

20

Insider Strategies

to Save Money on College NOW

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20 Insider Strategies to Save Money on College NOW

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Introduction

If you are a high school student looking to attend college soon, then you probably have two huge questions causing a great deal of stress in your life.

“Will I get into a good college?”

and

“How will I pay for college?”

Well, there is some good news, and then there's some great news.

The good news: There are great odds you will get in. More than 70 percent of colleges accept more than 70 percent of applicants. So while you may not get into Harvard, there is a great college for you.

The great news: You will be able to afford to go to college. While it's true that the cost of attending college continues to rise—4.2% annually at public four-year colleges and 2.4% annually at private colleges—you have an array of tools at your disposal to help you fund your college dreams.

Unfortunately, most students don't know how to take full advantage of all the money-saving tools available. In this book we will give you insider tips, strategies, tools, secrets and other ways to help you pay less for a great college. What's more, none of these tips requires you to get better grades, score higher on standardized tests or build a spaceship. You can use all these strategies starting today, as you are right now.

What follows is a start-to-finish financial aid guide with simple tips and secret insights that can save you thousands or even tens of thousands of dollars on college. We will touch on all types of financial aid with a focus on merit aid scholarships. Merit aid scholarships can be incredibly lucrative for students, but most students don't know how to properly take advantage of what's available. In fact, most students don't even know about merit scholarships until after they decide to attend a college.

But we're getting ahead of ourselves. First, take a deep breath and know this: The odds are in your favor that you will get accepted to a great college and be able to afford to go there.

1 Know the language.

When it comes to money, you don't need any misunderstandings. And yet, many students will miss out on financial aid because they simply don't understand the process. So before you go rushing head first toward the closest financial aid office, get educated on the terms that will get tossed around. Knowing what's going on will help ensure you don't get lost and lose out on an opportunity.

CSS/Financial Aid PROFILE: Financial aid application used by some colleges. There is a fee to use this form, so check with potential colleges to see if it is required before you fill out the CSS and send it off.

Demonstrated Need: The difference between what your family can contribute toward college expenses and the actual cost of attending college.

Expected Family Contribution (EFC): How much money you and your family are expected to contribute toward college expenses. This number is used to determine if you qualify for need aid. EFC is based on your FAFSA application and is calculated by the federal government.

Financial Aid: Blanket term for all types of college funding.

Financial Aid Award Letter: Official notification of the type and amount of financial aid a college is offering you.

Free Application for Federal Student Aid (FAFSA): The federal application every student must submit in order to be eligible for federal financial aid. For more information and to complete the FAFSA visit www.fafsa4caster.ed.gov.

Grants: Money for college that does not have to be repaid. Most grants are need-based and are awarded by the state or federal government.

Institutional Aid (or Campus-Based Aid): Financial assistance given by a college, typically either need-based or merit-based aid.

Loans: Money given to a student that must be paid back. There are several types of loans, including low- to no-interest student loans given out by the federal government, like the Perkins and Stafford loans. These are the best options, since you don't have to start paying back the money until after you graduate. Private loans, offered through banks and credit unions, typically have higher interest rates.

Merit Aid: Financial aid awarded to you from a college based on your individual achievements and talents.

Need-Based Aid: Financial aid given based on the ability of you and your family to pay for college.

Scholarships: Money for college that does not have to be paid back. Usually awarded based on specific criteria, such as your academic performance, extracurricular activities, ethnic heritage or religious affiliation. Scholarships may be awarded by colleges, private groups or states.

Student Aid Report (SAR): After you file the Free Application for Federal Student Aid (FAFSA), you will receive a SAR stating your EFC (expected family contribution) and eligibility for financial aid. This report is also sent to the colleges you indicate on the FAFSA.

Student Loan: Financial aid that must be repaid. Student loan programs are available through the federal government and private lenders.

Work-Study: Financial aid given in exchange for work (typically at a job on campus). To qualify for the Federal Work Study (FWS) program, you must complete the FAFSA.

2 Know your options. Explore them all.

If you just assume you won't get any money from a potential financial aid source, then you won't get any money.

But you may be eligible for more than you think. Did you know that in some cases, even students from families with six-figure incomes can qualify for need-based aid? It's true.

So whatever you do, don't rule out grants, scholarships, loans, work study or anything else when you start looking for financial aid.

That's why Lynn O'Shaughnessy, author of "The College Solution," recommends every student fill out the Free Application for Federal Student Aid (FAFSA). Here's why:

1. **Grants.** Grants are given out on a need basis. Need basis is determined by the FAFSA. Who qualifies depends on lots of factors, from the cost of college to how many students apply.
2. **Merit Scholarships.** Some colleges require the FAFSA for merit scholarships. Most state scholarships, like the Georgia HOPE scholarship, also require the FAFSA.
3. **Loans.** If you want a low-interest government loan (and you probably do, because these loans are cheaper for you than private loans) you have to file the FAFSA.
4. **Jobs.** The Federal Work Study program requires it.
5. **Just in case.** If your family situation changes drastically while you're in college you may qualify for previously unavailable grants and scholarships. Filing the FAFSA now will speed the process up in the case of an emergency.

