2.3 million—a million dollars more than the average high school graduate.

Additionally, the highest percentage of employed workers in the U.S. are aged 25 to 34 with a bachelor's degree, with 87 percent of this demographic having a job, according to the [National Center for Education Statistics](#). Those with just a high school diploma are up to 13 percent less likely to be employed.

With such earning potential and opportunity, a college degree can pay dividends. So, what steps can students take to pay for the investment in their education? What are the keys to graduating without significant student debt? Here's how to pay for college the smart way.



The median lifetime earnings for bachelor's degree holders is **\$2.3 million** — a million dollars more than the average high school graduate.



How to Pay for College



While the return on investment on a college education is high, paying for college can be a hurdle for many. Fortunately, there are several strategies one can use to fund their education, from applying for scholarships to securing federal or state financial aid. Most college students tend to pull from several different sources to pay for their education, strategically coupling student loans with scholarships, grants, and other sources, such as private loans or an income share agreement, to piece together a strong financial plan.

Here are some strategies for paying for college.

1. Grants

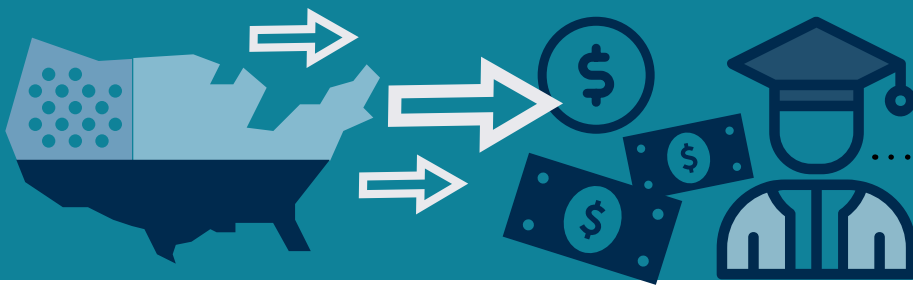
Grants are a serious boon for students wondering how to pay for college because, unlike federal or private loans, they don't have to be paid back after you graduate. To be eligible for most grants, students must fill out the [Free Application for Federal Student Aid \(FAFSA\)](#) prior to the annual deadline. This form is used to determine how much need-based and non-need-based financial aid each student potentially qualifies for.

A student might qualify for a grant based on:

- Financial need
- Academic performance
- Disability status
- Field of study
- Military status



[Federal Pell Grants](#), which are available to low-income students based on need, get awarded to millions of college students each year. Currently, Pell Grants of up to \$6,895 per year are possible, and students can reapply for them each subsequent school year while working toward their undergraduate degree.



Where you live may also qualify you for college grants. For example, [Western Governors University awards state grants](#) to residents living in 11 different U.S. states.

Some loan vendors, such as [Sallie Mae](#), and other non-profit programs across the nation also award grants. The U.S. Department of Education has a search tool, [grants.gov](#), for national grants based on identity, merit, interest, or skill.

While grants usually aren't enough to pay for college alone, there are no set limits on how many grants you can apply for and receive. The more grants you're awarded, the less you will potentially have to borrow (or the fewer hours per week you will have to work) to pay for college. Grants also set you up for an easier start to life after college, since you will likely owe less per month on any loans you have to take out.

2. Scholarships

Every year, billions in scholarship money is awarded by public and private institutions according to the [National Scholarship Providers Association](#).

While competition can be high for some scholarships, there's significant opportunity

for college students. In fact, according to the [National Scholarship Providers Association](#), more than \$100 million in scholarships goes unclaimed by students every year—largely due to a lack of applicants. This is a shame because, like grants, scholarships don't have to be repaid after graduation.

