COLLEGE SECRETS

How to Save Money, Cut College Costs and Graduate Debt Free

Lynnette Khalfani Cox
New York Times Bestselling Author of *Zero Debt*

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Summary: "College Secrets" and its companion book, "College Secrets for Teens", reveal the true costs of earning a college degree, including hidden higher-education expenses. The author then provides hundreds of money-saving ideas to help students and parents reduce or eliminate these expenses, such as tuition costs, room and board expenses, activity fees, books and supplies, lifestyle costs, school surcharges and more. "College Secrets" also offers advice on obtaining scholarships, financial aid and student loans.--Publisher.

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To my three amazing children,
Aziza, Jakada and Alexis.
You are the inspiration for all that I do.
I pray that college will inspire each of you
to reach your full potential.

To my incredibly wonderful husband, Earl.
You make my life so much better and so full of joy.
I pray that we'll stay as happy as we are today -- even
after paying for college.

Other books by Lynnette Khalfani Cox

College Secrets for Teens: Money-Saving Ideas for the Pre-College Years

Zero Debt: The Ultimate Guide to Financial Freedom

Zero Debt for College Grads: From Student Loans to Financial Freedom

Perfect Credit: 7 Steps to a Great Credit Rating

Your First Home: The Smart Way to Get It and Keep It

The Money Coach's Guide to Your First Million

Investing Success: How to Conquer 30 Costly Mistakes & Multiply Your Wealth!

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Garage Sale Riches: The Millionaire Kids Club (Book 1)

Putting the 'Do' in Donate: The Millionaire Kids Club (Book 2)

Home Sweet Home: The Millionaire Kids Club (Book 3)

Penny Power: The Millionaire Kids Club (Book 4)

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Introduction

Paying for college is a major challenge today — especially for students who don't want hefty college loans, and parents who don't want to sacrifice their retirement.

Unfortunately, the cost of a college education in the United States has skyrocketed to ridiculous levels. Over the past decade, higher education expenses have risen about 8% a year nationwide, driving the average price for a *public*, four-year college or university to its current cost of roughly $20,000 a year, including tuition, fees, room and board. The total average cost of a *private*, four-year institution now exceeds $40,000 annually, according to the data from the College Board.

At top colleges in America — including Ivy League schools, other elite, private institutions, and many excellent state schools that attract out-of-state students — it's common for total costs to hit the $50,000 to $60,000 range or more *per year*.

Not surprisingly, runaway college costs are taking a huge financial toll on families and sending scores of individuals into debt.

According to The Project on Student Debt, an initiative of The Institute for College Access & Success (TICAS), seven out of 10 college graduates in the U.S. now leave school with student loans averaging $29,400 per borrower. Mark Kantrowitz, a nationally recognized college expert who has crunched the very latest data available, says that borrowers who graduated in the Class of 2014 averaged $33,000 in student loans.

Cumulative college debt in America is also enormous, having tripled between 2004 and 2014, Federal Reserve data show. The total amount of student loans owed in the U.S. now exceeds ***$1.2 trillion,*** a mind-boggling amount of money.

And guess who's on the hook for most of those student loans?

If you think it's the 18-to-25-year-old crowd, or recent college grads, think again. Two-thirds of those who owe student loans are people age 30 *and older*.

A lot of these individuals graduated or left school a decade or more ago and are *still* repaying their college loans. Others returned to school mid-career and financed their degrees with student loans. And many borrowers weren't even students at all: they were *parents* who co-signed for their children's educational loans.

* * *

Our country's staggering $1.2 trillion in college debt is bad enough. But what is most troubling about these loans is that they are clearly unaffordable for millions of college grads and their parents.

Government statistics indicate that among borrowers in repayment, more than 30% are now 90 days or more delinquent on their student loans. Again, among those with past-due student loans, 67% of borrowers are age 30 *and older*.

This data doesn't even begin to account for parents who run up credit card debt, mortgage their homes, drain their retirement assets or take other drastic financial steps to pay for their kids' college expenses.

How has it come to this? And more importantly: how can you or your family avoid becoming a sad statistic in the quest for a college education?

Learning What No One Ever Taught You

By picking up this copy of *College Secrets*, you've taken a big step toward ensuring that college costs don't put you in the poorhouse.

College Secrets will provide you with an array of insights, hidden resources, little- known cost-cutting methods, and money-saving strategies that no one ever tells students and their parents — at least not in the comprehensive and step-by-step fashion that you'll find in this book.

I promise you this: by the time you finish reading *College Secrets*, you'll be armed with all the tools you need to successfully plan and pay for college — all without going broke.

The sad truth is that core financial literacy skills are not widely taught in America. There is no system in place to educate us about how to manage money. So is it any wonder that most people in this country are at a loss for how to best pay for big-ticket expenses like a college degree?

In fact, you could have already earned an MBA from one of the top colleges in the country, but chances are you never learned about something as basic and crucial as how to effectively pay for your (or your kid's) college education.

College Secrets will fix that problem. I guarantee it.

College Secrets is about to save you and your family a ton of money — anywhere from $5,000 to $50,000 *per year*.

I can make such a bold claim with confidence because I know the biggest college secret of all.

And here it is: For every college expense you'll encounter — and I mean *every single one* — there are multiple strategies to reduce or even eliminate your out-of-pocket costs. You just have to explore your options, use a little creativity, and resist the urge to simply whip out your checkbook or credit card every time you're asked.

Let me put this another way:

College Secret:

You can save a total of $20,000 to $200,000 during a four-year education just by being a smarter consumer.

* * *

Since you've taken the time to read this far, I assume that you likely fall into one of the following categories:

- You are a parent/guardian or relative of a college student or college-bound teen
- You are a high school student preparing for college
- You are a current college undergraduate
- You are a graduate student
- You are an adult considering returning to school
- You are a professional, such as a guidance counselor, financial aid officer, or a financial advisor and you want to help others make sound decisions

This book will help all of you — and allow you to share what you learn with others who are confronting the college financing dilemma.

The Importance of Financial Planning

Now I have to say a special word to parents/guardians and students:

I can't stress enough how important financial strategizing to lower college costs really is. That's what *College Secrets* is all about.

Too often, families don't get around to thinking about college costs until a son or daughter is well into high school, or even already in college. Some parents and their offspring only start to seriously consider higher education expenses once a college admissions package arrives that spells out what the school costs, as well as what college officials expect the family to contribute.

Fortunately, if you're a late starter — and most people are — you can still effectively manage college costs.

But make no mistake: the earlier you get started the better. Otherwise, too much procrastination and a lack of financial planning will wreak havoc on your family's budget when it's time to pay for college.

How do I know this?

The Money Coach is in Your Corner

As the co-founder of a free financial advice site, AskTheMoneyCoach.com, and a former financial journalist, I've spent the past 20 years helping millions of individuals, couples, and families to better manage their finances.

People come to AskTheMoneyCoach.com to pose questions about a range of personal finance topics and about situations they're facing: everything from getting out of debt or increasing their credit rating to investing wisely or obtaining the proper insurance to protect their assets and their loved ones.

I enjoy my work as a money coach because it gives me a chance to share my financial tips and advice in three primary ways: through my writing, speaking engagements, and in the media.

Some of you may have previously seen me quoted in national magazines or newspapers, or read my advice in my own articles, blog posts, and previous books.

Some of you may have attended one of my financial seminars or money-management workshops.

Or perhaps you've heard me on the radio or seen me as a guest expert on TV. I've appeared on numerous television programs, such as *The Today Show*; talk shows like *Oprah*, *Dr. Phil, The Talk*, *The Steve Harvey Show*; and on various news shows on CNN, MSNBC, FOX, ABC, and more.

I'm telling you all this to assure you that even if you've never heard of me until now, you can be confident that I'm a skilled financial educator who has helped scores of people — including many individuals just like you.

* * *

So how did I learn about this money stuff? Partly via my education and professional background, and partly through trial and error, better known as the school of hard knocks.

Before launching my own financial advice site in 2003, I was employed for nearly a decade at the global news powerhouse, Dow Jones & Co. In that capacity, I covered Wall Street as a Dow Jones Newswires reporter, served as a personal finance columnist and editor, and also worked as a *Wall Street Journal* reporter for CNBC.

I frequently tell people that my time at Dow Jones was "financial boot camp." I researched companies, learned about stocks and bonds, and interviewed some of the best and brightest minds on Wall Street. By doing so, I came to understand what it takes to get ahead financially — and what people do to set themselves back.

Why do I mention my financial journalism background?

It's simple. I want you to know that I'm not going to merely share my own opinions, insights and experiences with you.

College Secrets is the product of an exhaustive amount of research, plus interviews with college and money-management experts, guidance and financial aid counselors, parents, students, admissions officers and others.

In fact, even though consumers nationwide call me "The Money Coach," I often call myself "The Research Queen." I say that because I believe no one can out-research me when I'm determined to learn about a subject, and subsequently teach the nitty-gritty of the topic to others.

Just to let you in on a little secret of mine: When I was first researching this book, my oldest daughter frequently called me "OCD Mom," suggesting I suffered from obsessive-compulsive disorder.

She probably wasn't too far off.

Like some of you, I've become slightly obsessed (OK, more than slightly obsessed!) with learning the ins and outs of college and how to pay for it without going bankrupt.

I must confess that my interest in this subject isn't just professional curiosity. I have a huge *personal* interest in college planning, because, in addition to being a Money Coach, *I'm a parent just like many of you.*

In fact, like many of you, I'm a mom who is currently *deep* in the throes of college planning for my own three kids.

When I started seriously researching this book, my oldest daughter was a high school sophomore.

As of this writing, in August 2014, she's just about to enter her senior year in high school and we are actively engaged in getting her ready to start college in the fall of 2015. I also have two more children who will later attend college as well. My son is currently about to enter ninth grade and my youngest daughter is going into third grade.

So believe me when I say, dear parents (and you students too!) that I know what you're going through. College planning is a topic very near to my heart, personally and professionally.

But honestly, it's not important to me personally solely because I'm a mom. I also wish I'd known better, and had done many things differently when I was an undergrad and graduate student.

If I'd known back then what I know now, I wouldn't have come out of graduate school with $40,000 in student loans that took years to pay off.

My Personal College Story

I grew up in Los Angeles, and only applied to three colleges as a high school senior: University of California, Berkeley; University of California, Irvine; and Yale.

I got into the first two schools and was wait-listed at Yale. What I recall most was waiting anxiously for those admission decisions to arrive. Like most teens back then, I wanted to see big, thick envelopes land in my mailbox — a sure-fire sign of acceptance. Thin envelopes, we all knew, likely meant rejection.

These days, the process is entirely different. Many colleges now notify applicants online — via websites or email — about their admissions status.

And that's just the tip of the iceberg.

Remember how we fretted about the SAT, the primary admission test most colleges used to assess prospective students? Well, it was completely revamped in 2005. The exam previously had just two sections and a maximum score of 1,600 points. It now has three sections (math, writing and critical reading) for a total of 2,400 points. But guess what? The exam is changing yet again — going back to the old 1,600 point scoring system starting in the spring of 2016.

There's even greater pressure — right or wrong — for kids to score well on the SAT, the ACT, and other standardized exams to help them gain admission into certain colleges.

Some tests, such as the PSAT or Preliminary SAT (also known as the National Merit Scholarship Qualifying Test), can even help net students anywhere from $2,500 to the "Holy Grail" of college financial aid: a free "full ride," with all expenses paid at various institutions.

Given the staggering price tag of higher education today, the chance to get a "full ride" is no doubt appealing to many people.

It certainly was to me more than 20 years ago. Yet I turned down a "full ride" from an excellent graduate school in my early 20s (a decision I now regard as unwise on many fronts).

