

COLLEGE BOUND

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

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How to Slash College Costs and Land a Better Job at Graduation: College Co-Op Programs

Imagine making \$50,000 working for a top company while getting your college degree, and then having a great job waiting for you after you graduate.

Too good to be true?

Not at all. Thousands of students are living this experience every year as part of a growing trend in co-operative education.

Co-ops combine classroom-based instruction with practical work experience. Best of all, students often get paid. Rates average \$16.38/hr. in undergraduate programs with salaries increasing to \$40 for some majors as students become more experienced on the job.

Paul Stonely, CEO of the World Association for Cooperative Education recently told *Forbes* magazine, "Co-op

opportunities are available in all academic disciplines and open the door to life-changing experiences."

How much do co-ops pay?

SAMPLE PROGRAM	WEEKLY PAY
Purdue Univ. (Engineering)	\$500 - \$1,100
Drexel Univ.	\$290 - \$760
Univ. of Cincinnati	\$600 - \$1,425
Univ. of Wisconsin (Engineering)	\$430 - \$1,600

Source: College Co-Op Programs

History

The background of cooperative education

in America dates to the early 20th Century with Herman Schneider. He was an engineer, architect, and educator, who felt that the traditional classroom was insufficient for technical students. In 1903, he convinced the trustees of the University of Cincinnati to give the concept a try. Shortly after, schools like Northeastern and Antioch added similar programs.

Over 100 years later, numerous colleges in the United States and abroad offer co-op programs.

Pros and Cons

One con for many students could be that many of these programs can take five years to complete. However, the earnings should offset any extra expenses incurred for this reason. Another perk could be that housing might potentially be provided during certain terms according

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Spotlight On Duke University



Location: Durham, North Carolina

Undergraduates: 6,680

Male/Female: 50%/50%

Acceptance Rate: 11%

SAT Math Avg: 735

SAT CR Avg: 705

SAT Writing Avg: 720

ACT Composite: 32

Cost of Attendance: \$57,325.00

First-year students returning: 97%

Students graduating within 4 years: 89%

Fun Facts:

- Duke University Press publishes about 120 new books each year, as well as more than 30 scholarly journals. The publications are mainly in the humanities and social sciences, but some cover aspects of law, medicine, the sciences and mathematics.
- Duke Athletics teams compete in the 12-member Atlantic Coast Conference (ACC) and field teams in 26 NCAA Division I varsity sports. Duke has won national championships in men's basketball (1991, 1992, 2001, 2010), men's soccer (1986), men's lacrosse (2010), women's golf (1999, 2002, 2005, 2006, 2007), and women's tennis (2009).
- There are as many students enrolled in Duke from California as there are from North Carolina.
- Prominent Duke alumni include Apple CEO Tim Cook, philanthropist Melinda Gates, former Congressman Ron Paul, former US Senator Elizabeth Dole, and former US President Richard Nixon.

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to job assignment and location.

Earnings from Co-op jobs are taxed, but not considered in financial aid calculations for the student, unlike regular on-campus or part-time jobs. "Students' co-op earnings no longer increase the Estimated Family Contribution, which is the foundation upon which we determine financial aid," says Joan McDonald, VP of Enrollment Management at Drexel University. "This was a change within the last year."

In contrast, cash earned from internships or part-time work can lower need-based financial aid eligibility.

One of the largest benefits from cooperative education is the job experience and potential job offer that comes along with the degree. After multiple placements or a long-term co-op experience at one company, your resume is set.

If even one of those relationships was positive, an interview and job offer could certainly be on the table after graduation.

Companies Benefit from Co-op Programs

Co-op programs allow companies to try out a potential employee via on-the-job training and then test their skills without having to make a long-term commitment. With real money on the table, employers are unlikely to give students "busy work," like often happens with unpaid internships.

"Co-op benefits employers in significant

and measurable ways: first by employing talented and highly motivated co-ops for a three to six month period and subsequently by hiring co-op graduates leading to gains in retention and productivity." Stonely said.

International Possibilities

In recent years, cooperative and work-integrated programs have gone global. The World Association for Cooperative Education (WACE) has co-op exchange opportunities in 14 countries including Australia, Austria, Canada, Germany, Hong Kong, Ireland, Japan, Malaysia, Namibia, the Netherlands, South Africa, Sweden, Thailand and Turkey.

