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How Can We Afford College? **5 Tips to Figure It Out**

By Lynn O'Shaughnessy

Finding and funding the right school at the right price for your kids can be challenging. You can get a better idea of how much any given school will really cost by accessing the resources outlined in these valuable steps.

One common question parents have when their child is approaching the end of high school is:

How can we afford college?

Here are a few key tips to consider when thinking about your child's college costs.

1. USE A NET PRICE CALCULATOR

An excellent way to cut the cost of college is for your children to apply to colleges that will give them generous scholarships. Traditionally, parents have not been able to predict what any college was going to cost until their children received their financial aid or merit award package.

Applying to colleges doesn't have to be a financial crapshoot, though, if you use federally mandated net price calculators before allowing your teenagers to apply anywhere.

Each school's net price calculator provides you with a personalized estimate of what that particular school will cost your family. Through using this tool, some families will discover that a \$50,000 tuition may be greatly discounted, while for other families the cost really will be \$50,000.

Googling "Net price calculator" and the name of the school is a good way to find each school's calculator, in addition to looking for it on a college's website. Just be careful—not all net price calculators are created equal. The more information a net price calculator asks of parents, the more accurate its estimate will be.

2. UNDERSTAND WHO GETS SCHOLARSHIPS

Roughly two-thirds of students who attend either state or private colleges and universities capture a price break. At private schools, a stunning 89% of students receive institutional grants and scholarships. The average tuition discount at these schools is 54%!

These statistics, which come from the annual pricing survey of the National Association of College and University Business Officers, clearly show that it's not "A" students who receive scholarships. The key is knowing how to find this money!

For affluent students, the most highly rated and popular research universities are the least likely to provide scholarships. In fact, master's level universities and colleges are the most likely to provide most applicants with scholarships.

3. DON'T LOOK IN THE WRONG PLACE FOR SCHOLARSHIPS

The smallest source of college money (about 6%) comes from private scholarships that nonprofits, workplaces, and other outside groups award. Unfortunately, it's in this arena that many families focus their efforts, and the result is usually a small award or none at all.

If teenagers want to look for private scholarships, the best source of this money is usually local scholarships.

Less competition exists for these awards and they typically are not found in the big scholarship databases like Scholarships.com and Fastweb.com.

The high school guidance office is a great place to inquire about these local awards, as well as the websites of local colleges—even if you don't plan on applying to them, they can give you leads on some great local scholarships. Advertisements in a local newspaper are another way to home in on these sources.

4. CHECK THE STINGINESS FACTOR

You can evaluate whether a school is stingy or generous by checking the institution's statistics on financial aid and merit aid on the College Board's website.

Here's how to do this:

1. Type the name of a school into the search box on the College Board's home page.
2. Click on the school's "Paying" tab in the left-hand column. This will bring you to a page with the school's cost of attendance.
3. Click next on the school's "Financial Aid by the Numbers" link. On this page, check out these important figures:
 - Average non-need based aid (otherwise known as merit scholarships).
 - Average need-based aid package.
 - Percentage of financial need the school typically meets.
 - Percentage of students who have their full financial need met.

5. CHECK GRADUATION RATES

A guaranteed way to cut the cost of college is to graduate in the traditional four years. But as you can see from the following federal statistics, most students take longer than four years to graduate.

Four-year graduation rates

- Public colleges and universities: 33.3%
- Private colleges and universities: 52.8%

You can look at the four- and six-year grad rates of any school by visiting College Completion, which is a micro site of the *Chronicle of Higher Education*.

When researching schools, families should explore who is graduating in four years and who isn't. You need to find out what it takes at a particular college to graduate on time.

These resources can help you get a more well-rounded picture of what a college will cost, direct your kids toward the most affordable options, and determine how to meet that tuition obligation more easily. As Ben Franklin said, "An investment in knowledge pays the best interest!"

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

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