Turning Down a Full-Ride: Bold or Bone-Headed?

When I earned my undergraduate degree in 1991 from the University of California, Irvine, the total cost of attendance, including tuition, fees, room and board, was about $6,000 per year. That cost has now grown five-fold.

For the 2014-2015 school year, UCI charged $31,668 a year for in-state students living on campus and a whopping $54,546 annually for out-of-state students. (Costs at UC Berkeley, UCLA and other UC campuses are roughly comparable).

But it wasn't really my time as an undergraduate that got me into college debt. It was primarily two years of graduate school at a private institution where I amassed big student loans.

Upon completing my undergrad studies, I was accepted at both of the schools to which I applied: Boston University and the University of Southern California. But the admission and financial aid processes varied greatly at each school.

From the very start, I felt like Boston University was courting me heavily.

Admissions officers corresponded frequently and warmly with me. The university accepted me right away in the regular decision cycle, leaving no doubt that they wanted me to attend what was then the only double-major program in the country offering a Master's degree in both Journalism and African-American studies. Then came the icing on the cake: BU wowed me with very generous economic support to make my educational dreams a reality. Its offer amounted to more than $25,000 annually in free financial aid — essentially a "full ride" to pursue my graduate studies.

In contrast, by the time USC finally admitted me, I remember thinking, *What took so long?!* Admissions officials made me sweat it out for such an extended period that I was almost certain I was going to be rejected. So by the time that acceptance letter came, I guess I was feeling somewhat relieved, perhaps even grateful — at least until I read USC's aid package.

Unlike Boston University, USC's financial aid package was loaded primarily with student loans. Essentially, the school seemed to be saying: "You can come if you want, but you'll have to somehow foot nearly all of the bill."

I didn't know it at the time, but USC's offer was part of the rise of so-called "financial aid leveraging," a strategy that is all the rage now, despite some controversy over the practice.

Colleges use financial aid leveraging to attract those students a college finds most desirable (translation: rich kids or very high-scoring applicants) while simultaneously marginalizing and weeding out less desirable candidates (translation: poor students or those with less than stellar academic records). Leveraging is often done by diverting need-based financial aid away from lower-income students and giving merit-based, institutional aid to wealthier or high-achieving students.

And as a result of financial aid leveraging, I was being "gapped": offered admission, but with a financial aid offer that left a huge "gap" between USC's cost of attendance and my ability to pay for that school. The only way possible for me to attend USC, campus officials knew, was for me to go into debt in order to pay for that education.

Regrettably, I was all too willing to take out student loans, even though I was flat broke.

In hindsight, I am amazed that no family or friends really pressed me when I announced I was foregoing the full-ride at Boston University and opting instead to stay in the state and attend USC.

Honestly, I made the decision largely for personal reasons. I had been dating a man in Southern California and wanted to continue to the relationship. And when Boston University suddenly announced it was discontinuing the double-major program that intrigued me, that change gave me a convenient excuse to remain in L.A. and attend USC.

About a year later, I did marry that man I was seeing. In light of that, some of you may think: 'Aha! It was worth it to stay in Los Angeles.' Well maybe, maybe not. We subsequently moved to the East Coast, were married for 13 years, and then divorced.

I share this whole experience not to engage in a bit of TMI (too much information). I'm trying to point out:

1. The capriciousness of young people, and how many adolescents base school selection decisions on a whole host of things that really have nothing to do with the colleges themselves; and
2. The range of experiences the same student might get from two or more colleges, depending upon the institution's priorities, and how much (or how little) a college or university wants a particular student

Obviously, Boston U really wanted me. For a host of reasons, I was a very good fit for that campus, resulting in the school making me an aggressive offer. With USC, however, I clearly was not as desirable an applicant. Sure, I had the goods to get in. But there's a big difference between a school granting a student admission and then declining to provide that student with reasonable funding to make attendance possible.

Some people call the practice a form of "admit-deny."

"Admit-deny is when you give someone a financial-aid package that is so rotten that you hope they get the message: 'Don't come,'" Mark Heffron, a senior vice-president at Noel-Levitz, a large college consulting company, told The Atlantic magazine. Unfortunately, "they don't always get the message," he added.

In Chapter 9, I'll tell you more about financial aid strategies that colleges use — and how you can avoid certain pitfalls in order to maximize free aid from an institution.

Knowing what I now know, if any of my children ever tried to do the same thing I did and pass up a "full ride" to a great school — mainly so they could date someone — I would *strongly* encourage them to seriously reconsider.

Perhaps my choice was somewhat easier a few decades ago since college costs had not yet exploded to today's sky-high levels. Saying "no" to a $20,000 to $25,000 "full ride" back in the early 1990s was one thing. Today, however, it's harder to justify giving up a "full ride," which can total $40,000 to $60,000 or more annually. Yet, students still turn down such offers all the time.

Looking back at my overall education, my graduate school alma mater, USC, was a wonderful place to learn, and I really am grateful for the Master of Arts degree I earned in Journalism in 1993. I only regret the price tag.

That's because USC was pricey back then and it's just as pricey now, with a total annual cost of $65,111 for freshmen entering in 2014-2015.

Even so, USC received a record number of first-year applications for the fall of 2014 — 51,700 applicants in all — and the admission office admitted an all-time low of just 17.8% of those students.

Part of the school's appeal is no doubt USC's good reputation. But one factor in all those applications is also a major technological innovation that has greatly impacted the higher education application and admissions process. That innovation is the advent of the online Common Application.

In a nutshell: today's students can now fill out an electronic Common Application and instantly apply to as many as 20 schools. And believe it or not, many students do just that. With so many students seeking admission to a variety of colleges and universities, that means dramatically increased competition — not just for admission, but also for financial aid.

A New York Times article forecast that the number of applications filed through the Common Application portal by the end of this decade could exceed 10 million — and the number of schools accepting it could grow to 1,000 or more.

Don't let those statistics scare you, though. While the main focus of *College Secrets* is to teach people how to get through college without breaking the bank, I'll also share key admission tips that can help you get accepted into the college of your choice.

Before and after you get into your "dream" school, it's my hope that you'll refer to *College Secrets*, again and again, to use the "insider" strategies I share. These tried-and-true recommendations will help you cut costs, maximize financial aid, and best position yourself to save a bundle on higher education expenses.

But first: a word about how this book is organized.

A Quick Overview of *College Secrets*

College Secrets is broken into three distinct parts.

Part I covers upfront college costs, namely tuition, fees, room and board, as well as books and supplies. These are the "major" expenses that are typically top-of-mind for students and their parents. But they are far from the only college-related expenses you'll encounter. In fact, as I'll explain to you in this book, while tuition charges grab headlines and drive parents crazy with worry, a school's published tuition price is largely irrelevant. I realize that seems like a ridiculous notion — especially since you're contemplating paying the bill. But just stay with me, and I'll soon explain what I mean.

Part II covers hidden costs, which tend to be the real budget killers in paying for college. They include a slew of expenses — most of which the average student or parent hasn't planned for and often can't afford. So the focus of Part II is to make sure you don't get any nasty financial surprises once you or your child commits to attending an institution of higher learning.

In the first two parts of *College Secrets*, I'll not only clue you in on which expenses you should anticipate, I'll also give you a heads-up about which costs you *don't* need to worry about, and savvy ways to bypass certain pricey college items and activities that may initially seem like "must-haves."

Best of all: For each and every expense outlined in Parts I and II, I'll share with you a host of ways to save money. This advice represents the heart of *College Secrets*.

Part III explores financial aid strategies, which are crucial to all individuals interested in reducing college costs. I'll begin by examining tools that will help you forecast higher education expenses and help you stretch your dollars to gear up for paying for college, regardless of whether college bills are years away — or due right now. This section answers the gamut of frequently asked questions about college financial aid. I'll explain the financial aid process in detail, including the low-down on the FAFSA (or Free Application for Federal Student Aid), getting scholarships and grants, and understanding work-study opportunities that reduce your out-of-pocket expenses. Part III also provides you with detailed advice on how to pick the best student loans, just in case borrowing for college becomes a necessity.

* * *

Picking student loans would be a moot point for many families if only students picked the right college in the first place. The "right" college is the one that is the "best fit" for a student — academically, personally and financially. So if you're reading this book because you're a teenager, or you're a parent or guardian who wants to help prepare a teen that has not yet enrolled in college, I strongly encourage you to pick up a copy of the companion book in this series, called *College Secrets for Teens: Money Saving Ideas for the Pre-College Years*. It describes in detail how to pick the best college possible — and how to get into your first-choice college or university as well.

In *College Secrets for Teens*, one of the key insights I also share with students and families is that college costs don't just begin once a person goes off to campus as a first-year student. In fact, you'll start shelling out significant money for higher education long before you or your kid ever receives a college acceptance letter.

So *College Secrets for Teens* covers pre-college expenses in great detail. It includes everything from what you can expect to pay while going on college visits, to how much you'll likely fork over for college admissions tests, exam prep and college applications. I walk you through pre-college and summer programs, and other pre-college activities that can help prepare you for college, but that typically cost money. And just like with this book, for each expense outlined in *College Secrets for Teens*, I'll share with you a host of ways to save money. I believe *College Secrets for Teens* is crucial for high school (and even middle school) students and their parents.

Whether you're a student with a younger sibling who has not yet entered college, or a parent planning ahead for a young child, you may want to read *College Secrets for Teens*, pass along the tips you learn, and then give that book to your younger family member. Trust me: you'll be doing him or her an enormous favor.

Throughout the *College Secrets* series, I'll share strategies and insights that cover special circumstances, in recognition that there are a slew of different scenarios confronting various readers. Some of you may come from low-income households, while others of you may be wealthier international students, transfer applicants, undocumented students or the first in your family to attend college.

Still others may want information based on their specific demographic traits, such as minority heritage, ethnicity, or even status as a foster or adopted child. Both books in the *College Secrets* series offer money-saving tips for individuals with all these special circumstances and more.

Ultimately, the *College Secrets* series will become your roadmap to financing a college education the proper way — with some sanity, knowledge and planning in the process, and without going broke or winding up deep in debt.

* * *

Unfortunately, most students — and their parents — tackle college planning the wrong way. They focus almost exclusively on trying to gain admission into a "dream school," and then they worry later about how to actually *pay* for college.

In my view, that's an ill-advised strategy and one that can put a family in the poorhouse. A better approach is to handle financial issues first and foremost as part of the process when selecting a college that's the best possible fit academically, personally, and financially.

But don't worry. I don't suggest that you pick a school based solely on tuition, or that you exclude certain colleges simply based on economics.

Rather, in the *College Secrets* series, I'll show you how mastering the financial aspect of college — *before* falling in love with a campus or even applying to a single school — is the most prudent way to help pick an institution that's the best possible fit.

My approach takes a multitude of factors into account — including financial factors you may not have considered. In this way, you make college financing an overall part of the college selection, application and admission processes. You do that by taking a realistic look at the true overall price of college, including pre-college expenses, upfront costs, and hidden costs, too.

The net result is that you (or your child) will find a terrific school. More importantly, that school will likewise want you — and the college will *prove* its interest by being supportive with grant aid, scholarships, and private or institutional funds that don't have to be repaid.

In other words, your financial aid package should invoke feelings that are closer to the sentiments I had after getting Boston University's offer, and not the feelings I had after receiving USC's offer.

I hope you're as excited to go on this journey, as I am to be your guide.

So if you're ready, let's get started!

PART I

UPFRONT COLLEGE COSTS

CHAPTER 1

Tuition and Fees

If you or one of your children has recently received a college acceptance letter, or if you're already a college student continuing your education, congratulations! Even if college is a couple years off, it's time to figure out how to pay a host of upfront college bills.

