



Reducing College Costs

Advice for Parents of High School Students

Steve Shapiro, CPA (inactive)



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Since you've made time to be here, you're probably ..

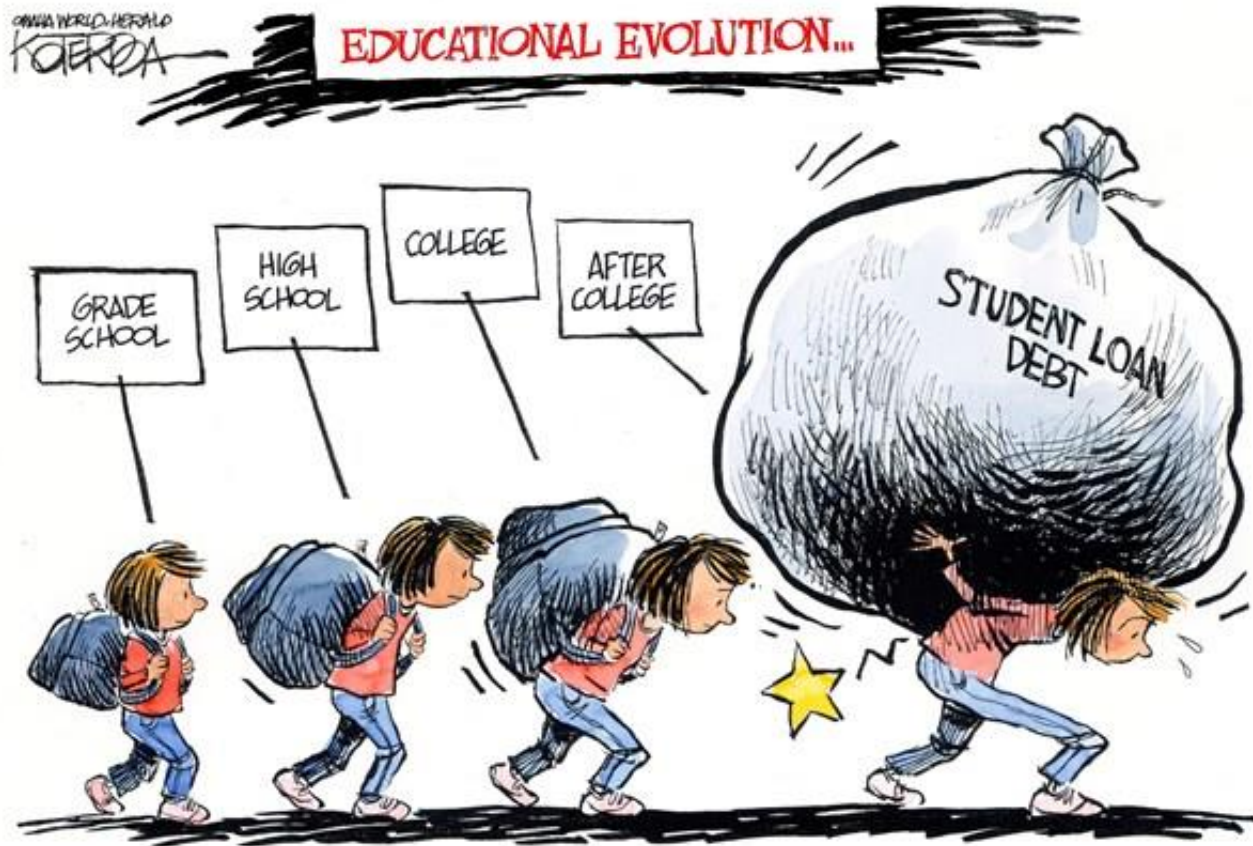
- Concerned about college costs
- Hoping to be better prepared
- A bit confused, not sure where to start