What to do: Get the FAFSA ready in the fall at www.fafsa4caster.ed.gov. You can file it after January 1 each year. Get the full info on the FAFSA at www.fafsa.ed.gov.

3

Get money that you don't have to pay back.

Financial aid generally falls into two categories: Money you don't have to pay back and money you have to pay back. Guess which is better?

Money you don't have to pay back comes in two forms: grants and scholarships. You get this money because:

1. You have a financial need as defined by the U.S. government or a college
2. Of who you are and what you accomplished thus far (merit)

Grants

If you can get need-based financial aid, take it. Here's what to look for:

- Government grants. The February 2009 Federal Economic Stimulus Plan includes \$17 billion to provide Pell Grants to millions of college students. Those students will not have to pay back a dime. The maximum Pell grant award per student is \$5,350.
- Grants and need-based scholarships from colleges. Regardless of how much you get in government grants, you may also qualify for need-based scholarships and grants from colleges.

As mentioned above, to qualify for need-based aid you first need to file the FAFSA. You can start it at www.fafsa4caster.ed.gov.

Whether or not you "need" the money depends on many factors, including:

- The cost of tuition at colleges you are considering.
- How much money your parents make. In 2003-04, 97.7% of Pell Grant recipients had a family Adjusted Gross Income of less than \$50,000.

It is possible that you won't qualify for federal need aid, but you could get need aid from a college.

Scholarships

Scholarships come in all shapes and size from all sorts of places. They may be one-time awards of a few hundred dollars, or they might be worth tens of thousands of dollars each year for several years. Scholarships are given out by:

1. State governments
2. Colleges
3. Private corporations
4. Civic organizations and non-profit groups

4

Don't make general tuition assumptions about public and private colleges.

Most students assume that private colleges are more expensive than public colleges. It is true that the average 2008/2009 private college price is \$25,100, and the average public college price is \$6,600. This may seem to confirm the assumption, but there are exceptions to every rule. In the charts that follow, which types of schools are the most expensive? Public or private?

These public colleges and universities are the 10 most expensive.

College	City	State	Full-time undergrads	Tuition and Fees
University of Pittsburgh-Main Campus	Pittsburgh	PA	17,150	\$13,642
Pennsylvania State University-Main Campus	University Park	PA	38,240	\$13,014
University of Vermont	Burlington	VT	9,550	\$12,844
St Mary's College of Maryland	Saint Mary's City	MD	1,950	\$12,604
New Jersey Institute of Technology	Newark	NJ	6,150	\$12,482
The College of New Jersey	Ewing	NJ	5,800	\$12,308
University of Pittsburgh-Greensburg	Greensburg	PA	1,600	\$11,782
University of Pittsburgh-Johnstown	Johnstown	PA	3,010	\$11,754
University of Pittsburgh-Bradford	Bradford	PA	1,200	\$11,722
Pennsylvania State University- Erie-Behrend College	Erie	PA	3,720	\$11,490

These private colleges are the 10 least expensive in the country.

College	City	State	Full-time undergrads	Tuition and Fees
Berea College	Berea	KY	1,610	Does not charge tuition. Each Berea student receives a full-tuition scholarship.
Brigham Young University-Hawaii	Laie	HI	2,750	Tuition starts at \$3,600.
Brigham Young University	Provo	UT	30,470	Tuition starts at \$4,080.
Doane College-Lincoln	Lincoln	NE	630	\$5,153
Arkansas Baptist College	Little Rock	AR	500	\$5,700
The National Hispanic University	San Jose	CA	290	\$5,840
Rust College	Holly Springs	MS	810	\$7,000
Talladega College	Talladega	AL	450	\$7,348
Miles College	Fairfield	AL	1,760	\$7,968
Park University	Parkville	MO	9,840	\$8,190

Also, remember that colleges can both have a low tuition and offer merit aid to their students. **Combine low tuition with some merit aid, and you've got a great recipe for avoiding loans.**

5 Broaden your horizons.

Are you still keeping an open mind about listed tuition prices? Good. Leave it open about other factors at a college, too.

When searching for a college, many students get caught playing the name game. They obsess over lists, rankings and perceived notoriety.

But the name on your college sweatshirt will have very little impact on your success during and after college. The top indicator of success is college fit.

And since finances are one element of fit, you will benefit by keeping an open mind on your college options.

Let's say your dream is to go to college in New York City. You take a close look at the well known and renowned New York University.

NYU

Tuition:	\$37,372
Percent of students receiving aid from the college:	53%
Average aid per student:	\$26,823
Average net tuition cost (for 53% of students):	\$10,549

NYU is pretty generous with their aid, but the price tag is still steep. Even if you're in the half of students that receives money from the college, that still leaves you to cover \$10,549 a year, plus the cost of housing, books and any Broadway shows you want to see.

But if you really want to be in New York City, you have other options. Take Pace University for instance.

Pace University

Tuition:	\$31,357
Percent of students receiving aid from the college:	76%
Average aid per student:	\$27,024
Average net tuition cost (for 76% of students):	\$4,333

Through a variety of programs, Pace is able to offer aid to three quarters of their students! They offer about the same amount of aid as NYU, and their tuition is lower. Pace also admits a higher percentage of student applicants. At first, you may be less familiar with Pace University, but if the other fit factors line up, this college could be a great, affordable option that allows you to follow your dream.