When you think about college costs, what's the very first thing that comes to mind? For most people, tuition and fees top the list.

Escalating tuitions grab headlines and often strikes fear into the hearts of students and parents who know they can't possibly foot such massive college bills alone.

But you need not lose sleep over exorbitant, scary-sounding tuition prices, because over the next two chapters, I'll tell you 24 ways to drastically cut tuition expenses and keep your budget intact.

The Truth About College Tuition

Before I reveal those strategies, however, it's important to first understand three key concepts about college tuition.

1. College tuition is largely irrelevant
2. College tuition is no indication of college quality
3. College tuition doesn't always go where you think

Let's begin with my first claim. Don't close the book and think I'm batty. Please keep reading and bear with me while I explain what I mean and why it's the God's honest truth.

What's Tuition Got to Do With It?

A lot of the fretting and handwringing by students and parents over tuition and fees is largely misplaced angst. In fact, one of the least understood secrets of paying for higher education is that in many ways college tuition is largely irrelevant.

I know this assertion may seem counterintuitive, perhaps even baffling or ridiculous. But for many reasons, it's an enormous mistake to focus on a college's published tuition price when you're trying to effectively manage total college costs.

For starters, according to the College Board's latest Trends in College Pricing report, tuition and fees account for only 39% of the total expenses paid by in-state college students enrolled in public four-year institutions. That means the remaining 61% of costs — a big majority — were actually *non-tuition* expenses. The biggest out-of-pocket cost for many students is actually living expenses. So if anything, that's the category of expenditures where students and parents need to be most concerned.

Evaluating colleges and higher education costs based mainly on tuition also leaves you vulnerable to the financial tricks that some colleges play. For example, to avoid student backlash over annual tuition hikes, some institutions may raise tuition prices only slightly or perhaps not at all. Meanwhile, those same campus officials are drastically boosting other costs. If you're not careful about such shenanigans, and you take your eyes off all *other* rising expenses, you'll wind up forking over a lot of unanticipated money — far more than the tuition hikes you so desperately feared.

Here's another practical reason that you shouldn't needlessly sweat over tuition prices. Relatively few students actually pay a college or university's published tuition price. On average, U.S. colleges discount their stated tuition rates by about 44%, the National Association of College and University Business Officers says. Colleges discount tuition by providing students with institutional funds — like grants and scholarships — that don't have to be repaid. Some institutions even routinely knock off 50% or so of the tuition bill.

"At private four-year schools, students are paying about half the sticker price," says Lucie Lapovsky, an economist and expert in higher education finance, who is also the former president of Mercy College.

From the standpoint of finding the best college fit, ruling out certain institutions just based on their stated tuition often leads to poor college decision-making. But scores of students do this all the time. In fact, a whopping 60% of students rule a school out based on price alone, data from Sallie Mae shows. One by-product of that knee-jerk reaction to price is that high achieving low-income and middle-class students who focus excessively on college tuition often "undermatch" and fail to even apply to the top schools for which they are academically qualified. These same institutions typically have greater resources and offer better financial aid, making their net costs more affordable.

For example, consider an outstanding, first generation student of modest means living in New Jersey. That student may automatically assume that his or her state school, Rutgers University, will be a better bargain than Princeton University, because Rutgers' 2014-2015 basic tuition price was $10,954 at its main New Brunswick campus, while Princeton's hit $41,820, almost four times Rutgers' price. What this student probably won't consider, however, is that his or her out-of-pocket expenses are likely to be lower at Princeton than many public schools. Thanks to a huge endowment and generous financial aid policies, Princeton can afford to offer substantial need-based aid that doesn't have to be repaid. For example, the average financial aid grant at Princeton covers 100% of tuition, and the school has a "no loan" policy in awarding financial aid.

As previously mentioned, no matter what a school's sticker price, there are a multitude of strategies that students and their families can use to either greatly reduce tuition costs, or in some cases eliminate tuition all together.

So believe me when I say that it's to your advantage to understand that college tuition shouldn't be the sole financial consideration in your college selection process. School tuition is just the tip of the iceberg. My advice: Know how to cut tuition, of course. But don't just focus on tuition; scrutinize everything else. By understanding this concept, you'll fare much better in finding the right institution for you and managing total college costs.

College Tuition Does Not Equal College Quality

We've all heard the expression "You get what you pay for." The notion behind this concept is that if you want something of "better" quality, you have to pay more for it. This idea also suggests that anything you can obtain free of charge probably isn't of equal value to something for which money was paid.

Well, the old adage "you get what you pay for" might be true when it comes to cars, clothes or even day-old cookies given away by your local grocer. But this concept is dead wrong when it comes to college pricing, especially college tuition.

To begin with, Lapovsky says the price of college (i.e. what you pay to attend the school) and the cost of college (i.e. what it actually costs to provide your education), are not highly correlated. Furthermore, the net revenue from tuition is not generally indicative of the institution's costs, either.

That's one reason why Lapovsky says that no matter what a school's "sticker price" or published cost, "families should focus on net price," or what their specific out-of-pockets costs will be.

As it turns out, your net price can vary dramatically from one school to another, or it may be identical — even between two schools of vastly different quality. This strongly suggests that college tuition alone bears little to no resemblance to the quality of education one receives.

Despite an abundance of evidence to the contrary, plenty of parents think that if a school is super-expensive, it must be a really good school. But that simply isn't the case. One school could be more "expensive" for you, simply because your net costs are greater. But that doesn't make the school any better.

There are more than 2,200 non-profit, four-year colleges in America, including many low-cost institutions that offer an excellent education. Likewise, there are some high-priced schools that do a poor job of graduating students on time and teaching young adults the fundamentals they'll need to succeed. So don't buy into the notion that expensive schools are always somehow "better" than cheaper options.

If you're not quite convinced, consider this scenario:

When two college students pursue a similar degree at the exact same state school, yet one person is an in-state resident and the other individual is an out-of-state student, the out-of-state student typically winds up paying tuition that is two to three times higher than his in-state peer.

In spite of the cost difference in tuition, both individuals received identical instruction. Paying more money didn't get the out-of-state student a better education.

So it behooves you to truly understand that college costs do *not* equate with college quality.

The fact is that colleges consistently raise prices in large part because they can. The demand is there for them to do so. But once enough parents stop associating high cost with high quality, and increased competition comes to the educational arena, you'll find college costs stabilizing and even decreasing.

A Hard Question for Parents

How many of you have adopted an unhealthy "whatever it takes" mentality when it comes to paying for college?

Probably more of you than you would care to admit.

I've heard the stories from desperate parents who borrow from their retirement accounts, max out their credit cards, and do all sorts of other things to "afford" college costs.

In fact, a Sallie Mae survey shows that about 60% of parents and students alike say they are "willing to stretch financially" for college.

Among some parents, in our eagerness to send our sons and daughters to "the best schools that money can buy," we've sacrificed in ways large and small. Most damaging, we've continued to unwisely borrow staggering sums of money for higher education, showing colleges and universities nationwide that they can hike their prices and that we'll continue to bear the burden of those increases.

Unfortunately, this "sacrifice at all costs" strategy backfires on us in multiple ways.

First, we get stuck with higher college bills for four or more years. Additionally, we often become saddled with debt, especially student loans that either we or our children are forced to repay for a decade or more. Finally, we feed the college pricing frenzy by showing a willingness to pay more or borrow more.

Put another way: what many parents don't realize is that they're inadvertently adding to the mania in college pricing. Believe it or not, some schools have been known to raise their prices simply to elevate their prominence in the eyes of ill-informed families. These institutions know that many parents mistakenly view price as a proxy for quality. It's a sad and vicious cycle, and one that ensnares far too many unsuspecting families.

"The world of college is a business and schools price themselves accordingly," says college expert Lynn O'Shaughnessy, who runs a popular blog called The College Solution and has authored a book by the same name. "It's about supply and demand. The schools that have the greatest demand can charge the highest prices, and many of these schools will have poorer financial aid."

"The Ivy League schools and the alpha dogs of the college world — like Amherst, Williams, MIT or Stanford — do give very good financial aid, but many students at those campuses also pay full price," she adds. "The reason rich students flock there is they think it's their golden ticket."

Why Employers Don't Care Where You Went to School

Please realize that graduating from a prestigious school with a big sticker price and large tuition expenses won't be a magic ticket to a great job — nor a successful, happy future.

According to a survey conducted by Gallup and released by the Lumina Foundation, the vast majority of hiring managers really don't care where a job candidate went to school.

Corporate bosses were far more interested in a job applicant's knowledge and experience when determining whom to hire.

Unfortunately, most people get it wrong on this front, too — mistakenly assuming that employers want to see a brand name institution on a person's resume.

In that Gallup survey, 80% of Americans polled said that school choice is either "very important" (30%) or "somewhat important" (50%) to hiring managers.

Thank goodness that business leaders actually say just the opposite — and they're the ones making the hiring decisions.

Among business leaders surveyed, just 9% said that where a job candidate earned his or her degree is "very important," and 37% said it is "somewhat important."

All of this illustrates that you don't need to pick a pricey school or a name-brand campus just because you think it will automatically make you a more attractive job applicant. In most cases, it won't.

Your College Tuition Isn't Going Where You Think

When you see that at many top public colleges' total costs in America exceed $25,000 annually, and that costs for many excellent private schools are in the $50,000 to $60,000 range or more *per year,* it's quite mind-blowing.

Does it cost good money for schools of all kinds to hire and retain excellent faculty, build or maintain nice facilities, or put on any number of campus programs? Of course it does.

But do those expenses justify the aggressive year-over-year price increases witnessed this past decade? Absolutely not!

Fortunately, when you see the advertised price for a given college, that's just the sticker price. Most families don't pay published tuition rates. Scholarships, grants, and other financial aid help offset those costs.

But just knowing how much college costs have escalated is a real eye-opener to many parents.

If that's not enough, here's another wake-up call.

You might think that most of your tuition dollars are going toward salaries for professors and activities that provide a direct benefit to education. Well, that assumption would be misguided — not to mention a bit naïve and ill-informed.

Economist Rudy Fichtenbaum is a professor at Wright State University, Fairborn, Ohio, and president of the American Association of University Professors. In an interview with the Wall Street Journal, he decried the amount of money being spent not on professor salaries, but on a whole host of other things.

"Critics of higher education often blame faculty salaries for rising costs. However, when measured in constant dollars, salaries for full-time faculty at public institutions have actually declined," Fichtenbaum said. "What is driving costs (are) the metastasizing army of administrators with bloated salaries, and our university presidents who are now paid as though they were CEOs running a business — and not a very successful one at that."

"There is also the growth in entertainment spending and spending on amenities. Many universities claim that they must compete and therefore have borrowed millions to build luxury dorms, new dining halls and rock-climbing walls. They also spend millions subsidizing intercollegiate athletics," he added.

Some students take advantage of these "amenities"; others don't. But the reality is that everyone pays for them — unless you know better.

Tuition dollars are diverted in other ways you may not expect.

A separate Wall Street Journal report in 2014 highlighted how some students' tuition payments are subsidizing their classmates' tuition. According to the Journal, due to cutbacks in state aid, at least a dozen flagship state schools take tuition payments made by middle class families and wealthy families and use that tuition revenue to cover tuition for low-income students. These so-called "tuition set-asides" have grown dramatically in recent years. The Journal's analysis found that at public schools, tuition set-asides range from 5% to 40% of college tuition that students pay. Meanwhile, at private schools without large endowments, more than half of the tuition payments may be set aside for financial-aid scholarships. At both public and private colleges and universities, school officials use tuition set-aides as a way to create a more diverse student body and to meet various institutional goals.

An NPR report in 2014 offered an even more detailed, fascinating account of where tuition dollars are spent at private postsecondary schools.