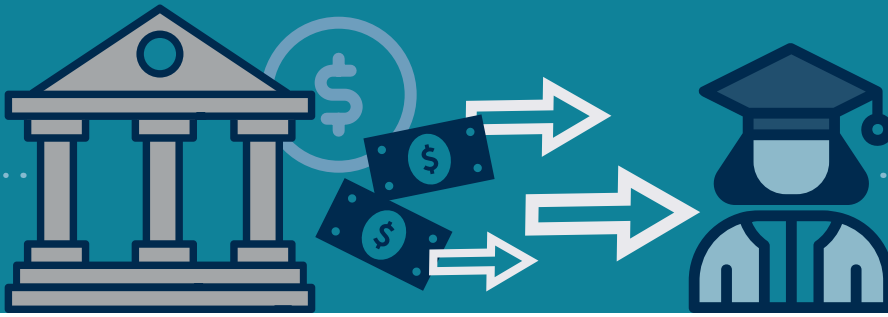
Here's more information on the two main types of scholarships you could receive to help pay for school.

School-Sponsored Scholarships

Universities, as well as specific departments or colleges contained within an institution, usually offer several different in-house scholarships you may qualify for.



\$100 Million
in unclaimed scholarship money
each year.



School-sponsored scholarships may be available to you based on:

- Academic performance
- Area of study
- Exceptional SAT or ACT scores
- Heritage or ethnic background
- Income status
- State of residence

WGU offers several [school-sponsored scholarship opportunities](#) for students. For example, WGU offers a number of seasonal scholarships available to students enrolling in more than 60 programs and many are worth up to \$2,500 per semester. Alternatively, the schools of Business, Health & Nursing, I.T., and Teaching all offer their own specific financial assistance opportunities to incoming students.

External Scholarships

Another great way to cover the costs of school is through scholarships that are awarded by national and local third-party organizations, businesses, non-profits, and individuals.

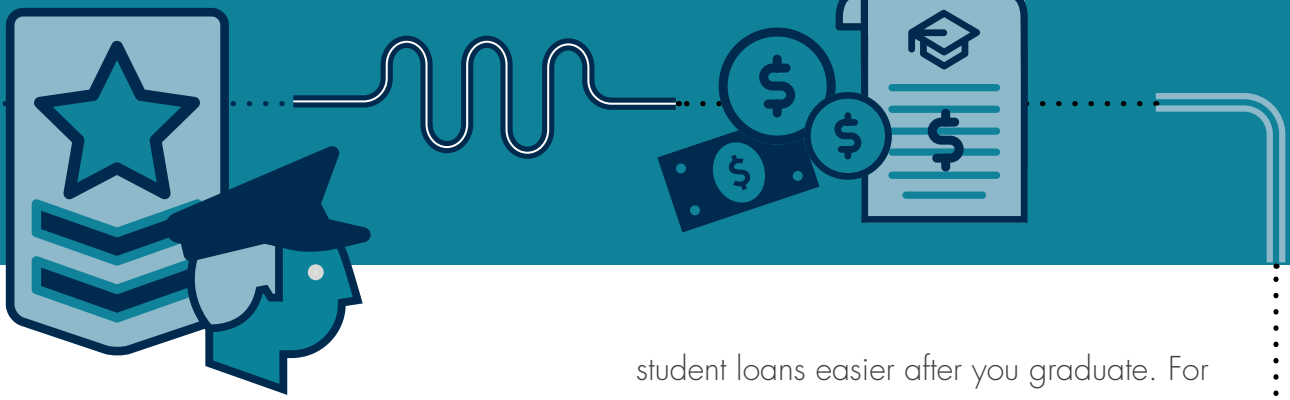
[The U.S. Department of Labor](#) has a useful database with thousands of options for national scholarships, and the

[U.S. Department of Education](#) has a similar scholarship-finding tool for state-based opportunities.

In addition to state and federal scholarships, many cities, municipalities, and smaller regions have scholarship opportunities, and some local chambers of commerce give out annual scholarships to incoming college students. Ask your guidance counselor for help finding and applying to local opportunities. Remember, smaller pools of applicants usually apply for these awards, which increases your chances of receiving an award.