So keep an open mind, and you may not only find a college that is a great fit, but also avoid having to pay more for your education or take out loans.

6 Follow the “good” money.

There is a diversity of sources out there for scholarships that can be boiled down to two main categories:

1. Scholarships from colleges and states typically called merit aid or merit aid scholarships. These scholarships are typically given for doing “good” work either academically, in a leadership position, or in community service.
2. Scholarships from private groups (basically any group awarding scholarships that isn’t a college or government). These scholarships are typically awarded for any variety of reasons. One place to find them is www.fastweb.com.

Generally speaking, all scholarships work the same way: Money for your college education that you don’t pay back. But in reality, there are some major differences between merit scholarships from colleges and states (merit aid) and those from private groups.

	Privately Funded Scholarship	Merit Aid Scholarship
Total dollars available to students in 2008	\$7 billion	\$11 billion
Average award to a student	\$1,000	\$5,000
Renewable?	Most private scholarships are one-time awards.	Many merit aid scholarships are renewable for four years of college.

Competition for awards is intense. Many private scholarships are awarded on a national level, which typically means students from across the country compete against one another. These scholarships typically only go to a small group of extremely high achieving, elite students. One in four students receives merit aid. Most colleges offer anywhere from a few dozen to hundreds of individual scholarship programs – each giving out several awards.

Realistically, merit aid scholarships have a better chance of making a significant impact on your college career. Before you apply to a college, you can look up their merit scholarships offerings at MeritAid.com, www.meritaid.com, a free student resource, or on a college’s website.

Our advice is to pursue both types of scholarships—privately funded and merit aid—but focus on the “good money” or merit aid scholarship options before you apply to colleges. They will likely have a bigger payoff and help provide more insight into the potential bottom-line costs of the colleges you are considering.

7

Don't ignore a college because of its published tuition price.

Do you want to go to the best college you can get into?

A recent study found that only one-third of Chicago public school students went to a college that matched their qualifications. This means that lots of students—more than half—missed out on stronger or more challenging college environments.

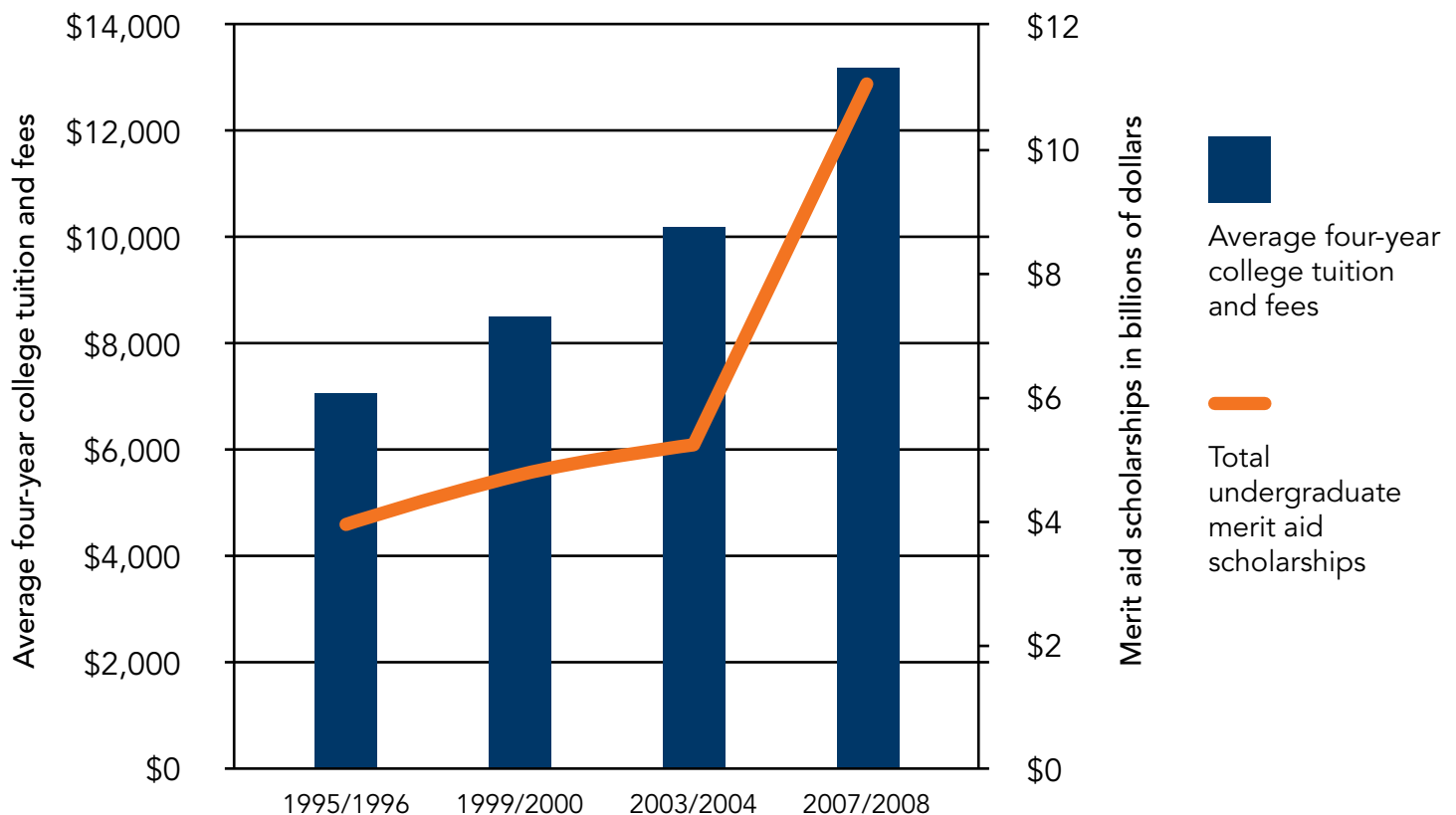
Lots of factors can contribute to students missing out on college opportunities, but initial tuition price shouldn't be one. If you want to attend college and you want to pay less than the full tuition price, you can—with the help of merit aid.