NPR examined Duke University, an elite institution that had tuition and fees of $45,620 in 2013-2014. The total cost of attendance at Duke — including tuition, fees, room and board — was $61,404 in 2013-2014. In profiling the campus, NPR quoted Duke executive vice provost Jim Roberts as saying that students paying full freight — or just over $60,000 annually — were still actually getting a substantial "discount" off their education.

How is this even remotely possible?

In a nutshell, school officials say that it takes about $90,000 a year to educate a student at Duke. Of that total, here's a breakdown of how the money gets spent:

- $21,000, or 23%, goes to faculty compensation
- $20,000, or 22%, goes to Duke students who get financial aid
- $14,000, or 16%, goes to pay a share of administrative and academic support salaries, (including more than $1 million in total compensation to Duke's president and more than $500,000 to the provost)
- 14,000, or 16%, goes to dorms, food and health services
- $8,000, or 8%, goes into building and maintaining physical infrastructure
- $7,000, or 8%, goes to staff salaries for deans and faculty
- $5,000, or 7%, goes to miscellaneous costs

It should be noted that at Duke, about 53% of the student body pays the full, published sticker price, in excess of $60,000 annually.

For the record, NPR wasn't picking on Duke — and neither am I in highlighting these statistics. After all, among top-ranking schools, Duke isn't alone in having such costs. You'll find similar expenses from many of its private-school peers. Nor is Duke unique among elite research universities and prestigious liberal arts colleges in claiming that you're getting a relative bargain if you fork over about a quarter of a million dollars over four years to earn a Bachelor's degree.

So if you want to worry about tuition — that is, tuition that you actually have to pay out of pocket, not a school's stated tuition price — perhaps the first question to ask a school is: *how exactly will my tuition dollars be spent?*

If you're happy with the answers, and you later decide to pay up, then the obvious question you have to ask yourself is: *will it ultimately be worth it?*

At the end of this chapter, I'll share the story of a Duke alumna who answers that question. Later on in Chapter 9 of *College Secrets*, I'll also tell you other key financial questions you should always pose to any school you're seriously considering.

But right now, you may be wondering about tuition allocation at some of the country's best *public* colleges and universities.

As of this writing, a direct comparison between Duke and its in-state rival, the University of North Carolina at Chapel Hill, another stellar institution, isn't available. That's because Carolina has not previously disclosed how tuition for residents (which was $8,340 in 2013-2014) was spent. Starting in the 2014-2015 academic year, however, all UNC campuses will begin providing tuition breakdowns to students.

So at this point, let's compare Duke with another top-ranking state school, the University of Texas at Austin, which currently breaks down the $9,346 in yearly tuition that some liberal arts students pay, as follows:

Category	Amount	Percentage
Instructional Salaries	$1377.00	29.5%
Staff Salaries	$669.66	14.3%
Employee Health Benefits	$675.44	14.5%
Other Operating	$515.41	11%
Utilities	$197.38	4.2%
Scholarships	$421.89	9%
Debt & Capital	$134.69	2.9%
Student Services	$681.53	14.6%

NOTE: Since the chart above only accounts for one semester, I multiplied the total figure of $4,673 by two to come up with the annual tuition cost of $9,346.

By way of reference, here are two other charts, also provided by UT Austin, illustrating 2013-2014 tuition for both residents and non-residents attending top public institutions in America.

2013-14 Tuition/Total Undergraduate Academic Costs for Residents (for fall and spring semesters)

Institution	Rank by Cost	Total Academic Cost: Resident
Pennsylvania State University-University Park	1	$16,992
University of Illinois at Urbana-Champaign	2	$15,258
University of California-Berkeley	3	$14,878
University of California-San Diego	4	$14,721
University of California-Los Angeles	5	$14,227
University of Minnesota-Twin Cities	6	$13,555
University of Michigan-Ann Arbor	7	$13,142
Michigan State University	8	$12,863
University of Washington	9	$12,397
University of Wisconsin-Madison	10	$10,403
Indiana University-Bloomington	11	$10,209
Ohio State University-Main Campus	12	$10,037
Purdue University	13	$9,992
University of Texas at Austin	14	$9,798*
University of North Carolina at Chapel Hill	15	$8,340

2013-14 Total Undergraduate Academic Costs for Non-residents (for fall and spring semesters)

Institution	Rank by Cost	Total Academic Cost: Non-resident
University of Michigan-Ann Arbor	1	$40,392
University of California-Berkeley	2	$37,756
University of California-San Diego	3	$37,599
University of California-Los Angeles	4	$37,105
University of Texas at Austin	5	$33,842
Michigan State University	6	$33,750
Indiana University-Bloomington	7	$32,350
University of Washington	8	$31,971
University of North Carolina at Chapel Hill	9	$30,122
University of Illinois at Urbana-Champaign	10	$29,640
Pennsylvania State University-University Park	11	$29,566
Purdue University	12	$28,794
University of Wisconsin-Madison	13	$26,653
Ohio State University-Main Campus	14	$25,757
University of Minnesota-Twin Cities	15	$19,805

Source: University of Texas at Austin website; data retrieved May 2014 http://www.utexas.edu/tuition/national.html

*Note: University of Texas at Austin rates are based on figures as reported to the Texas Higher Education Coordinating Board and represent the average academic year cost for a resident undergraduate student taking 30 credit hours per academic year.

So here's the bottom line: when students or parents have to actually foot the total bill for tuition (and most don't), each family must decide for itself whether a school that charges, say, $45,000 for tuition is truly twice or even three times as good as institutions charging roughly $22,500, or colleges charging about $15,000 or less.

Needless to say, there is no unanimity on this topic — especially from former students.

* * *

Jaclyn Vargo is a Harvard University graduate, who started off as a pre-med student before switching fields and majoring in social anthropology. She left Harvard with a small amount of student loans.

Before and during her time at Harvard, Vargo competed in U.S. Figure Skating.

Both areas "exposed me to a class of people I would not have known existed — the 1%," Vargo says.

"There were people whose parents were high-powered investment bankers and doctors, and those students had private drivers that would bring them to the skating rink. I grew up in the Catskills near Monticello where you had to go to the post office to get your mail," she recalls.

But after performing well both on and off the ice, and acing various standardized tests, including New York state's Regents exams, Vargo says, "I could directly compare my academic success with them and it made me realize I could be successful and that they were no better than I was."

Vargo competed at the U.S. championships at the junior level. She knew early on that she wanted to have a long-term affiliation with professional skating, so she started trial judging on her 16th birthday, and got her first appointment on her 18th birthday.

Vargo says she appreciates her undergraduate experiences at Harvard, but she also believes that too many students go into debt because they are blinded by brand names when picking potential schools. "You think you're set if you go to a certain school. But that is definitely not the case," she says. "I don't think Ivy League schools or other top schools like Hamilton or Middlebury are the key to success. In fact, I think it can really hinder you if you walk away with a ton of debt," Vargo says.

After Harvard, Vargo received her J.D. from Fordham Law School in 2003, where she was Editor-in-Chief of the Fordham Intellectual Property, Media & Entertainment Law Journal.

Upon finishing her schooling, Vargo served eight years as an Assistant District Attorney in New York County where she was a member of the Public Assistance Fraud and Domestic Violence units. Even while pursuing her law career, skating was never far from Vargo's life. She received her national judging appointment and was honored to judge at the 2007 U.S. Figure Skating Championships, becoming the first African-American to sit on a panel at that event.

In 2011, Vargo became the Associate Director of Career Services and Diversity Initiatives at Brooklyn Law School, a position she held for several years.

Then in March 2014, Vargo joined the New York State Gaming Commission, where she's now Assistant Counsel and Ethics Officer. She's also the National Chair of the Ethics Committee for U.S. Figure Skating, and a happily married mom of two young children.

Vargo's message to students today is simple: Hard work and discipline are what count the most. "The college you attend is not a magic bullet," she says. "You can be successful no matter what."

Vargo's story is just one out of many from students who have graduated from America's most esteemed colleges and universities.

Other alumni say the pricier tuition at top colleges is worth the cost because of the resources and opportunities that elite schools offer.

For instance, Yunha Kim, a Duke alumna from the Class of 2011, credits the campus with helping her in numerous ways — including building her confidence, giving her international business exposure and even aiding her post-school efforts as a budding entrepreneur.

"My parents paid for my education and Duke was expensive. But it was definitely worth it. If I had to go to school again, I'd go back to Duke," says Kim, who was born in Korea.

Kim says she was a shy teenager when she came to the United States, and attended a boarding school in Oregon.

At Duke, she majored in Economics and Chinese.

"I did four study-abroad programs while at Duke because I really wanted to leverage that time. I went to Florence, London, Beijing and New

York to study. That helped me to understand different cultures and people's work styles, and to become more confident," Kim says.

"That was the best part of my learning experience at Duke. It was about the discipline and interacting with really driven people. At Duke, people were always talking about their passion, so it was great being in an environment where people were super excited about their work and had clear goals."

Kim recalls a time when she was traveling with her parents in Florida and her car was vandalized. "They stole all my stuff, including my laptop," she says. After the incident, she told one of her Duke professors what happened and Kim explained that, unfortunately, she was not able to do her homework as a result of the theft.

"He was so understanding. He said 'I have another laptop.' Then he just gave it to me. That kind of personal care really goes far," she says.

Kim spent her college summers interning at McKinsey & Company and the United Nations before going on to land her first job at Jefferies as an investment banking analyst in the healthcare group.

Despite having good pay, nice colleagues and challenging work, it didn't take long for Kim to realize that banking wasn't her true passion.

So in March 2013, she quit her Jefferies job and started a Silicon Valley startup company called Locket, an Android lock screen application company that shows you ads and other content on your lock screen right before you unlock your smart-phone. Locket replaces your boring, standard lock screen images with stories and photos that you like, based on your interests, swiping habits, and the time of day.

"It's been going really well. We're always changing and evolving our product," Kim says. Best of all, she adds: "I'm having so much more fun than before. I'm learning a lot. But because I *want* to do this, I'm more actively learning."

Since she's operating in the male-dominated tech world, Kim tries to take nothing for granted. She's written about the pros and cons of being a young female running a technology start-up.

Kim is also quick to acknowledge that she's leveraged her Duke connections.

To raise capital, "I started by pulling out the directory of Duke alumni, and I would just call everyone one by one," Kim says. "Then Duke professors and alumni I didn't even know introduced me to investors. That's when I realized that this college education I got, that was so expensive, has given me huge returns."

Sure enough, the first round of funding that Kim secured for Locket was from Duke alumni. More investors followed in late 2013 and 2014. Among them: Fierce Capital, LLC, the investment arm of The Tyra Banks Company. Locket has reportedly raised millions so far from a cadre of diverse investors.

"When you're paying for tuition," Kim says, "you're also investing in your personal network and what happens outside of classes."

The experiences shared by Vargo and Kim offer two insightful yet different perspectives on the relative merits of attending top U.S. educational institutions — and paying for them.

Now that you have a better framework for understanding what is happening with college tuition all across America, let's turn to exploring two dozen strategies that will help you lower tuition costs — no matter what type of school you decide to attend.

CHAPTER 2

16 Tuition-Busting Strategies All Students Must Know

Thinking ahead and forming a plan to reduce tuition and other college costs is essential to managing higher education expenses. Such planning will also keep you from going into debt — or simply sticking your head in the sand and praying for the best.

"You can not just trust that paying for college will work itself out," says college consultant Peter Van Buskirk, who runs BestCollegeFit.com. "If you were going to invest in a quarter million dollar property, would you sign the papers without knowing upfront how your financing was going to work out?"

Of course you wouldn't. So you shouldn't leave higher education financing to chance, either. After all, college is quickly becoming the biggest investment that many families make — right up there with the cost of buying a new home.

