

# COLLEGE BOUND

Helpful tips for getting into college and the smartest ways to pay for it.

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## 8 Tips to Paying for College in 2013

The price of attending college continues to rise.

With no end in sight to annual increases in tuition, more and more families are feeling the stress of trying to determine how to pay for school.

Here are a few insider tips to help you through this process.

### 1. Use merit aid to your advantage.

Merit aid is available at most colleges via scholarships based on academics, unique talents, and leadership qualities. Instead of being in the middle-of-the-pack at highly competitive top-ranked schools, apply to schools where your scholastic resume is among the best. Full-tuition scholarships are there for the taking at many reputable schools across the country. Take advantage!

### 2. Consider the benefits of in-state tuition.

Sometimes, the first thing many students want to do is get out of town for college. Many feel it's a time to start fresh in a new setting and that can certainly be an important part of the college experience. Yet, consider at least staying in-state and perhaps reduce the cost of tuition. An exception to this rule is if you have a bright student and find the right-fit

school. In that case, your out-of-pocket costs can often be lower at a private college than at a state university.

### 3. There is no shame in being a transfer student.

One simple way to save money related to the cost of attending college is to live at



Continued ...

# Spotlight On Brown University



Location: Providence, RI  
Undergraduates: 6,380  
Male/Female: 47.7%/52.3%  
Acceptance Rate: 8.9%  
SAT Math Avg: 725  
SAT CR Avg: 705  
SAT Writing Avg: 715  
ACT Composite: 30  
Cost of Attendance:  
Out of state, \$55,016  
Average High School GPA: 3.98  
First-year students returning: 98%  
Students graduating within 4 years: 83%

## Fun Facts:

- Brown is the third oldest institution of learning in New England and the seventh oldest in the United States. It was founded in 1764 as the College in the English Colony of Rhode Island and Providence Plantations.
- The university is a member of the Ivy League athletic conference with the seven other oldest schools in America. The term now connotes academic excellence and selectivity in admissions.
- Brown University was ranked 15th among national universities by U.S. News & World Report in 2011 and 51st in the world by the Times Higher Education World University Rankings in 2012.
- The Brown Bears sponsor 39 varsity intercollegiate athletic teams best known for national championships and top rankings in women's and men's rowing along with men's soccer and lacrosse.
- Notable alumni include magazine editor John F. Kennedy, Jr., CNN founder Ted Turner, and legendary coach John Heisman, along with the current governors of Rhode Island, Delaware, and Louisiana.

Continued from pg. 1...

home for the first couple of years while attending the local community college or university. Attending more prestigious schools for four years can really add up once tuition, books, fees, and living expenses are considered. In some situations you could save up to half of the total cost.

## 4. Protect your assets.

Part of paying for college includes understanding the differences in methodologies for certain schools. For example, a group of colleges known for awarding only need-based aid, the 568 Group, uses a methodology that includes a loophole regarding primary home value. For these institutions, that include Columbia, Cornell, and St. John's, in the formula used for calculating a family's net worth, home equity is capped at 120% of income. Therefore, using any available cash-on-hand to pay down or off the home mortgage could produce potentially thousands in aid eligibility at these schools.

## 5. Race to the finish.

While this won't be an option for all students, graduating in less than four years will shave thousands of dollars off the final bill for college. This strategy can actually start while you're still in high school. Advanced placement and other tests allow students to accumulate college credits. Once in college, take as many courses as possible and attend classes during the summers. It is possible for students to graduate a full year early with this method.

## 6. Multiple family members in school can have an up side.

Obviously, the expense of having multiple

family members enrolled in school can be daunting. All financial aid methodologies include breaks for those families with more than one student attending college. Even if it means having a sibling take a gap year after high school, enrolling at the same time can help both students receive more need-based aid, possibly including grants or scholarships.

## 7. Don't accept assets as graduation gifts.

What? You mean if your grandparents offer you stocks or a large cash donation to say no? That is correct. Many students receive these types of gifts after such a milestone and as a token of helping with their educational future. Doing so can have a drastic negative affect on financial aid eligibility. Most all schools use methodologies that scrutinize any assets of the student very heavily. In these situations, it is best for the gift giver to keep the money and give assistance from their own account or allow for the parents to place the funds into a college savings plan. Parental assets are more protected in these formulas.

## 8. Serve your country and get paid.

Again, this won't an option for all students, but programs do exist to assist college students that want to give back to their country. Joining ROTC or other public service organizations, as well as programs such as loans for teachers in disadvantaged areas or AmeriCorps, help college students with everything from free or reduced tuition to student loan forgiveness once the service term is completed.

Hopefully these tips will help your family navigate the costly waters of attending college.

# You Can Reinvent Yourself in College

Do you daydream about how different college is going to be from your high school experience? If certain factors didn't go your way in high school, you can potentially change them in college.

It's a fresh start with more opportunities.

Attending college will be filled with classes and studying, but extracurricular activities tend to be more involved and, thus, rewarding. There are numerous events and organizations to enhance the college experience. They are just as important to the process as are the courses prescribed in a student's major.