Merit scholarships can sometimes be worth 50 percent or more of tuition price. But students who don't know about the merit aid available may overlook certain colleges because they think they cost too much. Don't delay looking at a college because of its published tuition price.

It is critical you know what merit money is available when looking at potential colleges. Armed with this knowledge, you will have a better idea about the true costs of attending a college. This, in turn, can bring some previously unaffordable colleges within your reach.

And while it's true that tuition prices have risen dramatically at all types of colleges across the country, the amount of merit aid offered has also increased. In fact, in recent years, the amount of merit aid offered has increased at a faster rate than tuition.

College Merit Aid Increasing To Meet Tuition Demands



Sources: 1995 to 2004 data from National Center for Education Statistics. 2007 to 2008 data is based on MeritAid.com analysis.

8

Find merit aid scholarships before you apply.

It is critical you know what merit aid money is available when looking at potential colleges. Armed with this knowledge, you will have a better idea about the bottom-line costs of attending a college. This, in turn, can bring some previously unaffordable colleges within your reach.

Where to find information on merit scholarships:

- MeritAid.com, www.meritaid.com
- A college's website
- Calling a college's financial aid office
- Your college counselor

You can find out more than just what merit scholarship programs are offered at a college. For most colleges, you should be able to learn:

- Total scholarships awarded
- Percent of students receiving aid
- Average aid per student

These facts will help you form a realistic idea of your chances of earning merit aid from a college. At most colleges, your chances of receiving substantial merit aid are very good.

- Hundreds of thousands of students receive merit scholarship awards each year.
- Merit aid is not just for "A" students. Students with a variety of GPAs can qualify, and many awards emphasize leadership or school involvement.
- The average merit scholarship award is \$5,000.

In addition to merit aid from colleges, there is also merit aid offered by state governments. To access this money, you often only have to meet certain GPA, test score and residence requirements. For example, graduating high school students in the state of Georgia may receive a HOPE scholarship worth from \$3,500 to full tuition for most public and private colleges in Georgia if they earn at least a "B" average in high school.

Seeking out both college and state merit aid scholarships will give you a view of what merit scholarships you qualify for and allow you to do some rough cutting of your potential college list.

9 Find merit aid scholarships that match you.

Most merit aid scholarships are awarded based on, you guessed it, merit. In other words, all the hard work you've put into your high school classes can pay off.

General merit scholarships are the most common type of scholarship offered by colleges. To earn these scholarships, students usually just need to meet minimum GPA and test score requirements. Academic achievement is often the only criteria for the awards.

These awards often carry names like "Trustee's," "Presidential," or "Dean's." Colleges frequently give out several of these awards to each incoming class, and the scholarships are often renewable. This means that if students meet certain GPA requirements while in college they can get the scholarship money at the start of each year.

For example, let's check out some of the merit scholarships offered by Lake Forest College in Lake Forest, Ill.

Scholarship Name	Amount	Is it renewable?
Trustee Scholarships	\$16,000	Yes
Presidential Scholarships	\$12,000	Yes
Dean's Scholarships	\$10,000	Yes
Deerpath Scholarships	\$8,500	Yes

Each year, Lake Forest College gives out several of each of these scholarships to students in the incoming freshman class. The award amounts correlate with student achievement. Minimum student qualifications for the renewable, \$12,000 Presidential Scholarships are:

- 3.6 GPA
- Top 20 percent of their graduating class
- 28 or higher on the ACT

If you don't meet those requirements, don't despair. You may not have straight A's on your high school transcript, but you still worked hard, and there are scholarships available for you, too.

For example, Lake Forest's Deerpath Scholarship, a renewable award worth \$8,500 a year, has lower minimum requirements:

- 3.2 GPA
- Top 30 percent of graduating class

Bottom line: Even if you don't have a 4.0 GPA, your hard work in high school could get you a merit scholarship.

10

Get paid for who you are.

Not every merit scholarship is based solely on what you've accomplished. In fact, you probably qualify for many merit scholarships simply because of who you are and where you live.

