



6 Tips To Lower The Cost Of College

It's no secret that college costs are rising faster than the overall rate of inflation, placing an everincreasing financial burden on college students and their families. But there are ways to fight back. By following these six steps, students can smartly navigate college expenses and graduate with the lowest possible debt load.

1. Be a four-year student. The average student now graduates from college in just under six years, adding two more years of college tuition expenses for many students. How can you graduate in four years (or under)? Earn college credits where possible in high school and Community Colleges. Attend summer classes if you can. Take AP classes and AP Exams in high school; you may receive college credits. Consider earning credits at a state school or community college and then transferring those credits to a private school. Have a definite direction for your college studies. You do not need to choose a major right away, as long as you have a plan that addresses goals and interests. That way, you won't need an extra year or two to meet the requirements for the job or graduate program you want.

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2. Do not put assets in a child's name. In financial aid considerations, assets in a child's name are counted much more heavily against financial need than parent assets. The biggest trap is any asset under UTMA, which gives parents control until the age of maturity, but is considered an irrevocable gift to the child. Once created, the name on the account cannot be changed even if the asset is moved to another vehicle. Since these decisions can be made way in advance of college age, it's prudent to have these considerations in mind as early as possible in a child's life.

- 3. Look for schools known to be generous with institutional awards.** Aside from federal financial aid, many colleges offer need- or merit-based scholarships with varying criteria. Do your research carefully and make institutional award availability a key factor in building your college list. There are many resources online to find this information, but the intricacies of being considered for and awarded aid from each school can be complex. If you are thinking of hiring Independent College Advisors or College Financial Advisors, this is an area where they can be of most help.
- 4. Consider college savings plans.** If you plan ahead enough, 529 saving plans can be a huge asset. These plans can be used to pay for college costs in and out of state, and can be a pleasant financial relief for families when the times comes. Nonetheless, remember that like any other savings plans, 529s are not immune to market collapses, and it is not a great idea to invest in 529s during periods of stretched valuations for stocks. To get started on a 529 plan, consult a trusted financial advisor.
- 5. Make sure your financial aid forms are completed every year.** It is very important to fill out your college financial aid forms every year, regardless of whether you believe you will need or qualify for aid. Once decisions have been made, you can always appeal for more aid, but it will be difficult to apply for aid once deadlines have passed. A College Financial Advisor can help you either complete the forms or audit them.
- 6. Speak with a College Financial Planner years before college applications.** A College Financial Planner can help you position your finances for the maximum financial aid award. With proper planning, some families can significantly reduce their college bill. The best time to start working on this is at ninth grade or earlier. After all, it's never too early to start financial planning for college!