

# 26 Tips Paying Less for College

by Kalman A. Chany, author of *Paying for College Without Going Broke* (Penguin Random House/Princeton Review Books)

## Getting Financial Aid



Learn how financial aid works. The more and the sooner you know about how need-based aid eligibility is determined, the better you can take steps to maximize such eligibility.



Apply for financial aid no matter what your circumstances. Some merit-based aid can only be awarded if the applicant has submitted financial aid application forms.



Complete all the required aid applications. All students seeking aid must submit the FAFSA® (Free Application for Federal Student Aid); other forms may also be required. Check with each college to see what's required and when.



Don't rule out any school as too expensive. A generous aid award from a pricey private school can make it less costly than a public school with a lower sticker price.



Get the best scores you can on the SAT® or ACT®. They are used not only in decisions for admission but they can also impact financial aid. If your scores and other stats exceed the school's admission criteria, you are likely to get a better aid package than a marginal applicant.



Apply strategically to colleges. Your chances of getting aid will be better at schools that have generous financial aid budgets. (Check the *Colleges That Pay You Back* list and Financial Aid Ratings for schools and on PrincetonReview.com.)



Take advantage of education tax benefits. A dollar saved on taxes is worth the same as a dollar in scholarship aid. Look into Coverdells, 529 plans, education tax credits, and loan deductions.



Don't wait until the student is accepted to apply for financial aid. Do it when applying for admission.

## Scholarships and Grants



Get your best possible score on the PSAT: It is the National Merit Scholarship Qualifying Test™ and also used in the selection of students for other scholarships and recognition programs.



Look for scholarships locally. Find out if your employer offers scholarships or tuition assistance plans for employees or family members. Also look into scholarships from your community groups and high school, as well as your church, temple, or mosque.



Look for outside scholarships realistically: they account for less than five percent of aid awarded. Research them at PrincetonReview.com or other free sites. Steer clear of scholarship search firms that charge fees and "promise" scholarships.



Check eligibility and deadlines for grants and scholarships from your state. Some (but not all) states will allow you to use such funds out of state.

# Paying for College



Start saving early when the student is an infant. Too late? Start now. The more you save, the less you'll have to borrow.



Invest wisely. Considering a 529 plan? Compare your own state's plan which may have tax benefits with other states' programs. Get info at [SavingForCollege.com](http://SavingForCollege.com).



If you have to borrow, first pursue federal education loans (Direct or PLUS). Avoid private loans at all costs.



Never put tuition on a credit card. The debt is more expensive than ever given recent changes to interest rates and other fees some card issuers are now charging.



Try not to take money from a retirement account or 401(k) to pay for college. In addition to likely early distribution penalties and additional income taxes, the higher income will reduce your aid eligibility.

# Paying Less for College



Attend a community college for two years and transfer to a pricier school to complete the degree. Plan ahead: Be sure the college you plan to transfer to will accept the community college credits.



Look into "cooperative education" programs. Over 900 colleges allow students to combine college education with a job. It can take longer to complete a degree this way. But graduates generally owe less in student loans and have a better chance of getting hired.



Take as many AP<sup>®</sup> courses as possible and get high scores on AP exams. Many colleges award course credits for high AP scores. Some students have cut a year off their college tuition this way.



Earn college credit via "dual enrollment" programs available at some high schools. These allow students to take college level courses during their senior year.



Earn college credits by taking CLEP (College-Level Examination Program) exams. Depending on the college, a qualifying score on any of the thirty-three CLEP exams can earn students three to twelve college credits.



Stick to your college and your major. Changing colleges can result in lost credits. Aid may be limited/not available for transfer students at some schools. Changing majors can mean paying for extra courses to meet requirements.



Finish college in three years if possible. Take the maximum number of credits every semester, attend summer sessions, and earn credits via online courses. Some colleges offer three-year programs for high-achieving students.



Let Uncle Sam pay for your degree. ROTC (Reserve Officer Training Corps) programs available from U.S. Armed Forces branches (except the Coast Guard) offer merit-based scholarships up to full tuition via participating colleges in exchange for military service after you graduate.



Better yet: Attend a tuition-free college. Check out the nine institutions at [PrincetonReview.com](http://PrincetonReview.com).

Get started at [PrincetonReview.com](http://PrincetonReview.com) or call **800-2Review (800-273-8439)**.