Here's one example from the University of Michigan: Each year two Bob Ufer Memorial Scholarships are awarded. The criteria: You must attend a public high school in Ann Arbor, Mich. So by simply going to high school where you go to high school, you could get a merit aid scholarship.

There are also many merit scholarships designated specifically for students that bring diversity to campus. Sometimes, these scholarships are even called "diversity scholarships." That's the case at Hamline University, in St. Paul, Minn. There are three "Hamline University Diversity Scholarships" available. Each is worth \$3,000 and may be renewed for three years!

Colleges want students from all backgrounds on their campuses to generate a lively exchange of ideas. This means a diverse mix of races, religious beliefs, cultural backgrounds and life experience. How might you bring diversity to a campus? Here are some examples.

Heidelberg University

Case:	91 percent of students are from the state of Ohio.
You're bringing diversity to campus if:	You're from somewhere else—especially somewhere far away.

Rice University

Case:	More than half of their students are from Texas and only 8 percent of their students are African-American.
You're bringing diversity to campus if:	You're an African-American from out of state.

College of Charleston

Case:	66 percent of the student body is female.
You're bringing diversity to campus if:	You're a guy.

At all those campuses, certain people will be in demand simply because of who they are. If you look around at enough colleges, you can probably find one where you're in demand. If you're an in-demand student, you could be in line for merit aid awards.

What you should do: At each college you are considering, find out how you could bring diversity to their campus.

11

Get paid for your major.

While some merit scholarships focus on what you did in the past, many award you for what you want to do in the future. Many merit scholarships are set aside for students with particular majors.

General area-of-study scholarships

What to look for: Colleges offer scholarships that support large departments. These can be an excellent option if you generally know what you'd like to study but aren't yet sure about your specialty. So, if you know you love science but aren't ready to declare a major in biology instead of chemistry, these scholarships can help you out.

Example: The Patricia Shadoin Williamson Scholarship at Huntingdon College in Alabama will provide one-third tuition to students with strong academic records who are majoring in the humanities. Several of these awards are given out each year. This means that if you study history and your best friend is an art major, you could both still get this award.

Super specific majors:

What to look for: Colleges regularly offer scholarships for students going into a particular major. The colleges may have a popular, well-funded program, or they might create a scholarship to help build interest in an up-and-coming major. If you know your major, contact that department at potential colleges or check MeritAid.com. The college's department may offer scholarships on their own, in addition to college-wide awards.

Example: The Dan Black Physics/Business Scholarship, California State University – Fullerton. This award is for physics majors with an emphasis in business and pays out \$10,000 over four years.

Arts

What to look for: Have your portfolios ready and polish your audition skills. These talent-based scholarships almost always require proof of your talent. To qualify for these scholarships, you may need to set up a special audition with faculty from the college you wish to enter.

Also, keep an eye out for specialties within your talent. There may be separate scholarships for students that want to be on stage and those that want to work behind the scenes. Jazz trumpet players may not have to compete against symphonic trumpet player for scholarships.

Insider tip: Look beyond the big colleges. If you really love your art, you may find a great college environment at a college that specializes in the arts.

Example: The aptly named Talent Scholarships at Caldwell College in New Jersey. Ranging from \$1,000-\$6,000, these awards require portfolio reviews or auditions and are open to students interested in studying art or music, whatever the discipline.

12

Get paid for your passionate pastimes.

Colleges are interested in more than just your brains. What you do outside the classroom can have an impact on how you pay for college. Your activities—sports, hobbies, clubs, etc.—could be your key to paying for college. You can pick up scholarships for participating in Greek Life, beauty pageants, rodeo, honor societies, Girl Scouts of America and countless other activities and associations.

Clubs and activities

What to look for: If you are involved in clubs or common-interest groups, see if they have a chapter at potential colleges. Be willing to look beyond groups at a college, too. A local chapter in a college's city may sponsor a scholarship at their hometown school.

Example: The Paul Morphy Chess Scholarship, awarded by Shimer College in Chicago, Ill. The scholarship gives \$2,000 to a student with achievements in the chess world. If you continue to have strong grades and strong moves with your knight and bishop, the scholarship can be renewed.

A special note for athletes

Everyone knows that big time college athletes can get big time scholarships. However, even if you don't play at a Division I level, there are other athletic options that might help you pay for school.

If you play sports, check colleges with teams in Division II and III. Your skill, along with your good grades, might earn you a combination athletics/academics scholarship. Dickinson State University's Roughrider Scholarship is a good example of what you might be able to find. The scholarship goes to a student participating in rodeo that is also studying elementary education.

In fact, many colleges that don't offer "sports scholarships" do offer merit scholarships that have participation in athletics as a requirement. Like the program at Dickinson State, these scholarships may require a student to have a certain GPA and be a member of the school's golf team.

Community Service

What to look for: Talk about giving back! Your work for others can pay off with some serious scholarships. College service-related scholarships may be tied to particular causes, like religious ministry, or they may reward general community involvement. If you work with a specific group or organization, check at potential colleges to see if there is a local chapter.