*The New York Times* recently had a fascinating feature story on Andrew Del Piero, a college student at Louisiana State University. Andrew's college experience started at LSU when he got a scholarship for playing tuba as a member of the school's marching band.

In high school, Andrew, who was almost 7 feet tall by graduation had given basketball a try but describes himself as "uncoordinated" and only played one year. Music was his focus for several years until he pondered a comment from a fan on a YouTube video featuring him that went viral.

The video titled, "The Tallest Tuba Player I've Ever Seen," shows Del Piero marching with the band at an away game with one opposing fan declaring, "Wow. Is he on the basketball team?"

He wasn't then, but now he is. After a renewed interest in the sport and a few pick-up games on campus, Andrew now stands 7-foot-3 and has actually made a start for the LSU basketball team. Del Piero's college experience allowed him to realize a talent that he thought may have passed him by during high school.



Opportunities on college campuses include everything from athletics and music to student government and Greek life. Many schools will have activities such as radio stations, literary magazines, astronomy groups, newspapers, beauty pageants, and religious organizations. Students should be sure to explore all options for getting involved in school beyond the required coursework.

Even the surrounding community can offer interesting groups and events to help you reach your potential and personal fulfillment. Local endeavors could include being a mentor for a youth group, volunteering at the public library, or auditioning for a part in a community theater production.

The challenge for you is to have an open mind during your college experience. Try new things or maybe even some old things and enjoy making your journey in higher education unique.

## News You Can Use

Be careful of the amount of debt incurred during college. Those loan repayment plans could have **hidden time bombs lurking in the future.**

*The New York Times* recently exposed how those that choose to have their payment adjusted for income purposes (with forgiveness after a set term) will have to pay a large tax bill on the forgiven amount.

This situation is the byproduct of a Federal Student Loan repayment program that allows for payments to be adjusted based on income. Low-income earners pay the lower payments for a set term, usually 10 to 25 years, and then have the remainder of their loans forgiven.

For those that have attended graduate school or other professional programs who may have thousands in loans, this tax bill could easily become five figures. And, it is due to be paid in full immediately.

According to the College Board's "Trends in Student Aid" report, over 10 million students took out loans in 2011-12 with over half of them projected to be eligible for the reduced-payment program.

For those who choose to participate in the program, it is very difficult to estimate how much the tax payment will be at the end of the repayment term.

One example, established by the U.S. Office of Management and Budget, shows that an income-based repayment on a loan of \$39,500 actually produces an amount larger (about \$41,000) than the initial loan forgiven. According to the payer's tax bracket, the amount of the tax bill could easily exceed \$10,000.

Being aware of this issue before you take loans will help guide you to make smarter choices when deciding how you and your family will pay for school.



## Ask the Professor

Q: I'd rather work to pay for part of the expenses for college. Is it better to work on-campus or off-campus?

A: There are pros and cons to both options. On-campus jobs are more convenient and offer the potential for flexible scheduling and policies. Off-campus jobs often pay more and may offer students the opportunity of a continued position after graduation. One negative aspect is that some employers need students to work during breaks and holidays.

## Did You Know?



✓ A recent survey by the National Center for Fair & Open Testing showed that over 800 American colleges and universities no longer require the SAT or ACT for admission.

✓ Some schools on the list include New York University, Drew University, Providence College and Wake Forest University.

## College Match Game



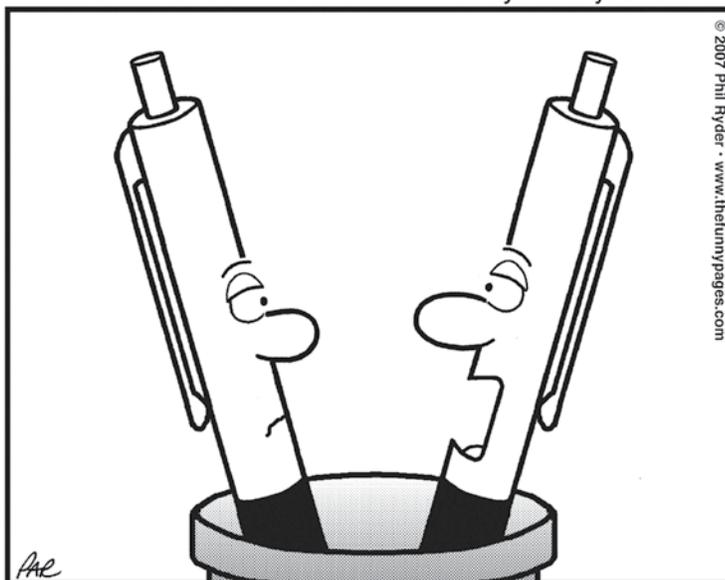
Which college did journalist, author, and television personality Barbara Walters attend?

- A) Wellesley College
- B) Bates College
- C) Sarah Lawrence College
- D) Amherst College

Answer: The multiple-E Emmy winner received a Bachelor of Arts in English from Sarah Lawrence College in 1951.

## THE JOKE'S ON YOU

by Phil Ryder & YOU



"I'm just not feelin' mightier than the sword today; how about you?"  
- Sharie Derrickson • Fountain Hills, AZ

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