2 Keys To Reducing College Costs

- Plan Ahead
- Learn The Rules and How The System Works



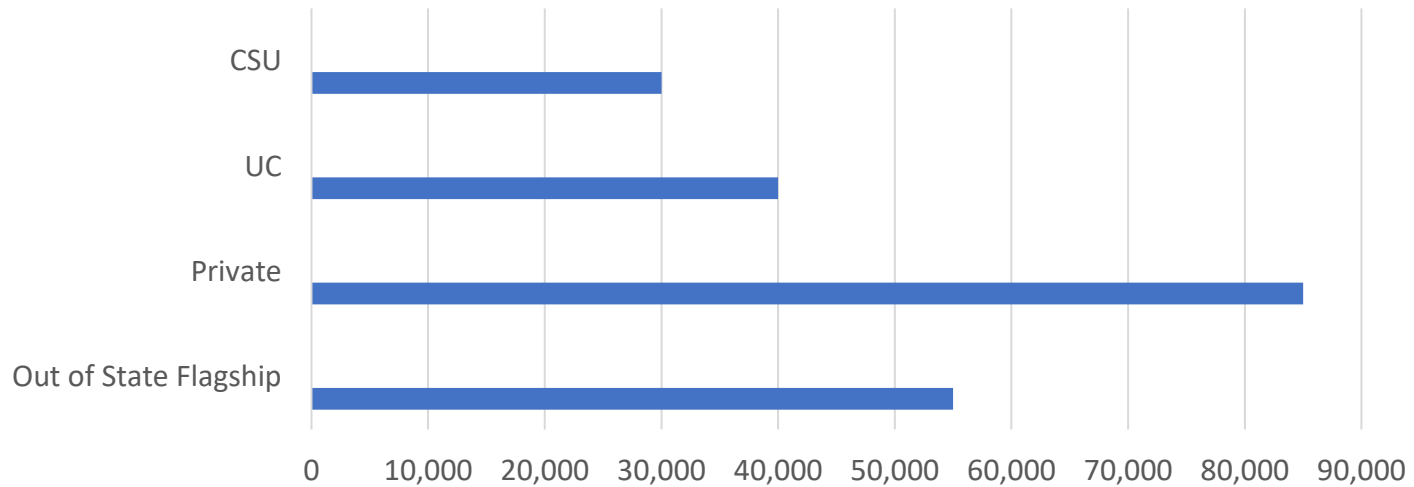
Why Is It So Important To Plan Ahead?





College Costs 2023-24

Sticker Prices – Total Costs



Financial Aid Basics



What is financial aid?

- Grants (normally need based)
- Scholarships (normally merit based)
- **Loans**
- Work Study



Basis upon which financial aid is awarded

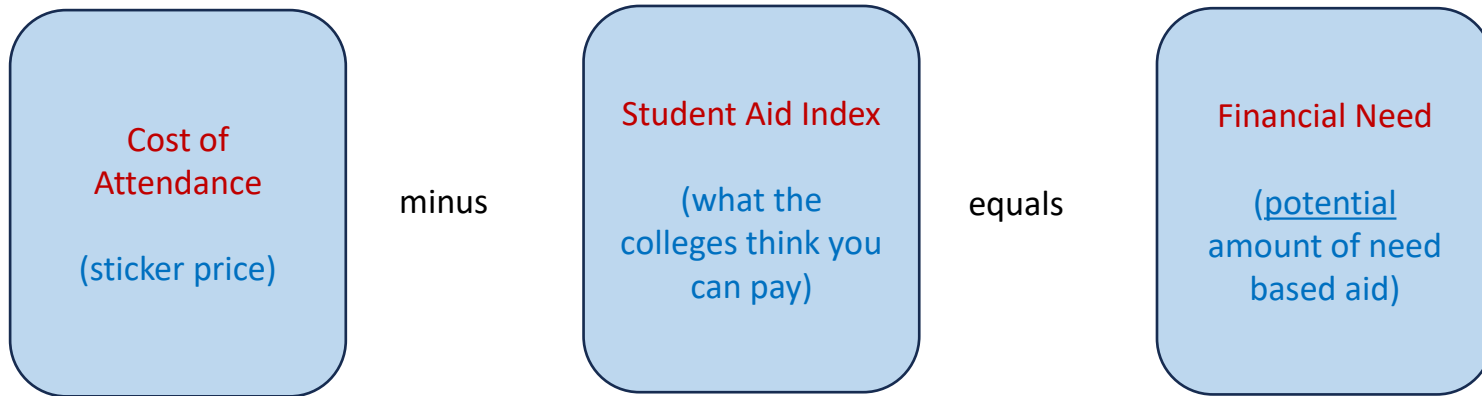
- Need-Based Aid
- Merit Aid/Tuition Discounts

