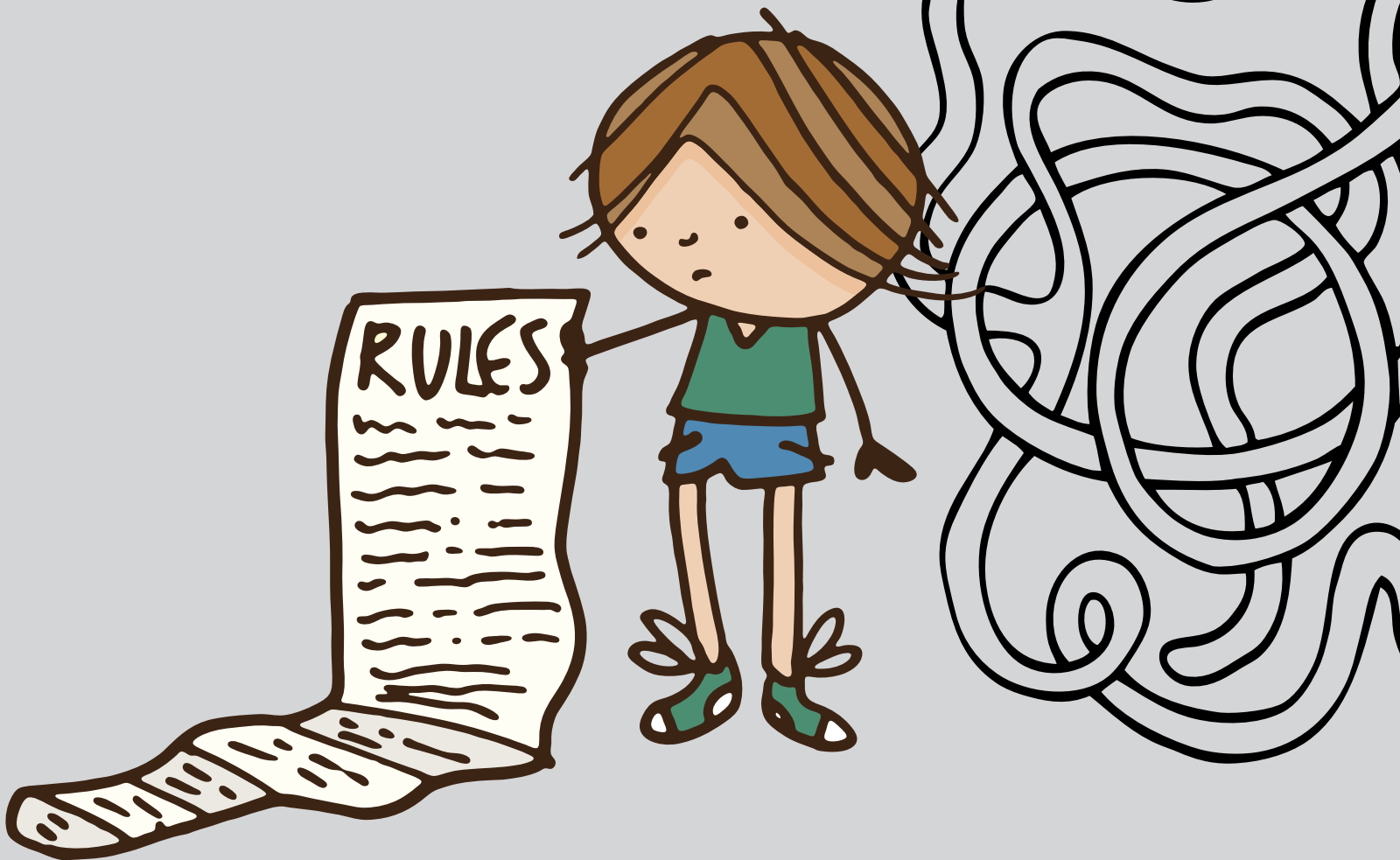
