

# 8 Insider Tips to Late-Stage College Planning



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**College**  
INSIDE TRACK

- Helps over 500,000 students per year with the transition to life after HS
- Saves families an average of \$18,872 per year off college sticker price



> 529



**College is different than  
when we went to school**

# Quiz

Since 1987, how much has tuition increased at the University of Minnesota?

- 28%
- 77%
- 215%
- 513%
- The numbers on my calculator don't go that high

# U of M Tuition Increase since '87

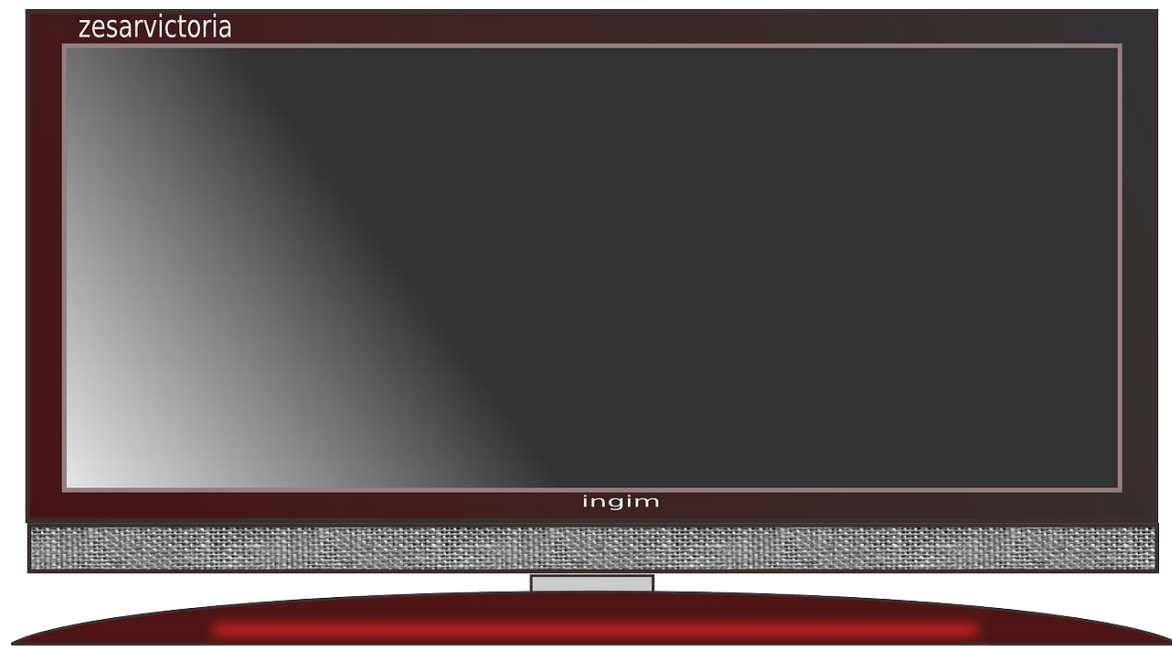
■ 513%

# Private College Tuition Increase

■ 401%

- Sarah Lawrence U: \$68,058
  - Drexel University: \$67,648
    - NYU: \$67,542
      - Carleton: \$62,102
        - Macalester: \$62,100
  - St. Ben's (MN): \$51,359
    - St. Thomas: \$50,600
  - University of MN: \$25,800





**There is no purchase  
as significant as college  
that people know so  
little about**

WHAT ARE YOU GOING INTO  
AFTER YOU GRADUATE?

Free-  
FALL.

COLLEGE  
DEBT

A cartoon illustration depicting a line of five graduates walking off a cliff. The cliff edge is a wooden plank. Below the cliff is a dark, jagged chasm labeled "COLLEGE DEBT". A man at the back of the line is looking back and answering a question about post-graduation plans with "Free-FALL." The other graduates are walking away without looking back. The man at the back is carrying books and has a worried expression.

- Average **Family** college debt:

- \$47,000+ in loans

- Includes student & family

# What Will College Cost?

- 1986 annual cost: \$ 5,000 to \$13,000
- 2015 annual cost: \$19,000 to \$69,000
- 2023 annual cost: \$36,000 to \$96,500



College Is Priced Like Airline Tickets

# **2 Types of Aid**

**1. Need-based aid**

**2. Merit aid**

# 2 Need-based aid forms



**FAFSA vs. CSS/Profile**  
**Expected Family Contribution (EFC)**

# Biggest Influencers of Financial Aid

- Income from tax return  
Parent non-retirement assets
- Number of children in college
- Children's assets and income  
(UGMA/UTMA,  
Grandparent donations)



# Tip #1

If need-based aid is an option,  
move assets out of child's name

- Child assessed @ 20%
- Parent rate is 5.64%
- 529 plans are assessed at parent's rate, UGMA/UTMA at child's rate

# Tip #2

## Review financial aid forms for accuracy

- 42% contain errors that cost a family money
- FAFSA-Your primary residence and your retirement are not counted as assets (CSS/Profile is different)

