

# Reducing College Costs

## Advice for Parents of High School Students

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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

A man with a beard, wearing a light blue shirt, stands at the front of a room, pointing towards a whiteboard. He is addressing a group of people seated in the foreground. The room has wood-paneled walls and several whiteboards. The scene is dimly lit, with the focus on the presenter and the audience.

# What you can expect today

- Why It's Important To Plan : The Two Keys
- College Costs Today
- Financial Aid Basics
- Strategies To Reduce The College Price Tag
- Your Checklist

# Key #1: Plan Ahead – Don't Wing It





# Reducing College Costs

Key #2

Take Action  
& Learn The  
Rules





Getting into college is one thing ... paying for it is another.

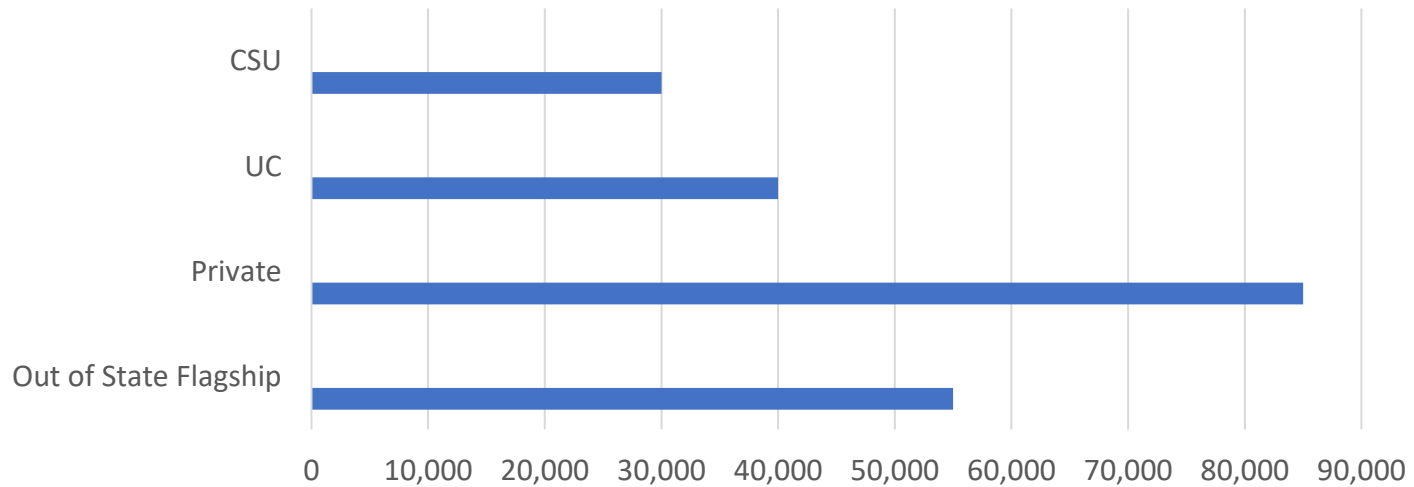
It's expensive-why don't more parents plan ahead?

- We don't realize it can make huge difference
- We don't have time – very busy lives
- We're counting on scholarships
- It's confusing and we don't know where to begin (so, we cross our fingers & hope for the best)



# 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



# Will your child qualify for need-based financial aid?

Here's the formula:

Cost of Attendance (CSU, UC, Private)  
- **Student Aid Index (SAI)\***  
= Financial Need

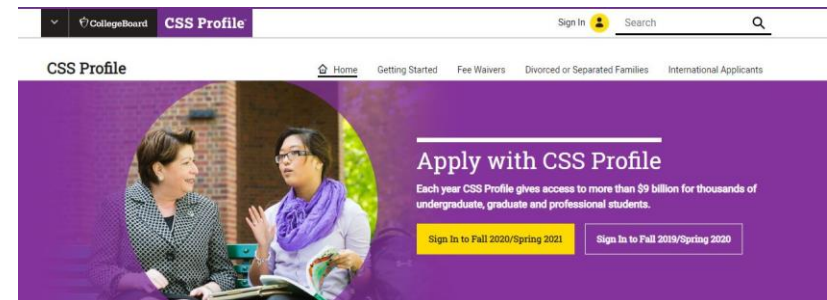
\* Previously called Expected Family Contribution (EFC)