* * *

Sixteen specific tuition-reduction strategies apply to all students. They are:

1. Go to a "no tuition" college
2. Get a tuition discount — or negotiate a larger one
3. Go overseas for college

4. Use the two-step college option
5. Attend a college with fixed-price tuition
6. Seek tuition waivers
7. Earn a degree in three years
8. Get tuition breaks based on your parents
9. Take advantage of in-state bargains
10. Take summer courses
11. Prepay college expenses
12. Tap into pipeline programs
13. Attend a work college
14. Get your employer to pay
15. Work in a high-need field and get the college to pay
16. Find a college with a guarantee program

1. Go to a "No Tuition" College

Even though the vast majority of U.S. colleges and universities do charge tuition, there are about a dozen schools in America that are classified as so-called "tuition free" or "no tuition" institutions.

If you get accepted into one of these schools, your worries about tuition can be put to rest. These schools forgo tuition dollars because they want their students to pursue higher education without excessive qualms about money. They also don't want students to be riddled with college debt upon graduation.

But be warned: even if you attend a "no tuition" school, you still typically have other college expenses to contend with, like housing, meals, books and supplies.

You should also know that competition to get into many tuition-free schools is fierce, and some schools require that students possess special talents.

For instance, musically gifted applicants might want to seek admission to the Curtis Institute of Music in Philadelphia, a prestigious conservatory that covers all tuition costs for each of its talented students. Curtis offers programs of study in a range of areas, including Brass, Guitar, Strings and Vocal Studies. The school even loans Steinway grand pianos to all students majoring in Composition, Conducting, Harpsichord and Piano.

Meanwhile, Barclay College, a 4-year Bible college, provides a full tuition scholarship to every accepted student who enrolls at its Haviland, Kansas campus. The school offers a Christian-centered education with undergraduate degrees in Business Administration, Elementary Education, Pastoral Ministry, Psychology, Theology, and more.

Undergraduates interested in architecture, art or engineering might look at Cooper Union in New York City. During the 2013-2014 academic year, Cooper Union charged no tuition to its undergraduates, but in the wake of the Great Recession, the school did begin charging tuition to its small group of graduate students. According to its website, Cooper Union will award half tuition scholarships to all incoming students starting in the fall of 2014. The school also promises to award merit aid to "exceptional students" and to provide need-based aid to low-income students "to help cover tuition, housing, food, books, supplies, etc."

America's service academies represent another form of "no tuition" higher education institutions. These storied institutions include the Air Force, Coast Guard, Military and Naval academies. In exchange for agreeing to serve their country for five years, students who get into these elite schools pay no tuition and get living stipends as well.

On the international front, there's even an institution called University of the People, which bills itself as the world's first tuition-free online university. Supported by software behemoth Microsoft, this U.S. accredited, non-profit school has a scholarship program to mentor, train and ultimately provide jobs to promising young adults across the African continent. The university was launched in November 2013 as part of Microsoft's 4Afrika Initiative. The school taps Microsoft employees around the world who provide students with leadership and technical training in computer science and business administration.

University of the People is affiliated with the United Nations, the Clinton Global Initiative, New York University and the Yale Law School Information Society Project.

Applicants must be at least 18 years old, possess a high-school diploma or the equivalent, and have reliable Internet access. By mid-2014, the school had already registered online students from more than 140 countries around the globe.

2. Go Overseas For a Cheaper Degree

Of course online schools aren't the only way to attend a tuition-free international school. In some countries, such as Germany, tuition is free for all college students.

That's why if you do decide to study abroad, you certainly won't be alone.

About 46,000 U.S. students are enrolled in full-degree programs outside the country, according to a data from the Institute of International Education's Project Atlas. Many of these students are no doubt enticed by lower tuition costs or even free tuition abroad in various countries.

Since tuition around the globe is either free or low-cost compared to the U.S., students often find that they still spend less for a degree overseas, even after factoring in housing, travel and other college costs.

Even if you have to pay slightly higher tuition rates at an out-of-country college or university than your peers abroad must pay, that tuition will still be much lower than college prices in America.

For those who need monetary help, in many instances you can even still access U.S. financial aid programs while you're studying elsewhere. The U.S. Department of Education has approved some 400 colleges and universities overseas to participate in its Title IV federal student aid programs. To find out if a school you're interested in is eligible, just use the FAFSA's Federal School Code Search tool to locate the school's federal code. (In the menu of this tool, change the setting from "state" to "foreign country.")

Another bonus: many overseas programs last just three years, instead of four years as is the case in America. A three-year program lets you save money all around and get to work a lot faster if you're eager to start a career.

So how can you explore this option?

Not all foreign universities accept the Common Application, so you may need to apply directly with an academic department in a school you're considering.

It's also important to know that you don't have to always speak another language fluently in order to study internationally. About 75% of American students who choose to study outside the U.S. are doing so within English-speaking countries, like Australia, Canada and the United Kingdom. Also gaining in popularity: studying in China, India, Malaysia and the United Arab Emirates.

3. Get a Tuition Discount — or Negotiate a Larger One

If you decide against foreign studies, there's no reason you can't slash domestic tuition costs by being savvy about tuition discounts.

As previously mentioned, many colleges provide tuition discounts in order to attract the applicants that they want most. The discount comes in the form of free money to cover tuition — like grants, scholarships or other merit aid from an institution that doesn't have to be repaid.

Who gets these discounts? It varies campus by campus. But generally speaking, there are four big factors that influence tuition discounting: a student's talent or academic ability; his or her ability or willingness to pay; the college's own resources; and the school's institutional priorities.

Sometimes colleges target high-achieving students, such as those with stellar grades or excellent standardized test scores, or kids who've been named National Merit Scholars. Other schools provide tuition discounts to students with special musical talent or athletic abilities. If a college or university is trying to boost its "yield," it's also more likely to offer tuition discounts and to be generous with such discounts. The number of students accepting offers of admission determines a school's yield rate. So if 1,000 students get accepted to a given college, and 30% of them enroll, then that school has a 30% yield rate.

According to a study by the National Association of College and University Business Officers (NACUBO) on tuition discounting, private schools are more likely to offer discounts than public schools. Private schools frequently discount tuition to better compete with the lower tuition "sticker price" commonly offered by public colleges and state schools. NACUBO data show that the average private school offers a 44% discount off the stated tuition rate. In fact, among private colleges studied by NACUBO, 87% of entering freshmen in the fall of 2012 received tuition discounts in the form of institutional grants or scholarships.

For standout students, "Generally speaking, the lower the quality of the school, the better the award that top students will get," says Lapovsky, who is an expert on tuition discounting.

There are two other important facts to know about tuition discounts.

First, ultra-selective schools like Harvard, Yale and Stanford are in such demand that they don't discount their tuition — even for well-off students. Ivy League schools and certain other prestigious campuses boast such strong reputations that they don't offer merit-based aid at all. Instead, these institutions only offer need-based aid to families with demonstrated financial need.

Secondly, tuition discounts are increasingly more likely to go to wealthier students than their middle-class or low-income peers. In years past, many schools offered institutional scholarships and grants to high-achieving, low-to-moderate income students who couldn't afford to pay full tuition.

These days, institutional scholarships and grants are often given to students who actually can afford to pay full tuition but aren't willing to do so. Thus, colleges use tuition discounts as a way to incentivize wealthier students to attend, knowing that those students usually have other college options.

"A student who can get into Harvard can snag a large discount from another school or is likely to get a high merit award because that school wants to improve its stats, in terms of average SAT scores and grades," Lapovsky explains.

Such discounts may have the effect of attracting students whose families can be generous donors. Discounting in this manner also becomes a revenue-producing measure to bolster tuition dollars. Look at it this way: assume a school charges $20,000 for tuition and the campus has $20,000 in grants to offer. It could offer a low-income student the full $20,000 via an institutional grant, and let that pupil attend college without worrying about tuition.

Alternatively, the school could use its $20,000 in financial aid to offer $5,000 discounts to four different wealthy kids ($5,000 x 4 = $20,000). The net result is that, with the tuition discount, each of the four rich students pays $15,000, which generates $60,000 in revenue for the school. By contrast, the low-income student — who may bring a host of other benefits, positive traits and value to the school — would nonetheless not generate tuition revenue.

This policy of discounting in favor of more affluent students — also known as financial aid leveraging — has enormous admissions implications and is controversial in many educational circles. Whether or not you agree with it, it's an increasingly common custom.

Ultimately, schools discount for two reasons: "to increase economic diversity and to shape the class that they want," Lapovsky says.

How does tuition discounting *promote* diversity in some ways, rather than diminish it? The tuition dollars generated from wealthier students often go, in part, to help support scholarships and grants that cover tuition for low-income students.

* * *

To get a tuition discount as a freshman, focus on specific types of schools:

- Private colleges rather than public colleges
- Schools that offer merit aid in addition to need-based aid
- Institutions with more financial resources and larger endowments
- Schools with lower "yield" rates
- Schools where you fit into the top 25% of the academic talent pool
- Schools where you bring something they want (a special skill, high test scores, multiculturalism, regional or socio-economic diversity, etc.)

By homing in on the latter three types of schools, you're also more likely to be admitted into the college of your choice.

Colleges employ "enrollment managers" who use all kinds of complicated formulas to determine how much of a discount to offer different types of students. One thing these enrollment specialists have found is that average-to-good students are typically more willing to enroll in schools — including high-priced institutions — even if they have to take loans out or pay more out-of-pocket to attend. Needless to say, colleges take this into account when determining tuition discounts in any given year. You should do the same.

If you get a tuition discount from an institution, you may be able to negotiate for an even larger price break than originally offered. But when you talk to a financial aid officer or an admissions counselor, don't use the word "negotiate." That rubs many school officials the wrong way. Instead, simply advise the financial aid officer that you'd like to "appeal the financial aid package based on additional information."

If you appeal an award due to your economic circumstances, let the school know about changes in your financial profile that may be significant, such as a job loss or divorce within the family.

You may also be able to subtly use another school's financial aid award letter as leverage with another school. Some students say this is particularly effective with cross-town rivals, as well as with colleges in the same general peer group, in terms of reputation and quality of the institution. Simply offer to send the letter that offers the most generous financial aid package you've received to the school you most want to attend. When you do this, let officers at your school of choice know that you'd definitely prefer to enroll there, but that their current financial offer would make it nearly impossible. Knowing this, if a school really wants you, a financial aid officer may sometimes see something in the other award letter that justifies a bigger award, or a bigger tuition discount. But there's no universal rule. Negotiating works at some colleges, and not at others.

Finally, it's also possible to use a strategy that I call "late enrollment" to get larger tuition discounts later in the admissions cycle. May 1 is known as "College Decision Day" in the world of college admissions. That's the date by which you are supposed to have evaluated your college acceptance letters and financial aid packages, and then give a deposit to a specific school, confirming that you'll be attending in the fall.

Each year, some schools don't fill all their seats as expected — meaning that fewer students than anticipated actually signed up for fall enrollment. So these schools with lower yields are actively looking for students past the May 1 deadline. The NACAC provides a list of such schools yearly, and puts out the list around the first week of May. In 2014, the NACAC list contained the names of more than 250 schools of all kinds that missed their admissions targets. Some of the schools are Baylor University, Eckerd College, Seton Hall University, Tuskegee University, University of Florida, University of Nevada Las Vegas, and the University of Vermont.

By checking this list, you can usually find colleges and universities offering steep tuition discounts. If you find a campus on the list that you've applied to, they may be willing to offer you a larger tuition discount after May 1. This strategy only works, of course, if you've not previously committed to that campus, or if you're willing to change your mind and forgo any deposit you may have paid to hold your spot at another school. You could also apply to a school on the NACAC list after May 1 in hopes of a bigger tuition discount.