# Merit Aid

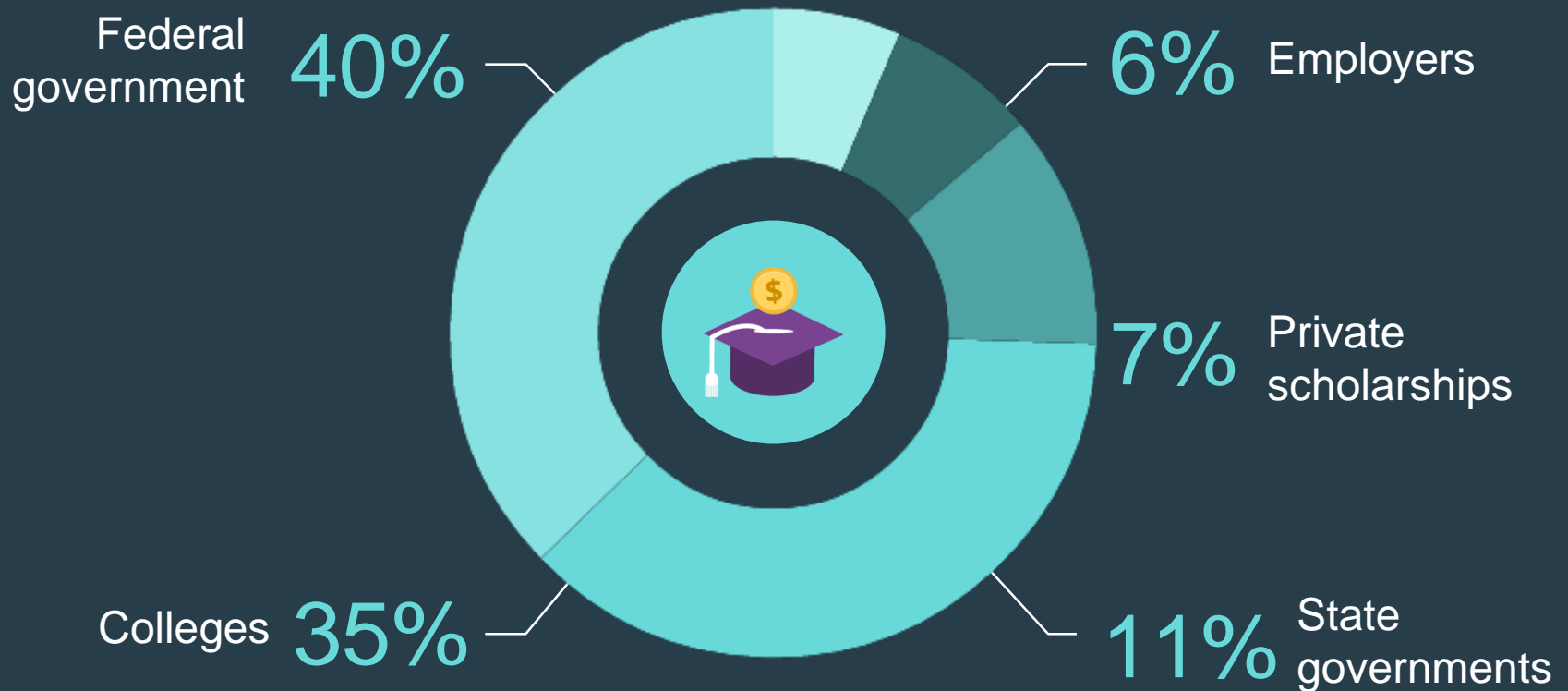


- AP, PSEO, standardized test scores, GPA, sports, etc.

## Tip #3

To get the most merit aid, spend the majority of your time finding the right college  
(not private scholarships)

# Scholarship/Grant Sources



# #1 mistake families make with merit aid?



- **Not all colleges offer merit aid!**

# Look for schools ...

- Offer merit aid
- Where student would bring something special
  - Grades and test scores in the top 25-33%
  - Extra-curricular talents
  - Gender or ethnicity
  - Geographic diversity

# Tip #4

## Consider colleges in other states

- 50% of students attend college within 100 mi of home
- MN colleges have all the Minnesotans they want- 72% stay in MN
- Students have geographic “hook” by looking at colleges outside geographic area
- Location can cost families \$15,000 a year

# Tip #5

1 or 2 more points on the ACT or SAT can be worth \$1,000's

- Goal is to be in top 25% of college's scores
- Investment in test prep may be worth it
- Test optional - If student does poorly on standardized tests consider 800+ colleges that do not require them ([www.fairtest.org](http://www.fairtest.org))

# Tip #6

Work with a resource to predict aid awards *before* applying

- College one of the few purchases where buyer doesn't really know the price
- ID schools that may not be worth spending time and money on
- Understand how test score changes can affect aid at specific colleges



# Anatomy of 1 College's Merit Aid

- Demonstrated Interest- \$3,000 (Don't be "stealth" candidate)
- Lives out of state-\$2,000-\$15,000
- "A" in class-\$62 for every "A" on transcript
- Rigorous class-\$400 for every AP, IB, etc.
- Excellent letter of recommendation-\$1,800
- Increase ACT score-\$425 for every point above avg.
- FAFSA-\$1,800 for completing
- CSS/Profile-\$2,500 for completing
- Essay-\$1,100-8,500 for excellent essay
- Major- deduct \$1.89 for every student admitted w/ same major (good news for philosophy majors!)

# Tip #7

## Negotiate the financial aid award

- Called an “appeal,” dirty little secret colleges don’t want you to know about
- Need a reason like a better offer from another college, family circumstance change, etc.
- Last year our appeals saved our clients an average of \$8,200 per year (\$32,800 over the 4 years)

# Tip #8

## Start the spring of 10<sup>th</sup> grade

- FAFSA change – will use financial data from 2 years prior starting with class of 2017
- Research and then target schools based on predicted aid
- Give yourself enough time to retake ACT if needed

# Questions?

**Chris Wills**

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**Call or Text: 651-269-2602 (cell)**

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- We do free customer appreciation or new client education events for financial advisors
- Referrals are appreciated and we will provide 1 hour of free college consulting
- Contact me anytime with questions!