# How is the SAI determined?

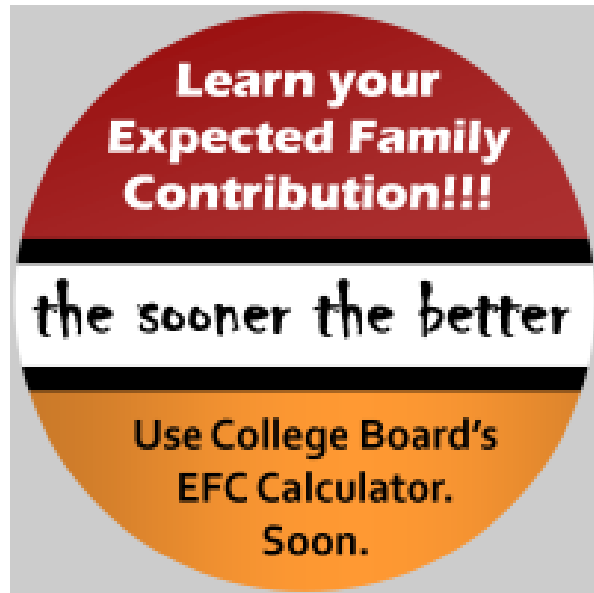
- **Parent & Student Income**
  - Form 1040, 2 years prior to high school graduation
- **Parent & Student Assets** (at date of FAFSA filing)
- Income & Assets are reported on FAFSA and, when appropriate, the CSS Profile. Note: CSS Profile is more detailed and invasive than FAFSA!

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

**Huge FAFSA changes this year.**



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



# Merit Aid



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

\* 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

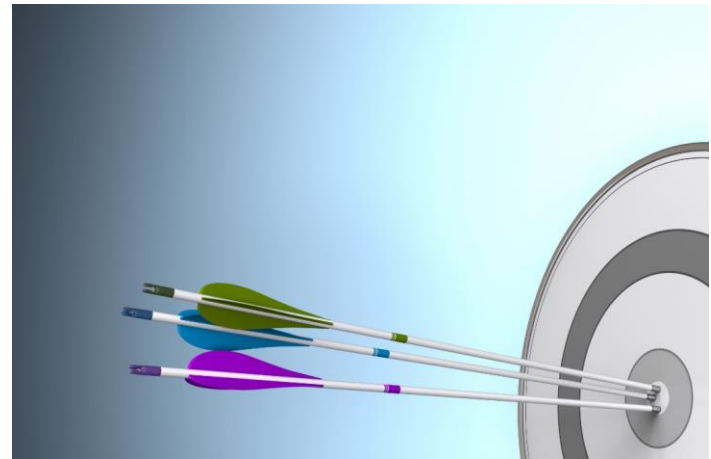
**Qualify** for need based aid?  
Reduce SAI if possible, by  
managing income & assets.

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.

**Divorced?** Choose FAFSA parent  
carefully – it can make a huge  
difference to need based aid.

\*New Rule This Year\*



# Low SAI

|                            | Public     | Private  |
|----------------------------|------------|----------|
| COA (sticker price)        | \$40,000   | \$85,000 |
| - SAI                      | 20,000     | 30,000   |
| = Need                     | 20,000     | \$55,000 |
| Estimated Net Cost Range * | \$20-\$25k | \$30-40k |

\*Some colleges are more generous with need-based aid than others

# High SAI – Buyer Beware\*

|                        | Public   | Private  |
|------------------------|----------|----------|
| COA (sticker price)    | \$40,000 | \$85,000 |
| - SAI                  | 100,000  | 115,000  |
| = Need                 | 0        | \$0      |
| <b>Likely Net Cost</b> | \$40,000 | \$85,000 |

\*If college offers only need-based aid, no merit aid

High SAI? Look for privates that award Merit Aid!

# Application Strategies To Reduce College Costs

- Research and know the approximate **net cost** before applying
- Know your budget & apply to schools that are likely to be affordable
- To maximize merit aid potential ... student should be in the top portion of the applicant pool
- Apply 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)
  
- Show **demonstrated interest** in colleges that consider it important







Our Main Take-Away Today ?

The key is taking action.



# \*Parent Checklist\*

- Continue saving for college if able to do so
- Become informed. Don't leave the outcome to chance
- Get in the game – learn the rules
- Calculate Your Child's Student Aid Index
- 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 45-minute strategy session and you'll leave with ...

- Your questions answered
- 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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