

## **Tip for Funding a College Education**

If you are a parent wondering how you will pay for college and eventually retire, you are not alone. The College Board lists the average cost of a public university as \$12,800 for in state tuition, room and board. Add another \$6,400 for out of state tuition. Private universities average \$26,700. Multiply by four years and by the number of children and you have a reason to be concerned. You need to learn the rules of college funding and the sources of the funds.

The financial aid process varies by school and some are interested in the contribution to be provided by grandparents. As a grandparent my first question to the college is, "How does your endowment fund compare to my retirement fund?"

If the financial aid process determines that you are "wealthy" or the family contribution falls into the "you've got to be kidding me" or some similar category, there is a ray of hope. The college brochure price is a "sticker price." Tuition discounts are offered but they require research.

There are funding sources from public and private colleges that are not restricted based on financial needs. Public schools have the ability to offer in state tuition for students who meet specific requirements and private universities have endowment funds which are often allocated on a first come, first served basis.

The preferential packages are often reserved for those who are the top 25% of the applicants. Find the schools where your child is in the top 25% of the applicants and let your children know that it is competitive world out there. My older daughter qualified for a discount at an out of state public university. She was in the top 25% of the applicants, gave the university additional geographic diversity and she majored in a field dominated by men. The cost savings and the heartache of being so far from home were substantial. The discounts are out there but they have to be researched and your child is the one who has to make the final decision.

Loan programs are also available to both student and parents. Parents, be advised that you can borrow to help with educational funding but you cannot borrow to fund retirement. Children can borrow to help pay for their future but keep in mind that graduates with massive debt often return to the nest.

Private scholarships are available. The best approach is to research past winners. You can find who won the scholarship and contact them. Finding people in the digital-age is incredibly easy. It does require work as in work-study. Work-study programs are another source of funding but that can interfere with party-time. If you are concerned about party-time, read Larry Winget's book, "It's Called Work for a Reason." and share it with the college bound student. If they can't follow Larry's philosophy, they aren't going to make it.

Rather than falling in love with a single college or university you want to find various schools that meet the student's needs in terms academic programs, student population and location. Imagine falling in love with a specific automobile and telling the sales manager you have to have it. That is not the best negotiating position.

Learn about the process. Visit [Octameron.Com](http://Octameron.Com). The company was started years ago when a retired Army officer was faced with tuition bills and no understanding of the financial aid system. Einstein said it the best, "If we knew what we were doing, it wouldn't be called research." Take the time to do the research and get a copy of "Financial Aid Officers – What They Do To You and For You." It is inexpensive and can be found through Octameron's website. You will be glad you did.