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What expenses are included in the annual cost of college?

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Answer:

To most parents, the annual cost of college simply refers to tuition and room and board. To the federal government, however, the annual cost of college means the cost of attendance. Twice per year, the federal government calculates the cost of attendance for each college, adjusts the figure for inflation, and, if your child is applying for financial aid, uses this number to determine your child's financial need.

Five categories of expenses are used to determine the cost of attendance at a particular college:

- Tuition and fees: Same for all students at private colleges but can vary at public colleges, depending on whether the student is in-state or out-of-state
- Books and supplies: Can vary by student, depending on your child's courses and his or her requirements
- Room and board: Can vary by student, depending on the meal plan your child selects and whether he or she lives on or off campus
- Transportation: Can vary greatly by student, depending on where your child lives in relation to the school
- Personal expenses: Can vary by student (e.g., health insurance, spending money, clothing)

In the last four categories, the federal government sets a monetary figure even though the exact expenses incurred will depend on the individual student. Thus, depending on these variables, your child's actual cost may be slightly higher or lower than the cost used for official purposes like financial aid determinations.

If you're interested in obtaining the monetary amount allotted to each category for a particular college, contact that college directly.

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Advisory Services Offered Through Select Portfolio Management, Inc.

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Securities Offered Through Securities Equity Group

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