- It's important to know where you stand



Financial Aid Formula

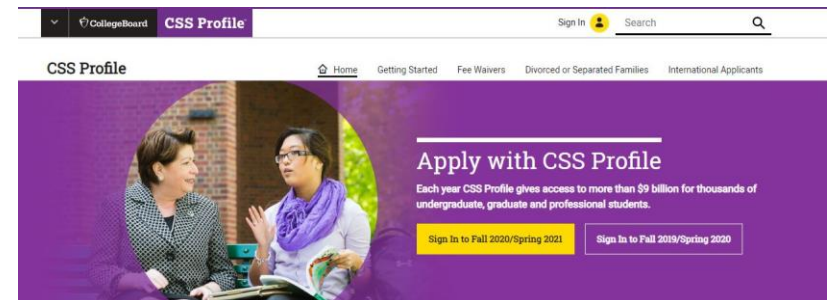
Will Your Child Qualify For Need-Based Aid?



How is the SAI determined?

- **Parent & Student Income**
 - Form 1040, 2 years prior to high school graduation
- **Parent & Student Assets** (at date of FAFSA filing)
- Income & Assets are reported on FAFSA and, when appropriate, the CSS Profile. Note: CSS Profile is more detailed and invasive than FAFSA!

IMPORTANT: Fall 2023 : FAFSA for the 2024-25 school year will be delayed until December, 2023. (it's normally October). CSS Profile should be filed **in October**, its normal timeframe.



FAFSA Update Presentation

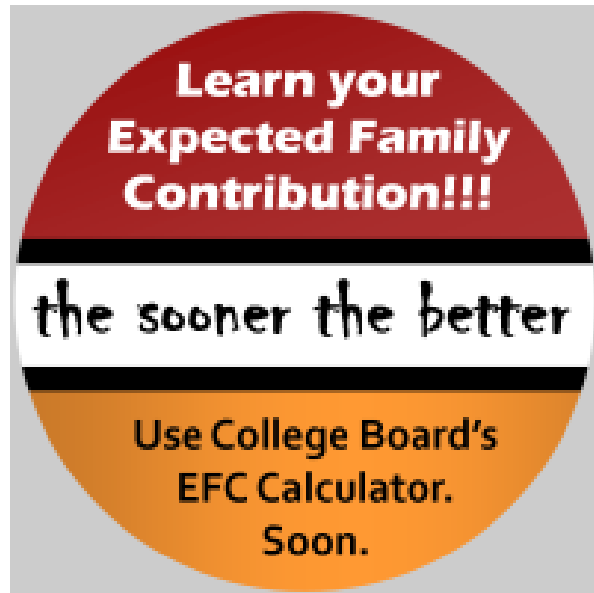
Saturday, Nov 18th at 10:30am
Felton Branch – SC Public Library

We'll cover all major changes, including rules for:

- Divorced Parents
- Multiple Student Discount
- 401k Deferrals
- Child Support
- Small Business Owners
- Grandparent Support
- Automatic transfer of tax data from IRS website



To determine your SAI
Search: [Big Future EFC Calculator](#)
or [Federal Student Aid Estimator](#)



Merit Aid



- What is it?
- Colleges don't want empty seats
- Colleges want diversity
- To whom is it awarded?
 - Private Colleges & Universities use merit aid to attract the students they want and build the class they want *

* The college acceptance process is not a meritocracy. The most qualified students aren't always the ones admitted or receiving big merit aid packages. **Much of the outcome is beyond the student's control.**

Merit aid effectively reduces the cost of college.
The average tuition discount in the US today is around 50%!

