



9 Secrets to Beating the High Cost of College

College Planning Strategies, Inc.
8130 S. Meridian Street, Suite 4D
Indianapolis, Indiana 46217

(317) 536-1391

info@collegeplanningstrategiestoday.com

www.collegeplanningstrategiestoday.com

You're the parent of a college-bound 1st-12th grader. If you've ever considered the outrageously high cost of a 4-year college education, your emotions have ranged from "concerned" to "freaked out!"

You're probably wondering how in the world you'll be able to cover your share of the cost-of-attendance, especially if you have more than one child. Well...you have every right to be concerned or freaked out. The average cost of a 4-year undergraduate education today, depending on the school, is...

\$80,000 - \$300,000

If you're like the average family, you'll end up mortgaging your house to the hilt, or even spending your entire life's savings, to ensure you'll have enough money to send your child to college. Or, even worse, if you don't have much home equity or money in the bank, you'll end up sending your child to the "least expensive" school, rather the best school available for him or her.

Either way, you'll end up feeling guilty, frustrated, and/or angry when you have to look your child on the eye and tell him/her the truth:

*"I just can't afford to send you to the school of your choice.
You'll have to settle for a state university or local community college."*

What if I told you that, in most cases, parents won't have to make those painful decisions.

At this time, I'd like to present to you 9 ways to beat the high cost of college:

Secret #1. Why some middle class and upper-middle class parents pay close to nothing for their children's college educations.

Most middle class and upper-middle class parents automatically assume they won't be eligible for financial aid if they make over \$70,000 per year and own a home.

In most cases, these parents are eligible for some forms of financial aid, since the formulas also take into consideration the total number of family members, how many of these family members will be attending college at the same time, the cost of the colleges and universities to which your child applies, etc. Don't assume you won't be eligible. There's even a way for higher income, higher tax bracket families earning well over \$100,000 a year to pay for college...*on a tax-favored basis.*

Secret #2. Why high school "Financial Aid Nights" and high school guidance counselors can be hazardous to your wealth.

Many parents unknowingly assume that all of their concerns will be answered at the high school "Financial Aid Night" or by their child's guidance counselor. Unfortunately, this rarely turns out to be the case.

Guidance counselors are overly burdened with issues such as teenage pregnancy, drugs, ensuring student are on the right curriculum path, etc. and are unable to devote the adequate amount of time needed to help each individual parent apply for financial aid.

Financial Aid Nights focus primarily on how to fill out the forms, usually the FAFSA (often, parents may need to complete a CSS Profile, school-specific financial aid forms, and perhaps others). Counselors do not explain how to legally and ethically increase your eligibility for financial aid by doing “income and asset” planning. They also do not help you pick schools based on each school’s ability to provide a good financial aid package. Finally, they will not show you how to negotiate to obtain the best possible financial aid package from each school.

Please attend your school’s Financial Aid Night, but DON’T expect it to solve your problems.

Secret #3. How to send your child to an expensive private university for less than a state school. (This really amazes my clients...)

Believe it or not, some private schools end up being less expensive than a state school or a local community college. How is this possible?

No matter what school your child applies to, you will be required to pay your expected family contribution – the minimum amount of money the government will expect your family to pay at any school (this can be reduced with proper income and asset planning).

Let’s assume your child applies to two schools – one private university and one state college. Let’s also assume the private school costs \$25,000 per year, while the state school costs \$10,000 per year. Let’s further assume your expected family contribution is calculated to be \$5,000 – the minimum the government expects you to pay toward either school.

Because the private school is financially well-endowed, the financial aid it offers will cover all expenses above \$5,000 – all you pay out-of-pocket to send your child to a \$25,000/year school is \$5,000. Unfortunately, the state school, not being well-endowed, can only offer you \$2,000 in aid. So, you end up paying the \$5,000 expected contribution, plus the additional \$3,000, for a total of \$8,000. In this case, it actually ends up being less expensive to send your child to a private school.

Secret #4. How to lower your out-of-pocket costs and get the maximum amount of money from each school.

Just as a good CPA can minimize your tax liability, we can show you how to set up your financial situation in the most favorable terms legally allowable. Certain assets are counted much more heavily in the financial aid formulas than others.

Where you keep your money could mean the difference between \$10,000 in financial aid, or nothing. If you don't know how to legally and ethically position your money for purposes of financial aid determination, you could end up losing thousands in possible aid.

Secret #5. How to pick colleges that will give you the best financial aid packages.

Some schools are well-endowed, with the ability to award a lot of money to students. Others have very little money to give away. It's important for you to know this information before you ever apply to a school.

By knowing in advance which schools provide the best financial aid packages, you can have your child pick schools from which they have the best chance to receive financial aid. By doing this, you won't waste time and money applying to, and visiting, schools you will never be able to afford.

Secret #6. How to complete the complicated financial aid forms accurately and on time.

According to the Department of Education, more than 7 out of 10 financial aid forms are submitted with errors or inconsistencies. Simple mistakes – like omitting a social security number, using white-out to make corrections, or failing to register a male student for the selective service – can actually “bump” a form. If this happens, you will need to reprocess your financial aid forms, which will take another 4-6 weeks.

Since financial aid is awarded on a first-come, first-served basis, it is imperative that you timely submit accurately completed forms. Otherwise, you will miss out on thousands of dollars in financial aid for which you would have been eligible.

Secret #7. How to locate and apply for every “need-based” scholarship, grant, and low-interest loan for which your child may be eligible.

Leave no stone unturned when searching for college money. Be sure to apply for all “need-based” sources of funding through the Federal government, the state in which you live, and the colleges/universities to which your child is applying. Most of these financial aid programs can be applied for by simply completing the Federal form (FAFSA) and, in some cases, the Institutional Form (Financial Aid Profile).

Secret #8. How to pay for your child's education on a tax-favored basis.

Do you make well in excess of \$100,000 per year? If so, there's a good chance you won't qualify for much, if any, need-based aid. But, what if there was a way in which to make college tuition tax deductible? Might that save you some money? On average, we can show higher income clients how to save over \$4,000 per year in taxes.

Secret #9. How to send your child to the college of their choice without spending your life savings or paying out of your current income.

Just like a good CPA can help lower your tax liability, a good college planning advisor can help you get more money for your child's college education. Before you pick an advisor, be sure they offer the following services:

1. Assistance in arranging your income and assets in order to lower your out-of-pocket costs and increase your eligibility for financial aid;
2. Assistance in picking schools from which you will have the best chance of receiving financial aid;
3. Assistance in accurately completing and timely submitting the two major financial aid forms; and,
4. Assistance in negotiating with schools to ensure the best possible financial aid package.

Failing to take advantage of any of the "9 secrets" could literally cost you thousands of dollars in financial aid that you may have been eligible to receive. Don't let this happen to you!

We may or may not have the answer to your college funding problems. But, we may have a number of ways in which you can increase your eligibility for aid, reduce your portion of the cost-of-attendance, identify the best schools with the highest gifting formulas, and send your child to a much better school than you believed possible.

I realize that this sounds too good to be true, but it really is possible! In fact, many families discover they can send their child to an expensive private university for less than the cost of a state school.

We have personally helped parents like you send their children to expensive private universities that they *never* thought they could afford...

**There's a Good Chance
We Can Do the Same for YOU!**