While many scholarships are merit-based, opportunities based on your intended career path, area(s) of interest, extracurricular skills, or even your background or cultural heritage may also be available. Other characteristics, such as being a first-generation college student or a military veteran, could also qualify you for financial assistance.

The best way to approach [finding external scholarships](#) is to treat it like a part-time job. Devote a few hours each week to researching and applying for scholarships or networking with local business owners or community members who may offer opportunities.



3. Military Benefits

Members of the United States military enjoy many benefits that can make college more affordable. In certain cases, your military service could result in the cost of your studies being paid for in full.

The GI Bill, which has been around for more than 80 years, is the centerpiece of military financial assistance for American college students. Students can use their GI Bill benefits to pay for an undergraduate or graduate degree or even enroll in specific training programs.

Currently, all active-duty military members can receive up to \$4,500 per year for tuition assistance through the GI Bill. That said, each branch of the military offers specific benefits based on your career goals and rank, which could entitle you to far more financial assistance if you need it.

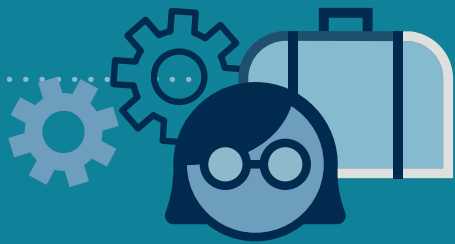
The four main military branches (Army, Navy, Air Force, and Marines) also offer specific loan repayment programs for soldiers who've been enlisted for more than three years, which can make repaying

student loans easier after you graduate. For example, the U.S. Army will repay one-third of outstanding loan balances (up to \$1,500) per year after you graduate.

The Army Reserve and National Guard also offer favorable benefits to help pay for school. For some students, these programs, which typically meet for active training on a monthly or biweekly basis (and often on weekends), could be a more reasonable option for prospective college students.

Aside from tuition assistance, the military also offers living expenses and book stipends to help lower the cost of living while you study. Spouses and family members may also be entitled to military benefits, especially survivors and dependents. Again, many of these are branch-specific, so do research or ask the colleges you're applying to for more information.





Military Friendly ranks WGU among its “Top Ten” online universities for its commitment, effort, and success in creating sustainable and meaningful opportunities for the military community. For example, WGU regularly offers **military-specific scholarships**, valued up to \$4,000, which are designed to recognize military service members and their families. And as a designated **Yellow Ribbon school**, the VA may pay for the balance of tuition not covered by the GI Bill.

4. Personal Savings and Employment

Many students pay for college by building up a nest egg or working while they study to help offset costs. Here are strategies to maximize the time and energy you spend working and saving.

Personal Savings

When it comes to saving money for education, even a little goes a long way. Prospective students should consider opening a 529 college savings account, where money grows tax-free—and withdrawals aren’t taxed either, so long as they’re used for qualified college expenses,

such as tuition or books. Even if you’re already in school or starting soon, this type of account can be a helpful tax break for covering continued expenses as you study.

The **IRS** also offers two tax advantages, the American Opportunity Tax Credit and the Lifetime Learning Credit, both of which lower the amount college students owe at the end of the year. In certain instances, such as if you aren’t working a full-time job while you study, you could be awarded more money in your annual tax return that could go toward tuition or college expenses.

It’s also worth looking into easy money-saving opportunities, such as buying secondhand textbooks through websites such as Amazon, CampusBooks, and Chegg, or living with a roommate to help lower living expenses while you study.





Employment

According to the [U.S. Department of Education](#), 45 percent of full-time and 84 percent of part-time undergraduate students held a job while enrolled in college.

There are a number of study-friendly jobs a student can hold while they complete their degree. Popular job-finding websites such as [ZipRecruiter](#) and [Indeed](#) both have “part-time” and “entry-level” filters to help you find opportunities that fit your schedule. If you haven’t already, setting up a [LinkedIn](#) page to bolster your professional network is also a good way to find a job in college. LinkedIn’s “Open to New Opportunities” feature (a button you can turn on inside your profile) puts your name and work experience in front of job recruiters and hiring managers in your desired industry. There are also thousands of new job opportunities posted each week on LinkedIn’s job board.