Strategies That Work



Financial Aid Strategies To Reduce College Costs

Understand Financial Aid
Positioning to increase your odds
of reducing college costs

Qualify for need based aid?
Reduce SAI if possible, by
managing income & assets.

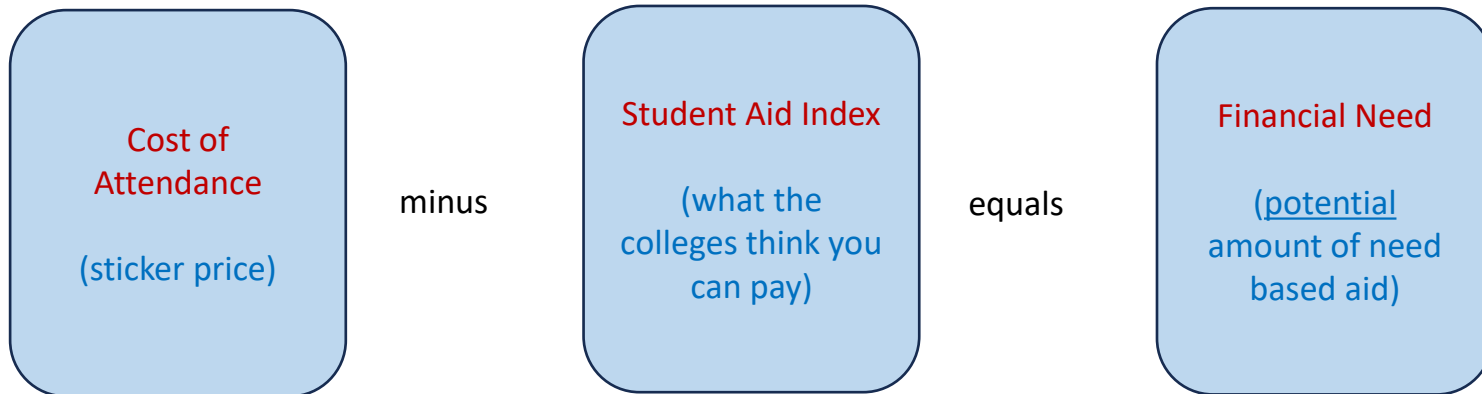
Choose colleges that are more
generous with need-based aid.

Won't Qualify for need based aid?
Focus on private colleges that
award merit aid. And, focus on tax
& other strategies.

Divorced? Choose FAFSA parent
carefully – it can make a huge
difference to need based aid.
New Rule This Year



Examples: Low SAI and High SAI



Application Strategies To Reduce College Costs

- Research and know the approximate **net cost** before applying
- To maximize merit aid potential ... student should be in the top portion of the applicant pool (GPA & Test Scores)
- Apply to a variety of colleges and to private colleges that will be more likely to have empty seats, as they're often more generous with merit aid. (These are often smaller, not highly selective or ranked and off the beaten path)

- If a requirement is optional, submit it if beneficial
- Check out colleges in the Western Undergraduate Exchange (WUE)
- Community College or Commute

- Show **demonstrated interest** in colleges that consider it important
- Extracurricular Activities: Quality over Quantity

Our Main Take-Away Today ?

The key is taking action.



Parent Checklist

- Continue saving for college if able to do so
- Be an informed consumer. Don't leave the outcome to chance
- Get in the game – learn the rules & how the system works
- Calculate Your Child's Student Aid Index
- Estimate need, merit & net cost for each college
- Use Net Price Calculator for each college
- Choose colleges wisely – some more generous; some offer only need based aid
- Determine how much you can afford to pay for college
- Talk with your child about your budget. Set expectations.
Careful: "Apply where you want, we'll worry about the money later"
- **Get help if you need it.**

Grab your complimentary 30-minute strategy session and you'll leave with ...

- Your college or retirement questions answered
- **Tax & other strategies** – including **ways to deduct** a portion of college costs
- **Private scholarships**: The Good, The Bad, The Ugly
- Resources tailored to your situation

AND

- Less stress and anxiety (in most cases)

Knowledge is a good start but action produces results



Helping to make college more affordable

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