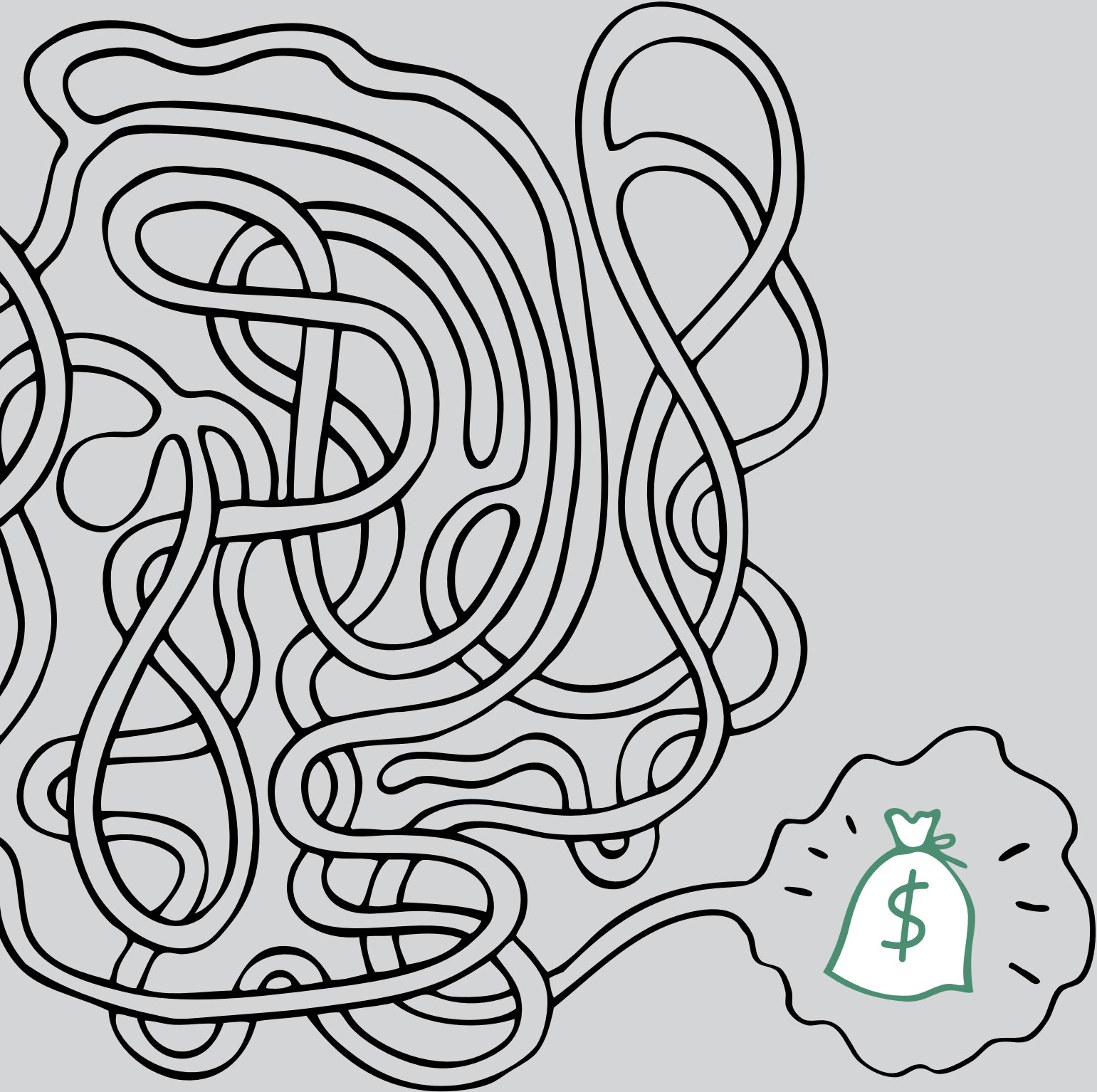


