

COLLEGE COSTS CONTINUE TO SKYROCKET

Each year, thousands of Delaware high school students make the decision to pursue a college degree. All too often, however, the decision to go to college is overshadowed by the question of how to pay for it.

In the last five years alone, tuition and fees at public four-year colleges have increased by 35 percent nationally. Today, the national average cost of tuition and fees (not including room and board) at a public four-year college is \$5,800 a year. To attend a private four-year college, the national average cost of tuition and fees has risen to an astonishing \$22,200 a year.

As a result, students and their families are going into debt to finance their education. The average debt of college graduates (not counting parental debt) has climbed to \$19,200. Senator Biden supports increasing student aid, making student loan payments manageable, forgiving loans for public service, instilling the expectation that all students can and should attend college, and providing more generous tax incentives to reduce the burden of paying for college.

“College is on the verge of becoming a luxury good, putting college out of reach for more and more Americans. Every door we fail to open for our students today is a missed opportunity for our country down the road. If we expect to maintain our status as a leader in the global economy, we must do more for our students.”

– Senator Biden

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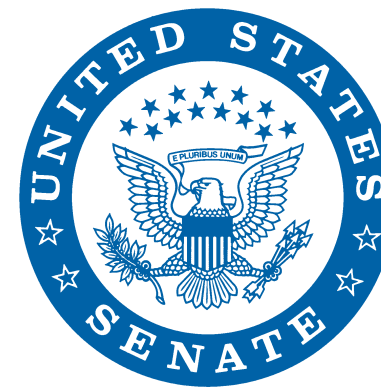
*For more information on Senator Biden,
please visit his web site:*

www.biden.senate.gov

**Academic Year
2007-2008**

PAYING FOR A COLLEGE EDUCATION

A Guide to Help Delaware’s Parents and Students



**U.S. Senator
Joseph R. Biden, Jr.**

**Academic Year
2007-2008**

HELP FOR DELAWARE'S FAMILIES AND STUDENTS IN 2007

You may be eligible for assistance under initiatives Senator Biden has worked for:

Hope Scholarship Credit is a non-refundable tax credit worth up to \$1,650 for the cost of tuition and fees. It is available to individuals earning up to \$57,000 (\$114,000 for couples). This credit is available for each of the first two years of undergraduate study per student.

Lifetime Learning Credit provides a 20% tax credit on up to \$10,000 in tuition and fees (for a maximum value of \$2,000) for individuals taking one or more classes. It is available to individuals earning up to \$57,000 (\$110,000 for couples). This deduction can only be claimed once per tax return.

Tuition Tax Deduction can reduce a family's taxable income by up to \$4,000. A deduction of up to \$4,000 is available to individuals earning up to \$65,000 (\$130,000 for couples). A deduction of up to \$2,000 is available for those with higher incomes (\$80,000 for individuals and \$160,000 for couples). This deduction can only be claimed once per tax return.

Student Loan Interest Deduction allows taxpayers to deduct up to \$2,500 of the annual interest paid on student loans. This deduction is available to individuals earning up to \$70,000 (\$140,000 for couples).

For more information on these 2007 tax benefits, visit www.irs.gov or call 1-800-829-1040.

SENATOR BIDEN'S VISION TO MAKE COLLEGE MORE AFFORDABLE

THE COLLEGE ACCESS ACT

Since he first ran for office in 1972, Senator Biden's commitment to college access and affordability has been unwavering. Introduced in 2007, the College ACCESS Act, if enacted, would:

Create a single, refundable \$3,000 tax credit (the equivalent of a \$12,000 tax deduction) by combining the Hope Scholarship Credit and the tuition tax deduction. Refund-ability means that even low-income and middle-class families who don't owe any taxes still receive the credit. Additionally, the ACCESS Credit would:

- fully cover the average cost of tuition at a public two-year college (\$2,300);
- cover more than half of the average cost of tuition at a public four-year college (\$5,800);
- be indexed to inflation each year; and
- be available for *each* student in a family.

Expand eligibility for tax assistance by providing the full credit to couples earning less than \$130,000 (\$65,000 for individuals) and a reduced credit for couples earning between \$130,000 and \$166,000 (\$65,000 and \$83,000 for individuals). An additional 4 million families would qualify for tax assistance to help pay for college.

Instill the expectation that all students should and can attend college by creating a pilot program that would commit Pell Grants to 8th graders.

Increase the maximum Pell Grant from \$4,310 in 2007-08 to \$6,300 in 2011-12.

FEDERAL STUDENT AID RESOURCES

- To receive federal financial aid, you must submit a Free Application for Federal Student Aid (or FAFSA). Apply as early as possible after January 1st each year online at www.fafsa.ed.gov (or call the number below to request a paper form).
- For complete information about federal student aid, visit the **Federal Student Aid Information Center** at www.studentaid.ed.gov or call 1-800-433-3243 or TTY: 1-800-730-8913.
- Don't wait until senior year in high school to learn about student aid. Visit www.fafsa4caster.ed.gov to receive an early estimate, or "forecast," of your eligibility for federal aid.

DELAWARE INFORMATION

- To learn about state-sponsored financial aid, visit the **Delaware Higher Education Commission's** website at www.doe.state.de.us/dhec or call 1-800-292-7935. You'll also find helpful links to publications and other websites.
- The **Delaware College Investment Plan** is a tax-advantaged way to save for college expenses. To learn more, visit the Commission's website (see above).
- The **Delaware SEED Scholarship Program** provides tuition for high school graduates (with a GPA of at least 2.5) pursuing an associate's degree at Delaware Technical & Community College or Associate of Arts degree at the University of Delaware. Visit www.seedscholarship.delaware.gov