Today, with the number of gig opportunities rising, such as ride-sharing with Uber or delivering food with DoorDash, getting a part-time job where you set your schedule can help you generate income and work around your study schedule.

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The key to working and studying is time management. Blocking out your calendar at the beginning of each week to help divvy up your time—without forgetting to account for healthy habits such as exercising, eating meals, and sleeping—can help give you more time to earn money or study and reduce anxiety in the process. Productivity tools such as [RescueTime](#) can monitor your online activity and offer detailed insights to help you stay on track and save time throughout the day.

5. Federal Student Loans

Acquiring some debt to help pay for college is a reality, if not the norm, for many college students. According to the nonprofit [Education Data Initiative](#), college students and graduates in the U.S. hold a collective \$1.75 trillion in student loan debt, with the median average outstanding balance set at \$40,904.



Federal student loans, which are funded by the U.S. government, are one of the main ways students borrow to cover tuition and living costs. Private loans are the other main option, but due to certain benefits that federal loans offer, many students prioritize them when possible.

Benefits of federal student loans include:

- The ability to pause or defer your loans if you face financial hardship
- Loan forgiveness for certain jobs (teaching in high-need communities is one example)
- No credit check required to apply
- Competitive, often lower interest rates set by Congress (historically between 2.75 and 6.8 percent)

Federal loans also tend to have a longer grace period after you graduate (up to 12 months, in most cases) than some private loan vendors, which gives you more time to find a job or settle into life after college before making payments. As we saw during the COVID-19 pandemic, students who took out federal loans were able to pause payments and interest accumulation on their loans for nearly two years.

Keep in mind, though, federal loans won't always cover your full tuition costs. The amount your family makes usually determines how much you qualify for when you submit your FAFSA. Even if they won't pay for everything, they can still be a useful part of the solution you use to pay for school.

Speaking of limit amounts: while there aren't any strict guidelines or specific student-debt-to-income ratios you must adhere to when borrowing money, you'll want to set yourself up well financially for when you graduate. Some financial experts suggest your loan payments shouldn't exceed 8 percent of your take-home salary after graduation. Keep this number in mind when calculating how much you'll borrow to pay for school.

6. Private Student Loans

Private student loans are offered by vendors and businesses. Some of the biggest private loan vendors currently are Ascent, CommonBond, Earnest, LendKey, Sallie Mae, and SoFi, although there are hundreds of borrowers out there. This is a benefit for students who may be considering private student loans, as you can shop around for



the most favorable terms and interest rates once you calculate how much you need to pay for school.

Other benefits of private loans include:

- The ability to co-sign your loans with a parent or family member
- Lower interest rates if you have a high credit score
- More borrowing flexibility and options
- Generally do not have satisfactory academic performance (SAP) requirements

Unlike federal loans, the cap for borrowing is often set much higher for students. However, private loan vendors offer money based on their terms. Many, for example, won't allow you to pause your loan repayments after graduation if you face financial hardship. Others may have fixed interest rates that were a good deal when you signed up for them but later wind up being much higher than going interest rates. Students with private loans did not enjoy the benefit of the student loan pause that took place during the COVID-19 pandemic.

One way to make private student loans work for your situation is to go into your studies with a game plan for repayment. For example, many students refinance or consolidate their private loans immediately after they graduate. Instead of paying several private loans each month, they receive a new interest rate (often one that's lower than the original) and only have to make one lump payment each month.

Consolidating can also help lower your monthly payment or change the terms of your loan—for example, from a 30-year repayment schedule to 15 years, if that's desirable for you. Local banks and credit unions are known to offer more affordable terms for refinancing and loan consolidation.

Generally speaking, it's best to use private loans sparingly, if possible. But if you don't qualify for federal student loans or need additional support, private loans may be worth considering.