THE COST CONUNDRUM

IT MIGHT BE MORE ABOUT
THE **MYSTERY** THAN THE MONEY



By Jim Paterson



Packed within the big bundle of worries that high school students and their parents bring to the college admission process, the bulkiest item is often how they'll pay for it. And too often, experts say, it's not about lacking money, but lacking information.

"The majority of my job is demystifying college costs and encouraging families to discuss their concerns," said Diane Campbell, a college counselor at Liberty Common High School in Fort Collins, Colorado, and the chairperson of the Professional Development Committee for Rocky Mountain ACAC. "More than ever, they want to make smarter financial decisions regarding college costs and are open to learning and understanding about college finance and affordability, but still sometimes don't know how or where to start."

The lack of knowledge about financing college has been increasingly evident for more than a decade, but heated up as the recession hit and there was more publicity about graduate joblessness and student debt. In 2013, one report said that half of high school seniors didn't know how much college would cost and even more didn't understand the basics of student loans. More recently, another survey found that 70 percent of young people knew

almost nothing about student borrowing and a third said they had not received good information about college finance generally.

Campbell and others working with students say the questions range from details about FAFSA or student loans to concerns about easily exploded myths.

"Many students think that college is too expensive, and if their parents can't pay for it, they can't attend," said Mia Bradford, a college access specialist with the Houston Independent School District and former college counselor in New York City. "They are not even really familiar with the four types of financial aid and the process for applying and acquiring the funds, and don't know that all students qualify for at least one of them."

THE COST CONFUSION

There is often a lot of confusion about college costs, and while it might simply complicate the selection process for some students or disappoint others because a school is out of reach financially, it also may cause some to make a bad decision about enrollment or even be forced to drop out. Some underestimate the cost of college, but just as often students believe they can't attend a school for which they may be eligible.

STARTING FROM BEHIND

Based on projected demographics and the visible trends in applications at most colleges, students from families who have traditionally not attended college, international students, and disadvantaged students are increasingly going to be applying, and they may need more and different types of help.

"There is a lot of information out there. The problem is not that the information is not available. It is that the people who need it most don't access it. They don't know to seek it out," said Sandy Baum, a researcher specializing in education policy at The Urban Institute.

She noted that research has shown students who begin with the most information and familiarity with the college application process then proceed to take advantage of opportunity to learn more, heightening the disadvantage to others. Lacking knowledge discourages some students at the start.

NACAC offers extensive information in its Knowledge Center about international students, undocumented students, and refugees, along with a special section on diversity and access. The Higher Education Compliance Alliance also has useful information.

"I think some of their biggest misconceptions are around what financial aid really means, about how affordable college can be—about the idea that highly-selective private universities with a formidable price tag can actually be the most affordable option," said Jeremy Heyman, who wears several hats at ELLIS Prep Academy in New York, one of which is working on college exploration and preparation with the school's students, who are generally new to the country.

But sometimes, he said, these students don't understand that some colleges have greater value or even that a better school record and

résumé really will allow them to get into one—concepts that seem so fundamental and familiar to many students.

"The idea that the harder a student works, and the better their grades and scores—let alone strength of schedule and extracurricular involvement—the more opportunities they will have, is elusive for many of our students," he said.

He recalls parents who just could not understand how a school could pay large sums for their student to attend, even if the student was successful, or why they would want to attend the more expensive school.

Angela Conley, a counselor with a special program in Houston schools that assists underserved, high-performing students, said there are similar complex issues among them and other related things like guilt about leaving others behind or an obligation to their struggling family. Parents may be ashamed of their income levels and not understand that the information will be confidential, and undocumented parents might be concerned about their information being compromised. They may be worried about whether their students will have enough money outside of the expense for tuition and room and board.

"A first-generation student's issues with attending college go well beyond intellectual preparedness and exposure to psychosocial agency or class and co-curricular opportunities," she said, noting that these parents and students may need very fundamental counseling about the value of postsecondary education.

Experts say counselors who don't have this perspective may need to spend extra time understanding the concerns of first-generation or disadvantaged students and their understanding of financial issues. They may also want to enlist parents or students with a similar experience to discuss their experience and address the concerns.

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Karen Miller, director of curriculum and instruction for SCOIR, a platform that helps students explore and apply to college, said the biggest misunderstanding is about what a student may actually have to pay. Students don't understand that the cost of attendance (COA) isn't the final word on expense, she said, which won't be clear to them until they have submitted the FAFSA and gotten a determination about grants and loans.

"Parents or students may look at the COA of a private college and think they could never afford it. However, that may not be true," she said. "Counselors should explain how colleges are often willing to help students meet their financial need."

Laura Perna, an education professor at the University of Pennsylvania and executive director of the Alliance for Higher Education and Democracy, said that the net price calculator, required on college websites since 2011, provides an estimate of costs, but can also cause assumptions that aren't correct. A new online application MyinTuition, now supported by more than 30 schools, is promoted as a way for students to get a clearer estimate of costs more easily, but Perna and others note that they won't have a final idea until all commitments are made for aid. And even then, she said, award letters are sometimes confusing and families may need help deciphering them.