Example: The RDP Environmental and Social Justice Scholarship at Prescott College in Arizona. This renewable, \$2,000 award is for students with experience working with groups like Amnesty International, Greenpeace, Student Conservation Association and other community service and volunteer programs.

13

Stand out from the crowd and bring two scholarship strategies together.

You can bring two merit scholarship strategies together to increase your chances of achieving one. For example, can you bring diversity to a specific major? If so, there are scholarships for you.

Example:

College:	Washington & Lee
Scholarship:	Minorities in Government Finance
Details:	This \$5,000 scholarship is for students that bring diversity to a specific major. If you meet these two criteria – and let's face it, there are only so many people that will be a good match for such a specific award as this – you could pay less while getting a great education.

Other ways to bring diversity to a major:

Be a male in nursing. At the University of Dubuque, the Shane Frederick Memorial Scholarship awards a male nursing student with a 3.0 GPA. The nursing profession is dominated by women, and many colleges – and even national companies like Johnson & Johnson – have created awards to attract more men to this in-demand career.

Be a woman in science. At the University of Maryland University College, the Pateman Scholarship is set aside just for women studying aeronautics or aerospace engineering. That's exciting stuff for anyone. Many colleges find their science departments dominated by men. To help that, they have created merit scholarships for women in all fields of science, but particularly in the in-demand engineering fields.

OK, you've mastered combining two scholarship strategies. Do you dare combine three? Yes!

The Geneva C. Thorne Scholarship at Georgia Tech goes to young women studying engineering from Northwest Georgia. This scholarship is an example of three strategies in play. Students can only get this based on: Diversity, area-of-study and by living where they live.

14

Pay in-state tuition even if you live out of state.

We've hinted at it already, but now we'll say it: Your address plays a big role in how you pay for college. Earlier, we talked about scholarships set aside just for students living in certain cities. Now, we'll move to the next line of your address and tell you about the role of your home state.

Your home state affects how much you pay for college in two ways: How much tuition you pay at public colleges, and what state-sponsored scholarships you can get. We'll start with tuition. For info on state aid, check Tip 15.

Tuition price: When out of state can mean in-state

Private colleges typically only have one set tuition price. Public colleges, on the other hand, often have two levels of tuition: One price for students living in state and another, higher price for students living out of state.

What most students don't know: Even if you live in a different state from a potential college you may still be able to pay in-state tuition.

To get in-state tuition you may need to apply for an out-of-state tuition waiver or meet other qualifications. These aren't scholarships, but a discount on the tuition you would normally have to pay. You can get scholarships and out-of-state tuition waivers. There is no common set of factors that allows an out-of-state student to receive in-state tuition, but here are some things to look for:

You live near the state border: The University of Tennessee at Chattanooga campus is just a few miles from the state's border to Alabama and Georgia. So if you're a high school student living in select counties in North Georgia and North Alabama you can pay in-state tuition at a college where you are an "out-of-state student." The savings for these students at UTC: \$11,000 a year. Many colleges near borders offer similar discounts.

Your major isn't offered at colleges in your state: The New England Board of Higher Education's Tuition Break includes 82 colleges in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. If you live in one of these states and your preferred major isn't offered by a college in your home state you can go to a neighboring college and pay the lower tuition.

You meet other criteria at the college: At Texas Tech students earning \$1,000 in competitive scholarships from the college can qualify for an out-of-state tuition waiver. Students at the University of Utah may apply for a tuition waiver after one year at the college if they have an in-state driver's license. Each year, almost 500 students from Missouri get tuition waivers at architecture and design programs at Kansas State and the University of Kansas. If your parents or grandparents went to Missouri State you can get lower in-state tuition regardless of your current address.

Your state participates in a tuition exchange program: The Midwestern High Education Compact has a Midwestern Student Exchange Program. Students in Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota and Wisconsin can get discounted tuition at public and private colleges in those states through the program.

What to do: Check with potential colleges about how you can qualify for out-of-state tuition waivers.

15

Get state-sponsored aid.

So far, we've mostly talked about merit scholarships offered by colleges. These are great, but they aren't your only merit aid option.

State-sponsored merit scholarships

Some states, but not all, offer scholarships to students who:

1. Meet certain academic criteria
2. Plan to attend certain colleges

In the state of Georgia, for example, any student who graduates with a 3.0 GPA automatically qualifies for the HOPE Scholarship. For 2008-2009, the state awarded more than \$250 million to students for college. Students could use the scholarships at public colleges like the University of Georgia or Kennesaw State University, private colleges like Spelman University, Emory University and Art Institute of Atlanta and technical colleges like Georgia Aviation & Technical College and Valdosta Technical College.

Another example is the New York State Scholarships for Academic Excellence program, a merit-based program that offers thousands of academically talented students \$1,500 incentives to study at in-state colleges and universities, renewable for up to four years of undergraduate study. Students must score high on state "regents exams" to be considered.

New York also has a Tuition Assistance Program (TAP) which is one of the largest need-based student grant programs in the country. Eligible students must be state residents and enrolled in a state college or university within New York. Full-time students may receive up to \$5,000. New York students can apply by filling out the FAFSA.

