

## Step 4: Slash Costs Even More

As COVID continues to impact the market, and with over 50% of students stating they wish they'd gone to less expensive schools, families are concerned about what they can realistically afford and what financial help may be available. With retirement looming in the not-to-distant future for many parents, it's just not smart for them to go into debt today to pay for college.

Identifying alternative strategies to reduce education costs for parents, as well as students, is not only smart, it's essential. Here are some techniques to limit spending and save thousands on college:


- **Parents: Set limits** – Rather than going into debt, borrowing from your 401(k), or obtaining a home equity loan to pay college expenses, evaluate the total you have saved toward higher education, and set one or both of the following limits to reduce your contributions by thousands. We've been teaching these two strategies for years, and the feedback from parents on how much they saved has been phenomenal.



- 1) **Total contribution:** Set the total amount you'll contribute each year toward higher education. **Example:** Rebecca was only able to give her two daughters **\$3,000** a year for college, yet both obtained degrees, owe less than **\$8,000** in student loans, and Rebecca did not tap into her retirement fund at work.
  - 2) **Set total number of years:** Whether it's one year or more, set the total number of years you'll contribute toward higher education. **Example:** Noah's dad only helped with tuition for two years, so he chose a college where he could obtain a degree in three years. Many of his friends – whose parents were paying the full tuition fee – took five or even six years to graduate, some with the same degree.
- **Avoid co-signing** – While most lenders require co-signers for private student loans, think carefully before signing on the dotted line. If the student is unable to make their payments for any reason, you could be on the hook for thousands of dollars. The "50 and older" group is one of the fastest growing age groups for student loan borrowing, and it's mostly due to the growing number of loans they co-signed for their adult children or grandchildren.

- **Financial Aid** — Nearly 5 million families walk away from free money every year. One of the primary reasons is failing to complete [FAFSA](#) and other financial aid forms. The Department of Education uses it to determine how much a family will be required to pay toward a student’s education. There have been drastic budget cuts this year, which means completing the FAFSA application as soon as possible after October 1st should be a top priority. You’ll also see state deadlines at [FAFSA.gov: Deadlines](#). Talk to your advisor or see [Nitro](#) on tips to complete FAFSA.
- **Scholarships** — Many students never take the time to explore scholarships, especially if Mom or Dad is footing the bill for college. However, if you want to save on tuition, go to [FinAid Scholarships](#) to learn more about scholarships and the scams to avoid. [Fastweb Scholarships](#), [SallieMae.com: Scholarship Search](#), and College Board’s [Scholarship Search](#) are free sources for all types of scholarships. Also explore [STEM Scholarship Search](#) for multiple sites offering STEM scholarships. Focus on your skills in athletics, music, and scholastics, as well as career specializations such as accounting, engineering, science, health services, technology, etc., or even your personal interests.

There are also scholarships awarded by specific companies like Revlon, Nike, L’Oreal, and others. Local businesses, organizations, churches, and associations may also offer little-known scholarship programs, so be sure to explore these options as well. Every dollar received from a scholarship is a dollar you never have to repay! These sites offer scholarships for military personnel and veterans: [AFCEA.org: Military](#), and [Military.com: Educational Assistance](#).

 **Caution:** Beware of paying for scholarship locator services. Most of the sources they provide are available at no cost on the Internet.

- **Tuition Exchange Programs** — A growing number of states, agencies, colleges, and organizations now offer [tuition exchange](#) or *loan forgiveness programs* services. Some of the organizations include the military, Peace Corps, AmeriCorps, [HRSA.gov: Nurse Corps](#), Teach for America, National Health Service Corps, etc.

See [Council of Independent Colleges](#) to learn more about their free tuition exchange program for family members of full-time employees, or [StudentAid PSLF](#) for some of the public services jobs that qualify for loan forgiveness. Also see this new government [tool](#). Local and rural hospitals, as well as other high-demand




fields, may also offer tuition programs in exchange for a commitment to work for a limited time after graduation.

Educational assistance is also available for military families at [Military Tuition](#) or [MyCAA](#) (Career Advancement Accounts).

- **In-state tuition programs** – In-state tuition can be thousands less than out-of-state tuition costs. However, the guidelines may not be as strict as you think, so explore the *exceptions* if your student wants to attend college in another state.

Some schools offer in-state tuition rates for the following scenarios: a parent has been laid off or is in the military; the student was born in the state even if the parents no longer reside there; the parents have recently moved to the state but don't qualify for in-state status yet; the student has lived and provided his/her own support for one year prior to registration.

- **Reciprocity programs** – Four major [exchanges](#) allow a resident to attend specific colleges in another state at – or close to – in-state rates. This strategy alone can save thousands for every year a student does not have to pay out-of-state tuition.
- **Free tuition programs** – More state schools and other colleges are offering free tuition programs today. See [Top 35 Tuition-Free Colleges](#) and [Edvisors' Colleges with Free Tuition](#).

 **Caution:** Whether your 'free tuition' is offered through a school or perhaps an employer, always read the fine print. More employers today offer *Tuition Assistance Programs*, but every plan is different. Some only cover a portion of the cost, are only for online classes, or may only apply to certain schools. Others have specific requirements that many students will find difficult to meet.

- **Flat-fee programs** – Sites and schools that offer courses or a degree for one flat rate are growing, and can be a cost-effective solution for many. See: [Study.com](#) and [Colleges with Flat-Rate Tuition](#).
- **College Level Examination Program (CLEP)** – Over 2,900 colleges give credit for passing [CLEP Exams](#), which could save thousands in tuition fees. Tests cover 33



specific subjects in areas such as business, science, composition, literature, history, math, world languages, etc.

- **Professional Judgment Review** — If your financial situation has changed due to COVID or any other reason, talk with the Financial Aid Office to see if you qualify for a [Professional Judgment Review](#). This option, which takes into account any special circumstances that affect a student's ability to contribute toward the cost of education, may help students qualify for more aid.

In many cases, you can find a *Request for Professional Judgment* form for your particular school online. Also see [CollegeBoard.com: Professional Judgment Tip Sheets](#).

- **Look at alternatives** — In addition to the options already covered, there are some excellent alternatives to immediately heading for college after high school, especially as hundreds of colleges only offer distance learning: work to save up tuition money, attend technical or trade schools, obtain an associate's degree, skip a year, or simply work as an intern in a field to build marketable skills.

You might also consider starting a business. Many have done it through Social Media, or with a computer and the Internet. Entrepreneurship is so much easier than ever before. Click [here](#) for tips to starting an online business. Is this strategy for everyone? Absolutely not. It's simply one to consider.

Also see [Jobs That Don't Require a Degree](#) and [35 Highest Paying Jobs You Can Get Without a Bachelors Degree](#). Or simply Google: 'Jobs that don't require a college degree.'

- **Negotiate** — And finally, ask — and keep asking — for a lower rate. Many schools will lower rates ... but it is often only to those who persist. Never give up asking for more attractive pricing! This strategy alone can save thousands! And remember, you can always elect to go to another school if they aren't flexible on tuition and fees.

