



Financial Tips for Families of 11th Graders

- 1) Know that parent income has the biggest impact on determining aid. The first time this income matters is the calendar year from January 1 of your sophomore year to December 31 of your junior year. This will be the tax year you reference when you apply to college. Each subsequent year of college need-based aid will be determined by parent income in the following year.
- 2) You will be expected to pony up more of your assets in the student's name than those in the parents' name, so moving assets into the parents' names before December 31 of sophomore year could help you receive more college funding. This excludes 529 accounts in students' names, because you will be expected to use those dollars for college costs.
- 3) Complete a FAFSA 4caster in order to gain a realistic understanding of your Estimated Family Contribution (EFC). This is the amount you are likely to be asked to pay for college. Use this number in your budgeting and planning discussions as college draws nearer.
- 4) Begin to educate yourself on Cost of Attendance variables – some college publish tuition, room and board, and books, but not all include other necessary expenses such as transportation, computers, dependent care, or student fees. Be sure that as you research colleges, you are getting all of the cost estimates and can compare apples to apples.
- 5) Start the process of researching and applying for scholarships. These can include search engines or websites but also can include community organizations, parent employers, or local agencies.
- 6) Keep saving for college. Have conversations with your student about college cost and especially what you expect your student to contribute in terms of working.

- 7) Pay attention to tax savings on education expenses to relieve financial burden. Most families can receive at least \$2,500 back in a tax credit each year their child enrolls in college. This could affect your overall net cost of college in tax savings gains.
- 8) In divorced families, financial aid is based on the custodial parent. Some of the colleges, however, that require the CSS Profile get submitted in addition to the FAFSA will consider both parents. Begin conversations with other parents or family members about college contributions so that your student has a good idea of what you can afford when making a college list.
- 9) Dig deeper into Net Price Calculators. While every college must have a Net Price Calculator, their outputs tend to be most accurate for high and low income families, and some calculators are more accurate than others. Colleges' financial aid strategies are far more variable "in the middle." This makes applying to more colleges for these middle income families favorable, because that strategy will give you the chance to do more comparison shopping.
- 10) It's also critical that you fully understand different types of financial aid awards and different living expenses while in college. It is a lot more expensive to attend college in a big city on the coast than a small inland town. And travel costs to/from different campuses can vary dramatically. Here are some possibilities: student loans, parent loans, living on-campus vs. off-campus, work study funding or self-funding by working in summers or school term, merit or athletic scholarships.
- 11) Most importantly, begin to craft a college list with at least one college you can afford without scholarships. Colleges are not required to provide financial assistance to students, so you should be prepared to foot the bill using personal funds and loans.