When students visit colleges they often hear the message that the majority of applicants receive financial aid and, in their minds, they hear finances won't be a problem. They mentally check that off their to-do list, said Jamie Simon, a college counselor at Loyola Academy in Wilmette, Illinois.

However, when their award package arrives in the spring, the message can be very different. Some colleges structure the financial aid award to show the out of pocket costs can be zero dollars, when in reality there's a Parent PLUS loan for \$30,000.

Campbell said counselors should encourage families to avoid assumptions, get their questions answered, and explore all options for financial assistance—and do it early.

THE BASICS

"Often they are starting at the wrong end of the buffet. They search and spend hours of energy seeking out the perfect college and possible majors, and they write essays, apply, visit campus, submit, and wait for a decision," Campbell said. "Then they focus on the cost. They are very aware that college is expensive, but they just aren't sure where to start with determining affordability and costs before they begin the college search. They think they should apply to their choice colleges and then wait for a while and figure out what they'll pay."

NACAC has extensive information about college finance that counselors can introduce to families early in the process, including a PowerPoint that has basic explanations of the process. It points out that counselors should explain to students the difference between billable costs and indirect costs and encourage students to get clear information about their specific expense.

Experts note that often busy college counselors (the average caseload is 482 students) and admission officials can't help students as much as they'd like.

"The challenge sometimes as a high school counselor is finding the time and opportunity to really teach and guide students and families," Campbell said.

It all means counselors have to be more efficient. Initially, they may have to clearly understand likely gaps in knowledge, taking into consideration their population. They should encourage students and their parents to self-educate, but can also run groups and hold seminars where a number of families can be reached at one time. They should post good, useful, information online and direct families to the many good resources.



And, experts say, they should use surrogates—parents with experience, current college students, or local resources such as consultants or college representatives who can present an accurate, objective view or offer information and perspectives they might not have.

Sonja Montiel, founder of the college consulting firm College Confidence, also believes it is important for young people to work closely with their parents on family finances, which can increase the student's appreciation of college expenditures and awareness about them, and relieve some pressure from counselors. (See page 37.)

ALPHABET SOUP

Some experts say counselors should first get a good idea about what information students need or want to know. They can survey all parents and students or quickly poll those attending a workshop or college fair and build up a bank of knowledge about the typical gaps among their population.

Campbell said counselors often wrongly assume that families have an understanding of the difference between loans and grants, for instance, and said that counselors should make a point to clarify basic terminology—even providing students and their families with simple explanations of common terminology initially.

"We throw terms around like EFC, grants, scholarship, FAFSA, Pell Grants, loans, merit, net price, unsubsidized and subsidized, and other terms," she said. "Some have heard them, but there are few who truly understand the meaning or how financing an education works."

Often the paperwork for the process concerns students most—and it is helpful for them to get early help developing a system for collecting, organizing, and managing college information, as well as application and financial aid material. They also need some encouragement that it isn't as complex or challenging as it seems, especially if they keep it organized and tackle it early.

One major stumbling block is FAFSA, and NACAC has an informative webpage with resources for parents and students, including details about what you need to know about the most recent changes. Miller's firm also recently produced a simple guide.

Students who don't live with both biological parents don't understand they should use finances of the one they are living with the most, and in many cases the information they need has already been collected by their parents for other purposes and isn't as hard to access as they might think, said Miller. They also need help understanding the differences between the CSS PROFILE and FAFSA, she said.

She also noted that they should be reminded that details are important when filing the FAFSA. Mistakes—even forgetting login credentials or data release numbers, which are difficult to retrieve especially at a busy time of year—can cause delays.

SOURCE SUGGESTIONS

Bradford begins discussions about financial aid early, requiring that students bring in parent financial information and calculate costs with the FAFSA4caster or the net price calculator for schools they are considering.

"When I am working with my students on their lists, of course I have them include safety, target and reach campuses simply based on their academic profile. However, I include the financial piece into the equation during their junior year."

Perna said students also don't understand terms of loans, or that under some conditions they can obtain a deferment, can get loan forgiveness, or do public service. The *Des Moines Register* recently noted that many families regretted having committed to the Parent Plus program, "a federal program with loose borrowing guidelines and stringent repayment rules." (More than 3.5 million people owed a record \$83.9 billion in Parent PLUS loans, with an average debt load of nearly \$24,000 as of Sept. 30, the paper reported.)