Lapovsky agrees that the closer you get to the May 1 deadline, the more leverage you may have in negotiating a tuition discount. "Depending on how the school is doing, and where they are in the enrollment cycle, if enrollment is not meeting their goals, they're very likely to give you something," she says. But she suggests calling a school and trying to get that discount in April — *prior* to May 1.

As for trying to get a discount *after* May 1, it is possible, Lapovsky acknowledges, especially if you hadn't applied to the school and are just applying for the first time.

"But I'm not sure that's a strategy I would use," Lapovsky says. She explains that students who apply after May 1 "are usually students who procrastinated." Even if you had a legitimate reason for not applying earlier — for instance if you had a medical emergency — an admissions officer will still want to know why you're just getting around to applying. They may also assume that you're applying so late because every other school to which you applied turned you down.

That may or may not be the case. It could just be that none of the schools to which you were accepted offered you an affordable financial aid package. Whatever the case, be prepared to explain yourself in your application.

Summer Melt

I wouldn't advise it for the vast majority of individuals, but for a select few students who haven't applied to college but actually want to go, or for those truly needing a larger tuition discount than has been already offered, there is a final way to achieve these goals. I call this option the "summer melt" technique and it's an extreme version of the "late enrollment" strategy.

If you approach a school that is accepting applications past May 1, you may be able to use the "summer melt" strategy as a way to negotiate a better tuition discount very late in the admissions cycle, around the end of summer or early fall. Some students who've been accepted to schools on the NACAC's list can pick one of the schools around August or early September and still secure a place at the college of their choice. That's because schools dealing with "summer melt" may even try to enroll students right up until classes start. "Summer melt" occurs when students inform a school that they'll be attending in the fall, but then for some reason — a change of heart, finances, or something else — those students fail to enroll when classes begin. Such openings leave places open for students who are daring enough to try to capitalize on "summer melt."

This strategy isn't for the faint of heart. So please carefully assess the risks and only try it as a last resort. Even then, I'd suggest considering the "summer melt" strategy only if absolutely necessary. Done properly — and with some luck — you may wind up getting a much larger than usual tuition discount from a college or university you'd like to attend. However, delaying your acceptance of a school's offer could also backfire on you if you wait far too long and then find that all of a school's available slots have been taken.

4. Use the Two-Step College Option

To tackle high tuition expenses, many students start off at an affordable two-year college, earn an associate's degree, and then transfer to a four-year university where they earn their bachelor's degree. If you use this "two-step" college option, you too can drastically cut your higher education expenses since tuition at community colleges is a fraction of what you'll pay at four-year schools.

According to the College Board's Trends In College Pricing report, in the 2013-2014 academic year, tuition and fees averaged as follows among schools nationwide:

Type of School	2013-2014 Tuition and Fees
Public Two-Year In-State	$3,264
Public Four-Year In-State	$8,893
Public Four-Year Out-of-State	$22,203
Private Non-profit Four-Year	$30,094
For-Profit	$15,130

Based on those numbers alone, it may seem like a no-brainer to take the community college route when you're fresh out of high school, or you've decided to go back to school to pursue a degree.

But you do need to be aware of certain downsides and various risks associated with transferring schools.

Among the drawbacks: you won't experience immediate immersion into the campus culture at the four-year university from which you eventually hope to graduate. So it can sometimes be harder to make friends, get involved in campus clubs and activities, or just "fit in" when you're coming to a college as a junior (or in your third year) and most of your classmates have been at the school for two previous years.

Another downside: not every college will accept full college credit from every two-year campus.

A study by professors at City University of New York provides a sobering glimpse into what happens when many students move between two-year and four-year colleges. According to the study:

- Just 58% of community college transfer students were able to keep 90% or more of their credits
- 28% of transfer students lost between 11% and 90% of their credits
- The remaining 14% of community college transfer students were only able to transfer 10% or less of their credits to a four-year college.

There are other academic and financial risks inherent in being a transfer applicant.

Because most four-year colleges only have a select number of yearly slots for transfer applicants, the admissions criteria for these students is often much stricter, and grades matter more than ever. As a transfer student, all the stuff you did in high school becomes far less relevant and the academic work you did at the junior college dominates in importance over everything else. So unless you have really great grades from a community college, you may find it more difficult to transfer than you anticipated.

Additionally, transferring from one college to another can sometimes cost you more money in the long run if you don't complete your studies in four years. Unfortunately, that's often the case for students who attend multiple schools.

According to a report called "Completing College: A National View of Student Attainment Rates," conducted by the National Student Clearinghouse Research Center, only 40% of students who start at two-year public institutions obtained a bachelor's degree within a total of *six years*. By contrast, 63% of students who start their studies at four-year public colleges and 73% of students who commence their education at four-year private schools graduate in six years.

So if you do utilize the "two-step college option," you must be very strategic about this method and do some advanced planning to ensure a smooth, speedy transition.

Thankfully, there are three great ways you can do just that.

Use an Articulation Agreement

As mentioned, not being able to transfer credits can obviously hinder your ability to graduate, or graduate on time, both of which can be costly.

So before you attend any community college, find out if it has a so-called "articulation agreement" with a four year campus you'd later want to attend. Under an articulation agreement, a four-year school will guarantee that it will accept college credits from a given two-year institution. Research articulation agreements carefully and fully understand all requirements before you enroll.

It should also come as good news that certain states — among them California, Florida, Maryland, Massachusetts, Pennsylvania and Virginia — take articulation agreements one step further. Not only do they guarantee transfer of certain college credits, they also guarantee *admission* into their public four-year colleges if you complete an associate's degree at one of the state's community colleges. Such in-state partnership agreements truly help transfer students aspiring to attend four-year colleges and universities.

"Most economically strategic students I know do two years at a community college and then two years at a more prestigious school," says Lapovsky. "It's not nearly as expensive that way."

Plus, many elite schools have special articulation agreements with community colleges as part of their efforts to recruit low-income students, Lapovsky adds.

Tap Into a National Transfer Network for Community College Students

But what if you want to attend a community college and then transfer to an out-of- state school or attend a private university? In years past, there was no seamless, coordinated way to do that. But there is now.

American Honors is the only community college program in the United States that collaborates with both private and public institutions in a national network of four-year colleges and universities. Through this innovative two-year honors program, you can take virtual courses through a platform called Quad Learning, and attend classes on campus at local community colleges.

As of mid 2014, there were a half-dozen community colleges — in the states of Indiana, New Jersey and Washington — that participated in the growing American Honors network. Organizers ultimately hope to build a network of 40 to 50 community colleges, each with 500 to 1,000 students in the honors program.

Equally important, nearly three-dozen four-year colleges and universities have signed on thus far to the American Honors initiative, including some schools that offer guaranteed acceptance of transfer students who successfully complete the program.

Among the institutions in the Americans Honors network: Amherst College, Auburn University, Brandeis University, George Washington University, Middlebury College, Purdue University, Swarthmore College and Wabash College.

The American Honors program tries to distinguish itself in several ways. For starters, the coalition provides advisors to students from day one of their community college enrollment. Additionally, the honors program raises academic standards and challenges talented pupils. The goal is to immediately give high-achieving students the academic rigor as well as the tools, resources and expert advice they need to facilitate their transfer to four-year colleges.

But a chief selling point of this alliance is that it's a network that crosses state lines, and it ties into private schools too. These features allow students to broaden their list of potential four-year schools — all without worrying about the usual difficulties in transferring college credits.

Make Direct Arrangements With College Officials

If you're already at a community college, or the two-year school you're considering doesn't have an articulation agreement of any kind, you can still contact the college you wish to attend in the future and speak to an admission counselor or transfer adviser about your situation. Find out what classes would get you credit and which won't. Also ask about classes that would only meet elective requirements. Knowing a school's transfer policies ahead of time can save you a lot of time, money and frustration later.

Finally, if a two year-college won't be academically challenging enough, or if you can afford a reasonably priced four-year college, another variation on the two-step college option is to go to a state university first — for the cheaper tuition — and then matriculate to a private school that is a better fit for you, in terms of academics, social environment and other factors.

Roughly one in eight students that begin at a public or private non-profit college complete their degree at an institution different from the one where they started.

They know that in the end, it doesn't matter where you started; just where you finished. After all, it's the school you graduate from that will be the only name shown on your college diploma.

5. Go to a Fixed-price College

Hundreds of colleges and universities in America offer fixed-price tuition, a model that theoretically should save students money over four years.

If you attend a fixed-price school, the campus guarantees that the tuition rate you pay as a freshman will be the exact same rate you pay in your fourth (and hopefully final) year as a college senior.

This pricing structure could keep a bundle of money in your pocket, considering that tuition rates have generally been going up nationwide at all types of institutions.

The College Board says that tuition and fees at four-year public colleges have increased 27% in the last five years. Over the same timeframe, prices at four-year private schools increased by 14%.

You won't have to look too far to find campuses offering fixed-price tuition.

The University of Dayton has a four-year tuition model, which began in 2013-2014 and locks in the cost of tuition across a four-year period. In describing the benefits of this pricing structure, the school describes itself as follows:

"At the University of Dayton, our Catholic, Marianist mission drives us to be a catalyst for the greater good — to not just identify a problem but to take action to change it. We want students to have a successful college experience and have peace of mind regarding the cost of their degree. That's why we've created a new four-year tuition model with TOTAL TRANSPARENCY."

George Washington University also has a tuition-pricing guarantee. It's been doing it for more than a decade. Unlike many other schools, GWU locks in a set tuition price for five years, instead of just four.

Other colleges offering locked-in tuition deals include Anna Maria College in Paxton, MA; Centenary College of Louisiana in Shreveport, LA.; Concordia University in River Forest, IL; and Pace University in New York.

Starting in the 2015-2016 academic year, Ohio University will join the ranks of postsecondary schools trying to keep a lid on tuition by switching to a fixed-price tuition plan. If you keep your ears out, you'll no doubt hear of other schools doing the same.

By offering a four-year price guarantee, colleges are hoping to ease families' financial worries and help them better budget during a student's academic tenure. Schools also hope to nudge pupils along and encourage them to finish their studies on time. Better graduation rates also boost school rankings, of course, and make those institutions eligible for more federal aid. So such initiatives may not always be 100% altruistic on the part of some colleges.

Some also say there are two potential downsides to fixed-rate tuition. First, in order to spread costs out evenly over four years, colleges may front-load tuition expenses. So in the first year or two of enrollment, tuition costs can be a bit higher than anticipated. But by years three and four, students typically find that their tuition rates are lower than those for incoming freshmen.

Second, if a student drops out or transfers to another school, tuition expenses incurred in the first year or two may have been paid at a premium, without the student getting the benefit of the promised lower tuition in subsequent years.

Still, fixed-price colleges are worth consideration, especially for those who are confident about their school choice, and determined to graduate in four years.

6. Slash College Tuition by Earning a Degree in 3 Years

For some students, four years is too long to be in school — academically, socially and financially. So these students accelerate their learning and aim to finish their undergraduate studies in just three years.

If you can earn a degree in only three years, it's a major cost saver on tuition and other expenses as well.

Taking AP and CLEP exams, as well as college courses while still in high school, are sure-fire ways to push you toward earning a degree in three years. (Be sure to check out the other book in this series, *College Secrets for Teens,* for my advice on the many ways you can take standardized tests, like AP exams, for free or at a very reduced cost and save thousands on tuition).

You can zip through college faster by taking online classes in conjunction with your regular classes, taking heavier course loads during the academic year, and studying during the summer months.

