

Tips for College Financial Planning

Studies clearly demonstrate a positive correlation between the level of schooling or training that one acquires and his or her earning power. According to a 2004 Department of Labor study, over one's adult working life, a person with a college degree stands to earn 64 percent more than a person with a high school diploma. Parents should strongly encourage their kids to pursue as much schooling as possible.

However, the College Board confirms that costs for higher education keep rising. From 2004 to 2005, costs rose an estimated 6.5 percent. Tuition at the University of Louisville for example rose approximately 7% over that same period. The National Center for Public Policy and Higher Education recently stated that the vast majority of all states in the country deserved F's in college affordability.

Families are compelled to view escalating college costs as an investment in the student's future, and strategic financial planning becomes an absolute necessity for the vast majority of families today.

Chuck Moore, CCPS, CCFC, and the State Director of the National Association of Professional College Advisors, a non-profit organization (www.educationalliteracy.com), recommends strategic financial planning for college. On October 24th Moore will be a part of a panel of experts at Jewish Family & Vocational Service's annual ***Surviving the Middle School Years: Looking to High School, College, & Beyond*** (www@jfv.com).

Moore strongly urges parents to start as early as possible in preparing to pay for their child's education. Moore further points out that most families are paying more for a college education than they have to, because they do not understand what is available to them and how to use what they have available. Most middle-income parents do not realize they can educate their student the first two years of college FREE of cost and make a PROFIT at the same time in the state of Kentucky. Not knowing what to do and how to do it cause families to spend more for college than is necessary. Also, saving for college the wrong way could cause many families to forfeit as much as \$9,300 over a five year period.

JFVS' experience clearly indicates that various strategies can help strengthen prospects for financial assistance. Here are just a few additional tips:

- **Academic Performance and Competitive Attraction:** Apply to colleges that place the student in the top quartile of the school's student body. Also, apply to several schools inasmuch as studies suggest that students accepted at several schools gain significantly more grants than similarly qualified students who get into just one college.
- **Special Talent:** Students with special talents typically gain stronger consideration for financial assistance. Talents can range from athletics to music to entrepreneurial prowess. JFVS' October 24th program will also highlight athletic factors as part of the college selection process.
- **Diversity:** To enhance the school's cultural landscape and create a diverse student body, most colleges seek applicants from distinctive ethnic or racial backgrounds. Schools also like to attract students that are geographical outliers.

Financial assistance is generally available from national, local, and college-specific sources. A couple of programs in Kentucky that families should keep in mind are:

- Kentucky's Affordable Prepaid Tuition (KAPT) program (www.getkapt.com).
- The Kentucky Educational Excellence Scholarship (KEES) program (www.kheaa.com/prog_keeshome.html).

Financial planning can be a complicated and stressful process. However, professional consultants like JFVS and Chuck Moore are available to assist. Once again, advance planning is the key.

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