The Sense in Making Cents

Cooperative is truly a win-win situation, allowing for invaluable work experience, earning money while in school and increasing the potential for a job post-graduation, all while obtaining a degree. The model certainly offers motivation and positive re-enforcement, in the form of compensation and job success.

Something that grades in tradition classes simply can't match.

Meanwhile, students in traditional programs will be several steps behind co-op students in the race to land the most sought-after positions.

The Tax Credit Worth Bending Over Backwards For



Don't miss out on \$10,000 in college tax credits

The IRS reported that 3.1 million families claimed college tax credits improperly on their 2010 tax returns.

With 3 different credits available (American Opportunity Tax Credit, the Hope Scholarship Tax Credit, and Lifetime Learning Credit) and one available deduction (tuition and fees deduction), it's confusing, to say the least.

So let me try to make this as simple as possible, because there are serious dollars at stake here. Here are the rules:

- 1) You may claim only one credit or deduction per child per year
- 2) A *credit* is worth more than a *deduction* because a credit reduces your tax bill dollar-for-dollar while a deduction only reduces your tax bill by a fraction of a dollar

For full-time undergraduate student(s), the American Opportunity Tax Credit (AOTC) is going to be your best bet simply because it's the largest.

- your tax bill is reduced by \$2,500 per year for each eligible college student for whom you pay qualified tuition expenses
- you can claim it for all 4 years of undergraduate studies
- if you have more than one student in college at the same time, you can

claim more than one credit

- claiming the AOTC does NOT increase your EFC or reduce your ability to get need-based aid

The income phase-out for claiming the AOTC is \$160,000 to \$180,000 of modified adjusted gross income on joint tax returns (\$80,000 to \$90,000 for single tax filers). If you make too much money to qualify, your child may be able to claim the AOTC on his or her tax return. Call us for more details.

The formula for calculating the AOTC is 100% of the first \$2,000 in qualified expenses + 25% of the next \$2,000 in qualified expenses. Here's a mistake some parents make that can get you into trouble: You cannot claim the AOTC based on expenses that were used to calculate the tax-free portion of a 529 plan distribution or a Coverdell Education Savings Account. For instance, if you take \$10,000 out of a 529 plan to pay for tuition, you cannot use that \$10,000 of tuition expenses to also claim the AOTC.

This is why it's important to have an accountant who understands education funding, and a college-funding advisor who can synchronize how best to pay for college and utilize the tax code to lower the college bill.

News You Can Use

Use Work-Study to Your Advantage

The Federal Work-Study Program comprises student jobs and positions on campus where you get paid per hour. Money earned can be used to help pay tuition, or to pay for miscellaneous living expenses. Students can take advantage of a wide variety of campus positions available.

Target a Preferred Position

On-campus employment can help the student employee gain valuable experience in the field. That experience could prove to be the difference when applying for a job after graduation.

Apply Early

Work-Study jobs on many campuses go quickly. Upperclassmen have the advantage of being able to secure the job at the end of the previous school year or continue in positions from the prior year. Use the summer and the time just before fall classes begin to apply for open on-campus jobs.

Have Fun & Think Ahead

Campus-based employment gives students even greater contact with the college community and adds a potential social outlet for networking and friendship. Once employed, students shouldn't be afraid to learn about other potential job openings. There could be something that is an even better fit or provides a better experience for the student's future career.



Ask the Professor

Q: Does having equity in my home hurt my chances of getting college aid?

A: It's not a factor at *non-profile* colleges but it is a factor at *profile* schools such as Princeton, Michigan and North Carolina. We can show you how to use the "Housing Index Multiplier" to reduce its impact.

Did You Know?



✓ For the first time on record, the delinquency rate on student loans has jumped above the rate for credit cards, car loans, or any other kind of consumer loan.

✓ At over \$1 trillion, student loan debt now totals more than the value of Apple, Microsoft, Facebook, Zynga, Netflix and Groupon combined.

College Match Game



Which college did actor Ben Affleck attend?

- A) Harvard
- B) University of Vermont
- C) Occidental College
- D) Tulane

Answer: While his buddy Matt Damon attended Harvard, Affleck attended both Occidental College and Vermont.

THE JOKE'S ON YOU

by Phil Ryder & YOU

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"I like multiple choice. Last time I just went and marked off anything, and I got lucky and got a 'B.' Or was it an 'A,' or 'C,' or 'None of the above?'"
 - Gayle Lupton • Joliet, IL

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