Some states we've found that offer scholarships are: Florida, Georgia, Louisiana, Maryland, Missouri, New Mexico, New York, South Carolina, Tennessee and West Virginia.

Your high school counselor should be able to tell you what is available in your state. Financial aid officers at a potential college can also let you know what your state has to offer.

16

Look beyond scholarship dollar amounts.

Now that you have lots of great strategies to find merit scholarship opportunities, you need to take a deep breath. What you need to do next may be tough. You need to look beyond the dollar amounts.

When comparing college scholarships it's easy to focus on the dollar amounts, but there's more to affordable college than collecting scholarships. Your goal should be to get a great education without incurring crippling debt. To do this, you'll need to consider many factors other than a scholarship's face value.

When looking at a scholarship, consider:

- **Can this scholarship be renewed?** A \$2,000 award given to you for four years will be more valuable than a one-time award of \$5,000.
- **Can this scholarship be combined with other awards at a college?** Some colleges may give certain students multiple awards. You may be able to stack up several small scholarships to substantially save on tuition.
- **How does the scholarship amount compare with a college's tuition?** To see which scholarship is truly worthy more, calculate the award as a percentage of a school's tuition.

What to do: The College Cost Comparison tool on Cappex.com can help you compare costs of colleges including potential scholarships. Go to www.cappex.com to learn more about this free tool.

17

Be willing to work for it.

The Federal Work-Study Program (FWS) offers financial aid in exchange for part-time work at a job on campus. Work-study can be a good supplement to other types of aid. To qualify for the Federal Work-Study program, you must complete the FAFSA.

Essentially, work-study is part of need-based aid and is bundled as part of a total financial aid package offered to you by a college. Once you file a FAFSA, financial need is determined by the Department of Education using a standard formula established by Congress. If you are eligible for federal student financial aid, each college that admits you will tell you about any work-study you are eligible to receive in their Financial Aid Award Letter to you.

It may seem like work study saves you money on tuition; however, you should be careful how much time you have to commit. **Too much time spent working at a job in college can conflict with school work and your social life.** Keeping a balance is important.

Example of a Financial Aid Award Letter

March 20, 2009
Mr. Kevin Sample
123 School Street
Anyplace, NY 99999

Dear Kevin:

Congratulations on your admission to BDU.

We have reviewed your application for financial aid for the 2009-2010 academic year and are pleased to make this tentative offer of financial aid assistance based on an analysis of the information you provided.

Your need and awards were derived from budget and resource information detailed here:

Budget Category	Amount
Tuition and fees	\$15,500
Room and meals	10,350
Books and personal	2,650
Travel	600
Budget totals	29,100

Resources	Amount
Expected student contribution	2,400
Expected parental contribution	12,000
Total Resources	14,400

Need (Budget - Resources) \$14,700

Award Detail:

Source:	Fall	Spring	Total
BDU Merit Scholarship	2,000	2,000	4,000
Federal Pell Grant	1,980	1,980	3,960
Federal Work-Study	1,200	1,200	2,400
Federal Perkins Loan	2,170	2,170	4,340
Total Awards:	7,350	7,350	14,700

Please feel free to contact the student financial aid office with any questions regarding your financial aid award or visit our web site.

Sincerely,

Ima Dean
Director, Student Financial Aid & Employment

Federal Work-Study



18

A year or more of community college can help you save.

Plenty of students—4 out of every 10 first-time freshmen—attend a two-year community college, according to the American Association of Community Colleges. Students attend community college for all types of reasons, and many go to community college in order to earn college credits and save substantial money on the first year of college.

Tuition at most community colleges is quite a bit cheaper than at their four-year counterparts. Even if you plan to eventually attend a four-year school, you can save big bucks by taking a couple of semesters of general prerequisites at a community college.

Some four-year colleges have special transfer or articulation agreements with community colleges to ensure courses will transfer. With these agreements, the money you spend on community college classes gets applied to earning a four-year degree. It takes a little work to investigate what articulation agreements are available, but the money saved is usually worth it.

One example is the articulation agreement that the Illinois Institute of Technology (IIT) has with Oakton Community College. Students who take their first two years of college at Oakton and earn Associate of Arts and Science degrees are guaranteed admission to IIT. Students who want to take advantage of this program need to apply for it before they start their freshman year and meet minimum academic standards. The program saves students \$40,000 over two years.

Also, if you need to balance a work schedule or family obligations with school, community colleges offer a lot of flexibility with day, evening or weekend classes, part-time schedules and online courses.

Of course, there are tradeoffs to attending a community college. **Here are some key differences between community colleges and four-year schools.**

- **Choice of Majors and Classes.** While course catalogs at community colleges can be extensive, they can't compare to the number of majors and classes you'll have to choose from at a four-year college.
- **Academic Regimen.** Community colleges, by design, serve a broad-based student body. In order to accommodate the varied backgrounds and abilities of students, classes might move at a slower pace than at a four-year school.
- **Collegiate Experience.** From dorm living and hanging out on the quad, to school spirit and homecoming celebrations, four-year colleges give you the camaraderie of being in a university setting and a traditional collegiate experience that you just won't find at a community college.

