

## **Top 12 Tips to Manage the Cost of College** Based on ideas from *The Price You Pay for College* by Ron Lieber

These measures can help you (the student) and your family make more informative decisions and manage the cost of college preventatively. These are just the headlines – read the [book](#) or the summary for fuller explanations.

### **1. Save money starting as early as possible.**

Learn about the different 529 plans in your state. Next, consider taking a look at a good [college savings calculator](#) to help you make projections for how much you should save each month. As a family discuss what items might be cut out of your budget and put toward the 529 plan – open up an account and start your monthly savings ASAP! Ask if a grandparent might help, too.

### **2. Have an honest family talk about paying for college.**

Discuss the amount you will need to contribute for college and how much your family will as well. If you don't know how much college costs (public, private, 4-year, community college) ask your school counselor. Discuss how much you should earn from summer jobs – research shows children with their own savings account are 6 times more likely to graduate from college.

### **3. Get good grades starting in 9th grade.**

Merit aid can save your family up to five figures in tuition! Learn about the requirements for receiving merit aid at different schools. For example, many students in Georgia know that a 3.0 GPA in high school is worth \$16,000 over four years in college.

### **4. Look beyond fear, guilt, and snobbery and choose a college or university you can afford.**

Most CEOs and members of Congress did not attend the most highly selective schools and you certainly do not need to attend a school like that to be successful or happy. Choose a college or university that fits your budget.

**5. Research the salaries in your intended field.** To learn about the earnings of college graduates, look at any school's College Scorecard and search "Salary After Completing by Field of Study." This is an excellent starting point if your family will need to borrow money and these salaries are low.

### **6. Choose a school where you are more likely to graduate.**

The most expensive path is to take ten years to graduate or drop out. So, look on any school's College Scorecard to find its retention and persistence rate – what percent of students graduate from that school. You can also find the percentage of students who returned after their first year. Also, be clear about why you want to go college and work with your high school counselor to choose the right place. If you want to major in engineering and

your college doesn't offer this, that's an expensive mistake.

### **7. Enroll in an honors program.**

A few hundred colleges and universities provide honors options for students who could have otherwise gone to a highly selective (and pricier) institution. Do your research to determine exactly what they offer honors students, and this could be a less expensive option.

**8. Attend community college the first two years.** Attending a community college for two years before transferring to a 4-year institution can save you at least \$40,000, but you need to do this carefully because many students do not successfully make this transition. Speak to a community college adviser and a transfer admissions representative at a four-year school to better understand what is required.

### **9. Take a Gap Year and save up.**

By working full time for a year and living at home to save money, you could earn more than \$20,000. This also gives your family one more year to save.

### **10. Join the military or enroll in ROTC.**

Joining the military is a proposition with potentially serious consequences. However, for those who want to use military service as a way to pay for college, it can cover the entire cost. Not just the tuition, but books, and room and board, too. Plus, you earn a salary while there that can go toward your savings.

### **11. Appeal your financial aid award.**

First make sure you understand the amount you have been offered in your financial aid letter and how much is left over for you to pay. Next, gather documents that show your financial situation has changed or you have a competing offer of aid from another school. Now work with your high school counselor to craft an email with the right tone and wording to appeal your award.

### **12. Approach loans responsibly.**

First, understand the 3 types of loans (direct, private, and parent loans). Keep the loan amounts reasonable so you won't have to pay back more than \$300/month. Get organized about tracking and repaying your debt.

