



Teresa S. Sampleton, CFP®, CPA
Vice President
Sampleton Wealth Management

230 Park Ave. West
12th Floor
New York, NY 10169

(888) 336-6884

teresa.sampleton@SampletonWealth.com
www.sampletonwealth.com



Expensive, Popular or Affordable, Sensible School?

By Lynn O'Shaughnessy

Which would really give the best value and experience? These eight steps will help you make a far better-informed choice, based not just on how sexy a school is, but genuinely differentiating facts.

For most families, money is an issue. Forget the idea that the school with the biggest brand name should determine where a child should enroll. It's the story of the state school versus an Ivy League institution.

Too many people today think the most prestigious schools are necessary, even if you have to pay \$300,000 for a single bachelor's degree. Instead, here are some steps you can go through to make a smart college choice—a good education that won't break the bank.

STEP 1: BE SKEPTICAL OF RANKINGS

Families tend to lean heavily on the *U.S. News & World Report* rankings to make the final determination. Simply picking the school with the highest ranking, however, is not smart and can lead to overpaying.

Look up an older article from the *New Yorker*, “The Order of Things,” the best story that I’ve seen on college rankings and why they are flawed.

STEP 2: GOOD FIT IS KEY

When exploring the realities of college rankings, I would also look at a Stanford study called, “A Fit Over Rankings: Why College Engagement Matters More Than Selectivity.” It concludes that the success that students experience in college is largely based on what they do at whatever school they end up at.

STEP 3: FOCUS ON THE DEPARTMENT

Parents need to understand that schools are not monolithic. A school isn’t uniformly great or average or mediocre. There will be tremendous differences in quality among academic departments.

Students should research academic department(s) that interest them the most. It might be that the communication major at the cheaper school would be a much better academic experience. The student shouldn’t just guess.

STEP 4: CONSIDER CAREER PROSPECTS

Parents and teenagers increasingly want to know about career success and Educate to Career, a nonprofit website, is a phenomenal source for this information.

You can type in the name of any college and pick a major and see what the average beginning salary is for that major at that school along with the most common occupations. This is not self-reported figures—it comes primarily from government sources that data scientists have teased out.

Using ETC’s tool, I compared Colorado State and University of Colorado’s salary figures for a communication major. The results are quite similar—a communication graduate from the University of Colorado earns an average of \$1,700 more.

Is that worth paying a premium for this school? That’s something that your family should discuss.

STEP 5: CONSIDER GRADUATION RATE

In evaluating finalists, a school’s graduation rate is also important. It is important for the family to determine how a student can get out in four years at each school. The grad rates for individual colleges at College Results Online are the most updated.

STEP 6: ESTIMATE GRADUATION SUCCESS

It is also critically important to make sure that students will be able to actually graduate in their major. I love the free tool that Educate to Career offers, which predicts success in a major based heavily on GPA. (Keep in mind that the site measures success with five-year graduation rates.)

STEP 7: RETHINK THE ELITE SCHOOLS

The notion that the nation’s most elite schools are the only gatekeepers of a successful and prosperous career is stubborn despite plenty of evidence that this is absolutely wrong. Read “Does It Matter Where You Go to College?” from *The Atlantic* to learn more.

STEP 8: EXPLORE PRICE CAREFULLY

Ideally, you used the net price calculator before your child applied. With that information, you need to have a serious conversation about whether you can afford the price and if it’s worth the cost.

A quick way to look at sticker prices is at CollegeBoard.com. For out-of-state students looking at public universities, it’s critical to look at the nonresident price.

Not all net price calculators are accurate, especially those from state schools, so it’s important to be cognizant of sticker prices. You can access that quickly by heading to CollegeBoard.com and pulling up a school’s profile. Click on the school’s “Paying” link.

Using the same two Colorado schools, we see that the price difference is \$10,008 for one year and over \$40,000 for four years, which is a significant chunk of change.

BOTTOM LINE

Your family will be in a better position to make the right choice if you truly do your homework and don't rely on emotions or the lure of name-brand schools.

Lynn O'Shaughnessy is a nationally recognized college expert, higher education journalist, consultant, and speaker.

Advisory Services offered through Sampleton Wealth Management LLC, a Registered Investment Advisor. Advisory Services offered through Sampleton Wealth Management LLC, a Registered Investment Advisor. Advisory Services offered through Sampleton Wealth Management LLC, a Registered Investment Advisor. Advisory Services offered through Sampleton Wealth Management LLC, a Registered Investment Advisor. Advisory Services offered through Sampleton Wealth Management LLC, a Registered Investment Advisor.