It's also a good idea to target schools that specifically offer three-year programs. For example, Ball State University has a program called Degree in Three. The University of North Carolina at Greensboro has an initiative called UNCGin3, which offers priority registration to highly motivated freshman, transfer and returning students who want to complete their degrees in three years. Hartwick College in New York likewise has a three-year degree program, and Manchester University in Indiana has a program called Fast Forward that gets students out of college in three years.

Officials at the University of Charleston in Charleston, W. VA, who slashed the cost of tuition at the school by 22% a few years ago to promote affordability, are also pushing three-year degree options to save students money. At Charleston, about 25% of students earn a degree in just three years, helping to dramatically minimize debt and overall costs for those graduates.

7. Get Tuition Waivers

Tuition waivers allow you to forgo paying college tuition, or to pay greatly reduced tuition rates. Tuition waivers can offer an enormous savings for students savvy enough to track down and secure any waivers for which they qualify.

Waivers vary from college to college. But there are numerous types of waivers that are available either directly from public or private institutions, or based on benefits offered to state residents. Among the most common categories of waivers offered by schools or states are waivers for veterans, teachers, or the dependents of higher education employees.

Contessa Dickson was grateful to learn of VA benefits when her daughter enrolled at Lamar University in Beaumont, TX a couple years ago. Dickson's ex-husband had been in ROTC, and he was able to transfer his VA benefits to their daughter. She then used those military benefits to go to school at no cost.

"It paid for pretty much everything — tuition, fees, and books and supplies," Dickson said of the VA-provided college aid. "I may have spent maybe $1,000 out of pocket. Room and board would have been covered too, but my daughter lives at home."

"Some students even get VA stipends as well," Dickson added.

Check your eligibility and apply for VA benefits at: http://www.ebenefits.va.gov. You can also go online to find out if you qualify for a number of VA educational benefits.

To know exactly what waivers or benefits a school might offer, visit its website or ask campus officials directly. Usually, the Office of the Registrar handles waivers. But in some instances, the admissions office or even the financial aid office processes waivers. So it doesn't hurt to inquire at each unit.

You can also look on a state website to see the breadth of waivers available at the state level.

A good example of this strategy can be seen in the more than two dozen types of waivers offered to students attending public schools in Texas.

Some of these waivers are very unique, such as an intriguing option for entrepreneurs. Did you know that if your family owns a business and is considering relocating or expanding its offices in Texas, you can get an

Economic Development and Diversification waiver? This incentive lets employees and family members of the business pay the exact same tuition at Texas public schools that state residents pay. With this waiver, out of state students get that in-state rate even without first establishing residency, so long as the business meets certain requirements.

8. Get a Tuition Break Based on Your Parents

Wouldn't it be nice to get certain advantages in college just based on your parents' affiliations or work history? Many students know that having a parent who attended a school can give you an edge in the admissions process. If your mother or father graduated from a school you're interested in, you'd be a "legacy" student at that institution.

Beyond the admissions side of college, however, there are tuition benefits to be gained based on your parents' status.

For example, kids of academics can qualify for special tuition discounts through a nonprofit called the Tuition Exchange. It's a coalition of about 625 colleges that gives tuition breaks to the sons and daughters of college employees. You don't have to attend the school where your parent teaches or works. Your school merely has to be part of the exchange. To date, Ivy League schools aren't part of this alliance. But many excellent institutions do participate, such as Smith College, Fordham University, and the University of Southern California.

The Tuition Exchange functions through a reciprocal educational scholarship program. Schools in the exchange offer competitive scholarships to students. The scholarships cover full tuition, one-half tuition for non-residents at public schools, or offer a rate established by the Tuition Exchange. For the 2014-2015 school year, institutions whose tuition price exceeds $32,500 can award scholarships for less than their full tuition, but not less than the set rate of $32,500. In 2015-2016, the set rate is established at $33,000.

Separately, the Tuition Exchange in 2014 launched a new annual "Seat Space Availability Service."

Just like the National Association for College Admission Counseling survey, Tuition Exchange now polls its member schools yearly to see which institutions will still accept applications for fall enrollment after the May 1 college response deadline.

As of early May 2014, there were 84 Tuition Exchange member colleges able to offer at least 510 seats to freshmen or transfer students. So seeking entry to one of these schools could net you an even larger tuition discount. The Tuition Exchange will maintain its list of colleges with available space through mid-August of each year.

Get Legacy Tuition Benefits and Scholarships

A slew of other schools also offer legacy tuition benefits and scholarships to children of alumni, helping to slash higher education costs.

Here's a sampling of these tuition savers at colleges and universities nationwide.

The University of Kentucky offers a Legacy Tuition Program that grants partial tuition awards to eligible non-residents who are children of UK graduates.

At Pittsburgh State University, a Legacy Program helps students save about $7,500 by shaving out-of-state tuition expenses.

Kansas University has a Jayhawks Generation Scholarship Program that gives lucrative tuition discounts to out-of-state freshman whose parents or grandparents graduated from the university. The discounts can equal nearly $50,000 over four years — a massive savings for good students who qualify.

Southern Illinois University has a Legacy Alternate Tuition Rate for entering freshman or transfer undergraduates whose parents or legal guardians are graduates. Under the program, eligible students pay a tuition rate of just 0.80 times the applicable in-state or out-of state cost of tuition.

9. Take Advantage of In-state Bargains

One of the most obvious ways to reduce your tuition costs is to go to an in-state school, where tuition and fees are much lower than what you'd pay at an out-of-state college.

On average, in-state residents are charged one-third to one-half of the tuition that non-residents are charged for tuition.

One campus with relatively modest in-state tuition is the University of Delaware.

That's where Chrissi Lockwood was very happy to see her daughter, Kati, go off to school as a freshman in the 2013-2014 school year. Resident tuition at the university was $10,580 for the term.

"She got a scholarship for playing the oboe in the marching band, and it covered nearly all of her tuition," Lockwood said of her daughter's $10,000 scholarship.

Kati also received a $400 stipend for being in the school's pep band. "It's not a huge amount of money, but it definitely helps with her spending money," Lockwood says.

Best of all, Lockwood's daughter is close enough to family, yet far enough away to have her own life as she navigates college issues and plans for her graduation in 2017.

"Kati loves the University of Delaware," Lockwood says. "She's extremely busy because she's a dual degree student earning a B.A. in music and a B.S. in science, in food science. She also made the Dean's list in the first semester for both schools."

Proud parents like Lockwood are often coming to the U.S. from other nations too, hoping to give their children a quality education — as well as a chance at a better future.

Increasingly, students originally born in other countries — including many undocumented immigrants — can qualify for resident or in-state tuition.

In May 2014, Florida became the 20th state in the nation to grant in-state tuition rates to students brought to the U.S. illegally as minors.

There are roughly 65,000 undocumented students living in the U.S. who graduate each year from high school. Of those pupils, between 5% and 10% of them attend college, estimates from the American Association of State Colleges and Universities show.

So if you happen to be one of those students, know that you can take advantage of in-state tuition now offered in many states in America. For the latest info on this trend, check the website of The National Conference of State Legislatures, which tracks the topic of tuition for undocumented students.

10. Take Courses in the Summer

Many colleges lower their tuition rates for students taking summer classes. It's easy to understand their rationale. Dorms are empty — or at least nowhere near capacity. Most faculty members are away, and many school programs and services simply aren't operating at full throttle in June, July or early August.

Thus, summer students can bring in additional revenue for a campus during what's traditionally the slow part of the academic year.

So if you're willing to study when your classmates might be working, doing internships or just goofing off at the beach, you can save money on higher education costs.

The University of Texas at Austin has a tuition discount policy in force for students who enroll in summer courses. Tuition for these summer classes is 15% less than classes taken during the fall or spring terms.

11. Pre-pay for Tuition to Save Money

At scores of institutions nationwide, students and their families have a chance to save thousands of dollars on future tuition expenses by prepaying based on today's tuition price.

The sooner you pay, the more you can save.

For those who are able to pre-pay for college expenses, they typically save about 10% off their college bills for each year's worth of expenses covered.

Even if your school of choice doesn't offer its own direct pre-paid tuition option, you should look into whether the college is listed as part of a group called Private College 529. This organization, to which more than 270 private schools belong, lets families sock away as little as $25 to start a 529 college savings account and they can make additional pre-payments of just $25. Obviously, if you take this route, you should try to save more. But those figures just show you how little you can set aside and still take advantage of a tuition pre-payment method.

When you save money through Private College 529, you get tuition certificates that you can use at any one of the member colleges. You must save for at least three years to later use those certificates. But since the certificates are portable, you don't have to lock in or choose any particular school upfront.

The Private College 529 Plan is established and maintained by Tuition Plan Consortium, LLC, a non-profit organization. OFI Private Investments Inc., a subsidiary of Oppenheimer Funds, Inc., manages the program. (Be sure to see *College Secrets for Teens* for details on the benefits of 529 plans, as well as my tips for the best ways to save for college).

12. Tap Into Pipeline and Pathway Programs

Pipeline programs are designed to promote college readiness and college access for underrepresented students in a variety of fields. Many colleges have pipeline programs designed for both high schools students, and middle school students too. The idea is to give targeted individuals — such as low-income youth, minorities, first-generation college students and others — as early an introduction as possible to a given academic discipline or industry. Pipeline programs are particularly common in STEM areas, or Science, Technology, Engineering and Math.

Besides promoting college preparedness and access, pipeline programs frequently provide a pathway to a more affordable higher education as well.

That's because students who successfully complete pipeline programs are often offered free or discounted tuition at selected colleges and universities.

One highly successful initiative is the Future Scholars Program at Rutgers University, which currently serves a total of about 1,000 youth. It's a completely free, 5-year pre-college program. Academically ambitious, low-income students apply for the program during 7th grade. After being accepted, students receive an array of benefits from 8th grade through their senior year of high school:

- Participants attend free summer programs, including residential experiences
- They hone their skills in reading, writing, math, physics and chemistry
- Students attend college information workshops on campus
- They get individualized tutoring for their most challenging subjects
- Students receive coaching to perform well on college admissions tests

Best of all, Rutgers grants full tuition scholarships to students who successfully complete the program and are later admitted to the school.

That's a terrific deal any way you look at it. Even if a student chooses *not* to apply to Rutgers, because an application isn't a requirement of the program, the Future Scholars Program still prepares youth for any college of their dreams — as well as other pursuits.

"We take 200 students every year and provide them with the academic, social, emotional and financial support to help them succeed," says Aramis Gutierrez, Program Director of the Rutgers Future Scholars Program.

"Our main goal is to ensure that students find the right fit for them — whether that's here at Rutgers, at another four-year institution, a two-year college, or even doing something else," he adds, noting: "We guide them accordingly, regardless of whether or not they pursue college, because some students are interested in working after high school, or engaging in community service, or even joining the military."

International students should know that just as there are pipeline programs for under-represented minorities and others, there are likewise "pathway" programs for international students.

Inside Higher Education has chronicled several pathway programs for foreign students who study in the U.S. While these offerings vary greatly by institution, a key benefit is that many of these programs ultimately save students money on tuition.

How is this done? In essence, pathway programs for international students work by accelerating a student's undergraduate work and helping the student more seamlessly transition through the American higher education system.

Instead of spending time and money improving their English through an intensive ESL program, a student gets to combine English and academic study right away, and immediately start amassing credits toward his or her four-year degree.

13. Attend a Work College

There are seven federally recognized "work colleges" in America where students can earn while they learn. If you get into one of these colleges, you'll be happy that your tuition is either free or very low compared to the vast majority of U.S. colleges and universities.

Work colleges have been around for over 150 years. But they're growing even more popular as students grapple with rising tuition and other exploding higher education expenses.