Why WGU Is One of the Most Affordable Options for College



Western Governors University is a smart—and affordable—investment in your future. Graduating from WGU often pays off in real terms. Graduates see an average \$12,300 salary increase just two years after completing their programs, which is twice the national average. That figure grows to \$21,800 within four years of graduating.

Here's why you should consider WGU for your degree.

It's Affordable

A fully accredited institution, WGU costs about half the national average of a four-year bachelor's degree (\$7,290, compared to the average of \$12,705).

WGU costs about half the national average of a four-year bachelor's degree



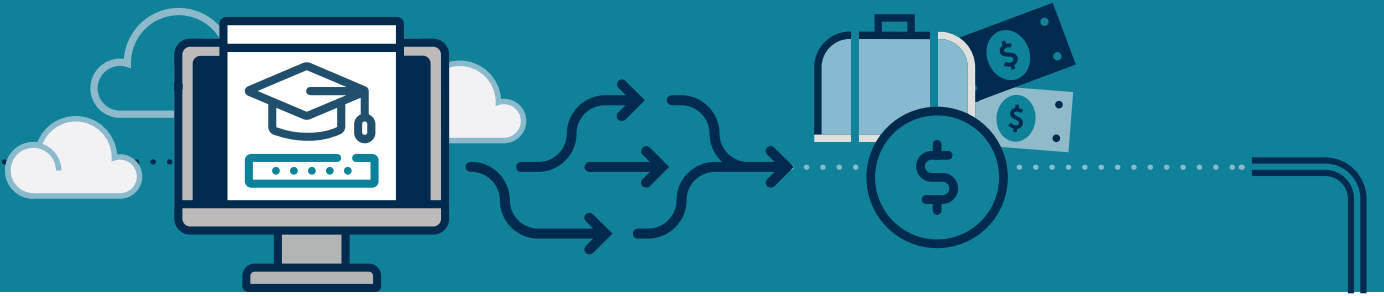
45 percent
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Astonishingly, 45 percent of undergraduate students also completed their degrees without taking out any student loans.

With lower average costs to attend school, as well as programs aimed to educate learners about college debt (such as the Responsible Borrowing Initiative), WGU students can save money and avoid graduating with excessive amounts of debt.

It's Competency-Based

One hurdle many college students face is having to repeat courses because they started a new major or have credits that won't transfer. Other students are stuck in semester-based coursework that can lengthen their coursework and require more money. These can be difficult situations to navigate, and they don't always bode well for your motivation to go back to school.



Fortunately, WGU's competency-based education system allows students to move through coursework at a pace that matches their experience and ambition. Competency-based means students with previous experience or coursework may be able to test out of certain modules and move through their program quicker.

WGU also charges per semester and not per credit, meaning you could graduate early and save a significant amount of money.

It Offers Flexible Learning

Online learning makes it easier for students to finish their degree on their terms, which may include working to cover living expenses or paying tuition as you go.

While enrolled at WGU, 82 percent of students work either a part- or full-time job. And with a six-year graduation rate of 50 percent (10 percentage points higher than the national average), the path of working while you study has been proven possible many times before—so long as you're willing to put in the time and effort.

It Provides Scholarships and Grants

WGU issued more than \$20 million in scholarships last year, many of which were built with specific students in mind.


Scholarship and grant opportunities are always evolving, as WGU is always looking for more ways to support individuals no matter the circumstances they face. Be sure to check [WGU's scholarship page](#) regularly to stay up to date on the most recent offerings.

Degree-specific scholarship opportunities are also available at WGU.

WGU also charges per semester and not per credit, meaning you could graduate early and save a significant amount of money.



Find the Right Financial **Plan for You**



There is no one-size-fits-all solution to paying for college, and there are as many combinations of grants, scholarships, GI benefits, jobs, and loans as there are students. WGU encourages all prospective students to research and discover college funding opportunities that align with their career goals and budget.

Visit the [WGU Online Degree Programs page](#) to explore our programs and learn about all the ways you can pay for college.

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