The bottom line is that community colleges can save you substantial money over traditional, four-year colleges. However, like every other choice you'll make in your college search, **deciding what's best for you boils down to weighing your educational goals, your financial circumstances and what you want most from your college experience.**

19 Graduate in 4 years or less with the help of AP courses.

Earning college credits while in high school is a great way to start saving on college before you even get there.

One way to earn college credit while in high school is by taking Advanced Placement (AP) courses. Not only will you potentially save money, but you will also be getting a jump on learning at the college level. AP courses also may help you stand out to college admissions when applying to colleges by demonstrating that you are taking rigorous coursework.

Passing the exam for just one AP course could save you \$1,700 at your average private college or \$500 at your average public college.

With 37 courses in more than 20 subject areas, AP probably offers at least one class for you. Each of the classes is equivalent to a college introductory-level class in that subject.

Courses and subject areas include:

Art History	German Language
Biology	Comp Government & Politics
Calculus AB	U.S. Government & Politics
Calculus BC	Human Geography
Chemistry	Italian Language and Culture
Chinese Language and Culture	Japanese Language and Culture
Computer Science A	Latin Literature
Computer Science AB	Latin: Vergil
Macroeconomics	Music Theory
Microeconomics	Physics B
English Language	Physics C
English Literature	Psychology
Environmental Science	Spanish Language
European History	Spanish Literature
French Language	Statistics
French Literature	Studio Art
U.S. History	World History

If you still have time in high school to schedule more classes, don't miss out on this opportunity. It could help you save money and help you get admitted to your ideal school. **To learn more about specific AP courses, talk with your school counselor, AP coordinator, or go to www.collegeboard.com.**

20

If you have to get a loan, get a government loan.

If you need to borrow money, the federal government offers the most flexible and low interest student loans. The Federal Student Aid (FSA) program provides two primary types of student loans provided by the FSA, Stafford and Perkins. You'll need to fill out and submit the FAFSA to qualify for them.

Stafford Loans

Stafford Loans come in two forms.

- 1. Subsidized:** For students with financial need (as determined by the federal government). No interest is charged while you are in school.
- 2. Unsubsidized:** For students not based on financial need. Interest is charged during all periods.

How much you can borrow depends on what year in school you are and if you are a dependent (living with your parents) or independent student. It is also limited by the student's school costs, other financial aid you receive and your expected family contribution (EFC).

These are the borrowing limits as of February 2009.

	Dependent student	Independent student
1st-year undergraduate	\$3,500 / \$2,000*	\$3,500 / \$6,000*
2nd-year undergraduate	\$4,500 / \$2,000	\$4,500 / \$6,000
3rd- and 4th-year undergraduate	\$5,500 / \$2,000	\$5,500 / \$7,000

*The first number is the base amount, which may be any combination of subsidized and unsubsidized loan funds. The second number is the amount of additional unsubsidized loan funds available.

The total limits for all subsidized and unsubsidized Stafford loans are \$31,000 for a dependent undergraduate student and \$51,500 for an independent undergraduate student.

Stafford loans have a fixed interest rate of 6.8%, with the exception that subsidized loans disbursed on or after July 1, 2008, to undergraduate students will have an interest rate of 6.00%. You also pay a loan fee of 2%, which is deducted from the loan amount up front.

Stafford loans have a six month grace period, and there are several repayment plans that range from 10 to 25 years to repay the loans.

Perkins Loans

Students can receive Perkins loans at about 1,800 participating colleges. Financial aid administrators at participating colleges have substantial flexibility in determining the amount of Perkins loans to award to admitted students.

Students can borrow up to \$4,000 each undergrad year up to a total of \$20,000.

Perkins Loans are based on need and determined by the college. They are funded by a combination of federal funds and money from the college. The loans are paid to you by the college directly. They are similar to Stafford loans, though there are no upfront fees and there is a longer, nine-month, grace period. What's more, students who go into certain public, military or teaching service careers are eligible to have all or part of their loans canceled.

The interest rate is a very low 5%, and the repayment period is up to 10 years after the grace period.

Conclusion

These 20 strategies can make your college dreams a reality, but you have to put some discipline in place and follow them.

If there is one thing out of the 20 strategies that you must do, it is to fill out the Free Application for Federal Aid (FAFSA). Start the FAFSA by going to www.fafsa4caster.ed.gov/. The FAFSA will enable you to get free government aid as well as become eligible for work-study and low interest government loans. The FAFSA is the cornerstone of financial aid.

Don't forget to also look for merit aid scholarships before you apply to colleges. They can be substantial and save you thousands of dollars off a college's sticker price. Discover merit scholarships that match your college list and interests at www.meritaid.com.

Before you decide how to pay for your ideal college, you need to find colleges that match up with your accomplishments and interests. Some sites to explore are www.collegeboard.com and www.cappex.com. Remember, more than 70 percent of colleges accept more than 70 percent of applicants. So while you may not get into Harvard, there is a great college for you.

You can do it! Take advantage of these strategies, and you can afford to go to college.

Sources used in this book include the U.S. Department of Education, National Center for Education Statistics; CollegeBoard; finaid.org, and "The College Solution" by Lynn O'Shaughnessy.