The seven work colleges you should be familiar with are: Alice Lloyd College in Pippa Passes, KY; Berea College in Berea, KY; Blackburn College in Carlinville, IL; College of the Ozarks in Point Lookout, MO; Ecclesia College in Springdale, Arkansas, Sterling College in Craftsbury Common, VT; and Warren Wilson College in Swannanoa, NC.

A few highlights of some of these colleges:

Alice Lloyd, Berea, and College of the Ozarks don't charge students tuition. The other work colleges offer low-to-moderately priced tuition and other financial aid.

All students at Alice Lloyd College are required to work at least 10 hours per week in exchange for free tuition. If students need additional aid to cover room and board, they can work up to 20 hours per week. Jobs are assigned based on a student's own preferences and prior work experience.

College of the Ozarks requires students to work 15 hours a week plus two 40-hour workweeks during the year. The school provides all students with full-tuition scholarships and grants. Each year, College of the Ozarks receives about 4,000 applications and admits roughly 300 to 350 students for the fall term. The school also routinely has a waiting list of students vying to be accepted. Applicants are chosen on the basis of financial need, academics, leadership, and service.

While 71% of all U.S. college grads wind up with debt, only half of those who attend work colleges have student debt upon graduation. And when they do, it's usually about one-third to one-half of what their peers at other institutions have.

According to the Work Colleges Consortium, school programs vary from campus to campus. But they all have several things in common. For starters, work colleges mandate that in exchange for free or reduced tuition, students must engage in labor activity, usually between 10 and 15 hours of work per week. These programs also teach students the importance of service, as well as leadership skills and the ability to juggle multiple priorities, such as school and work.

"No students can buy their way out of the work program. That is not an option. So the work levels the playing field," says Robin Taffler, Executive Director of the Work Colleges Consortium.

According to Taffler, students at work colleges run all the schools' institutional functions.

"Students do gardening on school grounds, they run the IT desk, handle electrical work and plumbing repairs, and they even build all the buildings at the College of the Ozarks," Taffler said.

"They're trained firefighters," she adds. "They do billing and accounts payable. They work in the President's office. They do research and organize events. At Berea College, students manage the forests, they take care of livestock and work in the cafeteria and manage food services. Students at work colleges literally do everything."

Because work itself is core to the schools' philosophy, it is also integrated into the academic structure. There are Deans of Work, students get evaluated on their work, and students can even be kicked out of work colleges if their work is not up to snuff.

"It's very different from federal work study, which is an optional, need-based program," Taffler notes.

"At Work Colleges, 100% of our students work for all 4 years. They graduate with real work experience," Taffler says. "They are sought-after by employers because they know how to show up for work, they have basic workplace skills, as well as more advanced, sophisticated skills in various areas."

Can You Really Just Work To Put Yourself Through College?

If you're one of the vast majority of U.S. students who doesn't attend a work college, you can nonetheless work while you're in school, on your own or through a "work study" program offered by the U.S. Department of Education. Students who use federal "work study" have jobs either on campus or off campus. The money earned can be used as a credit to reduce tuition expenses or to pay other college costs.

But since Work Colleges are either tuition-free or charge very low tuition rates, they provide a more realistic opportunity to graduate debt-free in a way that isn't usually possible for students working while attending other institutions.

That's because if you're attending a typical four-year public or private college where the tuition is within average levels — anywhere from $8,000 to $30,000+ annually — then you'll probably never realistically earn enough to cover all your school costs.

Among four-year public schools, the average price of tuition rose 2.9% in 2013-2014. That was actually the smallest tuition increase in nearly 30 years. For many years prior to 2013, the price of tuition surged anywhere from 5% to 10% annually.

These are economic realities that parents, grandparents and other adults need to be sensitive to in today's college environment.

It's easy for those who earned a degree a generation ago (or longer) to say something like: "When I was in college, I worked my way through school and I paid for everything myself." Others will even add statements like: "I don't understand students today. I didn't take out student loans, and I didn't ask my parents or the government for money, either."

Well, it was possible 25 or more years ago to work your way through school, based on wages back then and the relatively reasonable college costs of a generation ago. But college costs have skyrocketed over the past two-plus decades and wages have not kept pace. That scenario has effectively made higher education unaffordable even for most adults who are working full time. Certainly, teens or young adults who are studying full time don't have the earnings power to foot the bill for all of their school costs.

* * *

Randy Olson, a graduate student at Michigan State University, wanted to investigate the issue of whether it was possible for a student at Michigan State to work in order to put him or herself through school.

Olson's findings were as follows:

> *"What we see is a startling trend: Modern students have to work as much as 6x longer to pay for college than 30 years ago. Given the reports that a growing number of college students are working minimum wage jobs, this spells serious trouble for any student who hopes to work their way through college without any additional support."*

> Olson concludes: *"Perhaps it's no surprise that tuition costs are rising, and college is becoming less and less affordable by the year. Yet somehow, the idea that we can work our way through college still persists. This ethos seems to be the latest generation's version of the American Dream: If you work long and hard enough, and if you sacrifice enough, you will eventually graduate college without debt and land your dream job. But with the way this trend is going, it looks like even long and hard hours at work won't even pay off any more.*
>
> *In short, I'd like my readers to walk away knowing that it's not nearly as easy to work your way through college as it used to be — stop telling us to do it just because you did a decade or more ago."*

Interestingly, Olson later went on to examine what was happening nationally — not just at his campus.

His later findings echoed his earlier research — demonstrating that it's simply *not possible* for most students to use work alone as a way to put themselves through college.

In summary, Olson found that nationwide, the average university student in 1979 only had to work 182 hours per year to pay for tuition. That's the equivalent of having a part-time summer job. By contrast, the average college student in 2013 had to work a whopping 991 hours to cover tuition. That's the same as holding down a full-time job for half of the year.

As Olson points out, the disparity in work hours is huge: modern students must work more than five times as many hours just to get the same education as their predecessors did back in 1979.

It's worth noting that Olson's data only refers to *public* school tuition for *in-state residents*. We all know that private school costs a lot more, as does tuition for out-of-state residents. Furthermore, as you've learned thus far, tuition is just *one* of many higher education costs. Even if a student could earn enough to cover tuition that wouldn't pay for room and board, books and supplies and other necessities.

So parents and others, encourage your kids to work if you want. But do cut students some slack when it comes to the outdated notion of working one's way through college absent any other financial support.

14. Have Your Employer Pay

According to a survey by Citigroup and *Seventeen* magazine, nearly four out of five U.S. students work while in school. That includes students in high schools, community colleges, online institutions, and four-year colleges and universities. The average working student logs 19 hours a week during the academic year, the study found.

Many students work in order to have spending money, not necessarily to cover upfront school expenses like tuition. In fact, the Citigroup study found that even after working nearly 20 hours a week, only a fraction of employed students paid their own tuition: 41% of students indicated that they rely on financial aid; 22% of students said their parents pay; only 18% reported that they pay their own way; and 16% said they had scholarships to cover tuition.

If you are among those students who work part-time, or even full time, you may have a ready option to cut your tuition expense: simply ask your employer to pay it or to reimburse you for this cost.

The Compdata Surveys Benefits USA survey of 4,500 companies found that 76% of firms in America offer tuition reimbursement to *some* employees. Additionally, 57% of businesses now offer reimbursement to *all* employees. That's up dramatically from the 35% of companies that offered this benefit to all workers back in 2009. The good news about this growing trend is that more people, even *part-time* workers, can secure tuition help.

Employer subsidies for tuition vary by industry, but reimbursements often fall within the $3,000 to $5,000 range annually. Some employers, though, are far more generous with tuition assistance. Compdata says that 25% of companies place no limit at all on the amount that an employee can be reimbursed for tuition.

In today's competitive marketplace, employers offer tuition assistance as a way to attract employees, reward them, and retain top talent. So don't be afraid to inquire of your boss or human resources specialist about this potential company perk. When you do, ask about any tuition reimbursement limits, as well as minimum grade or post-reimbursement work requirements that your company may impose.

15. Work in a High-Need Field Where the College Will Pay Your Tuition

It takes employees of all kinds to work in a variety of jobs that improve local communities and the wellbeing of residents who live there.

Depending on your college major and intended career path, you may be able to work in an area that has a shortage of needed professionals and work specialists. These areas are known as "high need fields" and colleges will often pay you to study and work in these areas because they know you'll ultimately be helping society at large.

For example, the University of Portland has a special nursing initiative called the Providence Scholars Program, under which the school will pay most of your tuition for two years if you agree to work in certain areas after you graduate from college. The tuition aid comes partially from the university, but mostly from Oregon Providence Health & Services, which has partnered with the school for this effort.

Schools aren't the only entities that offer paid tuition for those entering high-need fields. Similar opportunities exist via national groups such as Teach for America, the National Institutes of Health, and the Nursing Education Loan Repayment Program.

So if you plan on having a career in health, medicine, education or other areas where there's a shortage of trained professionals, do look into campus-based or organizational programs that will offer to pay your tuition in whole or in part.

16. Find a College With a Tuition Guarantee Program

Tuition guarantee programs represent another smart way to cut your tuition expenses. Don't confuse a tuition guarantee program with a fixed-priced tuition offering. They're different. Fixed-rate schools, as previously mentioned, promise that they'll lock in a specific rate of tuition over four or five years.

With a tuition guarantee program, however, a college or university promises to pay your tuition if you don't graduate in four years.

One such program is Temple University's new "Fly in 4" initiative, which launched in the 2014-2015 school year. Under the "Fly in 4" program, Temple limits the number of hours per week that students have to work, and the school guarantees that students can still graduate in four years. Temple reduces the workload of 500 students annually by giving those with financial need annual grants of $4,000. These funds allow students to devote more time to studying and less time to working.

But the "Fly in 4" Program doesn't go one-way. Students must also meet certain obligations, such as consulting each semester with an academic advisor, registering early for classes, and completing a graduation review at or prior to completing 90 credits.

If, for some reason, students still can't graduate on time, but they've fulfilled all of their responsibilities, Temple will pick up the tuition cost of any remaining classes.

That's a sweet deal for diligent students who take their academics seriously but need financial assistance to avoid working too much. Incoming freshman and transfer applicants are eligible for the program.

The Fly in 4 initiative is the brainchild of Temple's president, Neil D. Theobald, who came to the university in 2013. An expert in higher education finance, Theobald was the first in his family to go to college, which was made possible because he got a full scholarship.

As a result of his own personal and professional experiences — Theobald was also the former Chief Financial Officer at Indiana University — he has made college affordability and lowering student debt a priority at Temple.

"What we've found is that students from low- and middle-income backgrounds tend to take longer to complete their degrees, in part because they spend a lot of time working," Theobald said in announcing the Fly in 4 Program.

But for nearly 50 years, "researchers have shown that college students employed more than 15 hours per week during the school year earn much lower grades than do those working fewer hours for pay," Theobald said. "In addition, time-to-graduation has become the primary determinant of student debt."

"Temple students must not keep their futures waiting," Theobald added. "Under this initiative, our students will be able to limit their debt and advance more quickly into careers that will allow them to pay off the debt they do acquire."

There are other benefits from tuition guarantee programs as well.

For the state of Texas, a legislative initiative rewards students who graduate on time. It's called the Texas BOT, or the "B-On-Time Loan Repayment" program and it offers low-interest loans to financially needy students who start out at two-year community colleges and four-year public colleges, as well as private universities. And here's the kicker: those college loans are later forgiven for undergraduates who finish their studies within specified time limits. Furthermore, undergrads can receive tuition rebates of up to $1,000 if they graduate on schedule.

You now know 16 ways to drastically reduce any tuition bill you may face. But these aren't the only tuition-busting methods at your disposal. Let's turn now to what you can do to reduce tuition if you happen to attend college out of state.

We hope you have enjoyed reading this free excerpt of College Secrets.

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