

Planning For College

It's Never Too Early To Think About College

College may be a few years down the road for you, but it's never too early to start thinking about it. Where do you want to go, and how are you going to pay for it?

There are lots of scholarships and grants available to help students go to college, but you should have a back-up plan in case you don't receive any of these.

Do you have a college savings account? Can your parents afford to help you out with your tuition?

Government assistance

The federal government has loan and grant programs that may be able to help you. To apply, you must fill out the Free Application for Federal Student Aid (FAFSA) after Jan. 1 each year.

You should apply even if you don't think you are eligible for financial aid. Even if you don't qualify for federal grants, you may be eligible for work-study programs or scholarships. You may also need to file a FAFSA to qualify for federal low interest loans, such as the PLUS (Parent Loan for Undergraduate Students) loan that is available to any family regardless of income.

The amount of aid you receive depends on the cost of attending a particular college minus your expected family contribution (EFC). The key factors used to determine your EFC are your family's income and assets, your assets, and the number of children in college. Unusual circumstances such as a death, loss of job, or high medical bills also can affect the aid formula. In such cases, you should submit a letter directly to the school's financial aid office explaining the situation.

Tackle the paperwork

The deadlines vary from school to school, but the earlier you apply, the better. The U.S. Department of Education requires parents to complete the FAFSA in order to apply for federal aid, and all state student-aid agencies require this form as well. FAFSA forms are available from your high school or by calling 1-800-4 FED AID.

You may also complete the FAFSA online at www.fafsa.ed.gov. As its name implies, there is no charge for filing this form.

Within four weeks of completing the FAFSA, you should receive a Student Aid Report (SAR) in the mail. The SAR contains important information including your EFC. Read the form carefully to verify that all the information is correct.

In addition to the FAFSA, some private colleges require you to complete a second form called the CSS Financial Aid Profile. The CSS Profile is a more in-depth analysis of your financial need. In general, the CSS Profile asks for more detailed information than the FAFSA. It can be completed on paper or online.

Spending assets wisely

When your family's financial need is evaluated, your savings are given more weight than parental assets. That's why it makes sense to buy big-ticket college-related items, such as a computer, from your savings before filing the financial aid forms. Lower assets generally equal more aid.

Carefully evaluate offers

The financial information provided on the FAFSA and on other financial aid forms are sent to the colleges you indicated and processed by those schools where you've been accepted.

The school's financial aid officers will prepare an aid package, most likely a combination of scholarships, grants, work-study programs, and loans. In most cases, a description of the financial aid package is included with your acceptance letter.

Evaluate these financial aid packages carefully. Obviously, scholarships and grants that do not need to be repaid are preferable to loans. Your dream college may cost \$30,000 per year, and you may not want to take out \$25,000 in loans to attend school there. You'll want to closely review your budget to ensure that you make the best financial decision for your future.