

Report: 4 Places to Save Money on College

There are four places that every family has an opportunity for saving money when preparing to pay for college: lower your expected family contribution; identify those schools with the most generous track records; utilize smart money management skills; negotiate with the financial aid office.

Lower your expected family contribution (EFC): Your EFC is what the FAFSA form and CSS Profile determine through asking you everything you could possibly imagine about your family and your finances. EFC is the baseline upon which colleges determine how much monetary help you will qualify for. Lower your baseline, and you will save money. Many families, counselors, and financial advisors are under the impression that this is a static number. This impression is incorrect. Your EFC can be adjusted if you know the proper techniques to do so (refer to Chapter 8 of [STOP! Everything You Thought You Knew About Paying For College Is Wrong!](#)). Very often you can make changes of thousands of dollars every year.

Identify schools with generous track records: Colleges do not treat the financial aid process equally. There are many colleges across the country with very generous track records of giving out a lot of money. These schools are the best bargains in higher education. Likewise, there are many colleges across the country that frankly have lousy financial track records. These schools will expect you to pay through the nose. These track records are the defining criteria that determine whether you will pay \$7,000 per year to go to a \$35,000 price-tag school, or pay \$16,000 per year to go to a cheaper, state college. Find out more in Chapter 6 of [STOP!...](#) at www.RealCollegeSavings.com .

Utilize smart money management skills: This is a pretty nebulous topic. But we have seen many cases where by rearranging families' cash-flows and debt structures; we were able to eliminate their consumer debt, pay for their children's college, put them on a schedule to pay off their home early, and do it all for maybe only \$200 to \$300 more per month in their family budget. Believe it or not, sometimes we didn't need any more money at all from their family budget. Find out more in Chapter 10 of [STOP!...](#) at www.RealCollegeSavings.com .

Negotiate your award: The award letter sent to you most often is not set in stone. You do not have to accept an award offer outright. Now there are some colleges out there that will tell you take it or leave it, but these are in the minority. If you know how to speak the language of the financial aid office and know what sways them, you can make a significant impact on your financial aid award. Last year, our office had an 80% success rate of improving our clients' awards by at least \$500 per year in free money. See Chapter 7 of [STOP!...](#) for actual negotiation letters and techniques we use for our clients.