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Tips on shrinking that college bill

By Lynn O'Shaughnessy
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Last year, a student received a \$36,000 financial aid award from Ramapo College of New Jersey. Shortly after that, her father died of colon cancer, leaving behind his wife, four children, a \$400,000 life insurance policy and very little else except the mortgage.

When the family informed the school of the death, the school reacted swiftly. No, it did not increase the financial aid package. Instead it tore it up. The school concluded that the life insurance proceeds disqualified the grieving family from any need-based aid.

It didn't care that the \$400,000 would need to duplicate the loaves-and-fishes miracle to last long enough to provide for the four kids, cover their college costs and have enough left for the widow to someday retire. The mom appealed the school's decision, but she may as well have been talking to a gargoyle: The school's response was stony. **It was only after the family hired [College Tuition Solutions](#) in Erie, Pa., which specializes in financial aid appeals, that the family was able to reclaim the money.**

The college reversed its decision after the firm persuasively argued that the insurance payout should be treated as if it had been tucked inside a retirement account.

In fact, if the dad had died and left the \$400,000 in a 401(k) or Individual Retirement Account, the money wouldn't have jeopardized the initial award at all. "The school was following the Department of Education rules, but that didn't mean it was right," says [Stuart Siegel](#), the firm's founder.

Dramas like this one are played out every day at this time of year as high school seniors begin receiving their admission verdicts.

After the euphoria of college acceptances wears off, families must grapple with the insanity of college economics. Back in 1988, when many of this current crop of high school seniors were smearing their highchairs with strained carrots, nobody would have dreamed that it could cost \$175,000 or more just to send one kid to a fancy university.

If your child is entering college in the fall, it's not necessarily too late to shrink his or her college tab.

If your child has received financial aid or merit awards, it's possible to squeeze even more money out of a school, if it loves your kid. Here's what you need to do:

Skip the histrionics. Financial aid officers don't like tears, shouting or any other emoting that will make them want to toss you a Kleenex box as they flee down the hall. "They won't have a lot of sympathy for you," Siegel observes. "They've heard it so many times before, and being dramatic and emotional turns them off."

And don't bother explaining how wonderful your child is. Their schools are crawling with incredible kids. Instead, remain dispassionate as you urge a school to take a second look at your family's financial package. It's best to present your arguments by letter, or even better, in person. Before composing a letter, find out the right individual

to address the correspondence to. If you haven't heard from the school in a week, follow up with a phone call.

Have a number in mind. You may as well throw gasoline on your chances for more cash if your big idea is to use this line: We just can't afford this school; you've got to give us more money.

The college won't care if you have to hock your SUV, ration your electricity and eat tuna fish sandwiches for the next four years.

The institutional callousness is simply a phenomenon of supply and demand. There are plenty of wait-listed kids with parents who won't quibble about the price. When talking with a financial aid officer, establish how much additional money you realistically need and how much you can afford to borrow.

It's best to provide documentation. For instance, you could present a school with a cash-flow analysis done by an accountant.

Play one calculation off another. If you're a veteran of the college admission process, you almost certainly filled out the FAFSA, which stands for Free Application for Federal Student Aid.

Even families who won't qualify for need-based financial aid should complete it, because some schools won't award merit money to a student unless it sees the FAFSA, which determines a family's eligibility for federal financial aid.

The FAFSA, however, doesn't allow you to include information that could boost your chances at walking away with more cash at private schools.

For instance, you can't mention on the FAFSA form that a student's sibling is attending an expensive high school or is disabled with high medical bills.

There is also no space on the document to note that you're caring for an aging parent, you just took a big hit in the stock market, or your high income last year was a fluke and won't be repeated.

You can, however, mention all these extenuating circumstances on the CSS/Financial Aid PROFILE, which is used by more than 600 private schools. While the PROFILE takes a more detailed look at a family's income and net worth, it's hiding its own claws.

The PROFILE considers home equity when calculating a family's expected contribution, which the FAFSA ignores.

I'd like a show of hands from homeowners in California who would eagerly share with a financial aid officer how much their humble homes are worth on paper. If one formula, however, provides more favorable numbers than the other, use it as leverage.

Create a buzz. If your child received financial aid and/or merit awards from more than one college, now is the time to start a bidding war. Contact the schools that made punier offers and inform them of the great deal your kid reeled in somewhere else. These schools will want their own copy of these competing packages.

Here's the key to creating some eBay frenzy: The colleges must be competing for the same universe of kids. A financial aid officer at Pomona College, for instance, won't care if your child snagged a great award from a school in Alabama. But he will pay attention if the generous overture came from the University of Southern California.

Appeal if circumstances change. A lot can happen after a family fills out financial paperwork. If a parent loses a job, dies, becomes disabled or divorces, you'll want a college to know.

Ask about merit aid retention rates. If your child wins a college scholarship, the trick could be holding onto it. This

will be harder at some schools than others. Find out what grade-point average will be necessary to retain this yearly award and ask the school what percentage of students retain their awards. If the percent is low, the college may as well be running a bait-and-switch game.

Siegel knows all about the joys and perils of merit scholarships. A few years ago, his daughter received a full-ride, merit scholarship to attend Dickinson School of Law, the fifth-oldest law school in the country. But after her first year, her grades briefly stumbled and her GPA dipped below the bar. That lapse cost her dad \$56,000. Ouch.

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