Experts also say a lot of scholarship money goes unused because students don't know it's available, and say it is critical to repeatedly provide that message early while helping students discover vehicles for scholarship searches.

"Most high school students don't know that they can begin applying for scholarships before their senior year," said Bradford. "It's all a numbers game, so the more you apply to those you're eligible for, the better your chances of obtaining multiple scholarships."

She also said that about 80 percent of top schools will meet the 80 to 100 percent of financial need demonstrated by high-achieving, low-income students.

"Many students don't recognize they might be able to go to Ivy League or top-tier institutions for free based on a combination of grant aid and scholarships," she said.

But Simon said he encourages students to make award money a key consideration. "We encourage families to follow the scholarships and save that money for graduate school or for their siblings."

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Jim Paterson is a writer and former school counselor living in Lewes, Delaware.

THE PARENT GAP

When Sonja Montiel meets with high school students and their parents she looks forward to one moment when she can make everyone a little bit uncomfortable.

The question she directs to students is: “Do you know how much your family can spend on your college education? Have you discussed the family budget yet?”

“The parents look at me stunned, then look to their teen, wondering if they even know what my question means,” said Montiel, founder of the college consulting firm College Confidence, based in California. “Across the socioeconomic spectrum, whenever I ask these questions, teens tend to lean forward and respond, ‘No, but I wish we did’. In fact, I have yet to meet a teen who doesn’t care about family financial resources. They all seem to care but are afraid to ask.”

It is one part of a strategy Montiel has designed to involve parents more in the process where possible, increase student awareness of family and college finance and improve communications about this critical issue between them. It is a structured approach that gives families—with guidance from a counselor—a system for developing a college list and discussing it, and a tool for understanding how school will be paid for.

She doesn’t want to discourage students from having a “dream college” on their list but said a balanced list has not only “admission likely” colleges but “financial safety” schools, and she said conversations about finances should be frank but sensitive to the fact that taking away dreams might discourage a student.

“Perhaps it was technically never a dream in the first place, but instead a fantasy. If this talk is done right, we can push teens to really reflect on the difference.”

She said a factual discussion with teens helps them understand the financial challenges college presents but also, then, about its value and how important the parent believes it is.

She proposes parents be encouraged to tell their students:

- The cost of attendance ranges from \$20,000–\$65,000 per year.
- We do not want you to take out loans of more than X per year.
- If your colleges can’t make up the gap, you must be prepared to say, “No, thank you” to an acceptance.
- What are your thoughts about our financial circumstance? Do you have any questions or concerns to share with us?

She said parents should then offer teens an opportunity to “reflect and respond so they feel a part of the dialog” and so parents can learn their perspective.

“There remains a taboo that children cannot ask about family financial resources. Instead, many are told that if they focus on academics, the rewards will come—somehow, someday. As a result, without concrete measurements, teens are left with an idea and hope that things will just work out in the end as promised by their family.”

She said too often parents promote college with abstract terms, suggesting it will “bring students success, financial

security, independence, and happiness, when they should be more concrete”—about what the student wants to do and wants as their lifestyle, and how they will achieve it

She has teens look up three-to-five interesting professions to see what the demand and current salaries are, using Job Search Intelligence Calculator combined with the Bureau of Labor Statistics data. She asks parents help students compare salary estimates with lifestyle goals.

“Then they should create a college list that celebrates exploration and intrigue. No matter what, keeping our teens engaged, excited and motivated should be a priority when building the college list and through the entire college planning process. Otherwise, college planning will most likely be a frustrating experience that leads to an unsuccessful result.”

Montiel recommends a list with columns for the following:

- College name and location
- Virtual tour (She uses YouVisit virtual tours)
- Size of undergraduate student class
- Sources of information and links tied to teen’s interests
- Test and GPA range for acceptance (She uses College Data combined with the freshman profile provided by each college)
- Cost of attendance.

“This is a great learning moment. Parents can use these ranges to communicate chances of scholarship consideration. Right next to these ranges is the listed price tag for cost of attendance. Not only will teens be able to compare the value of each college, but with knowledge of what their family can afford, teens will be able to see the gap that would need to be filled by financial aid, scholarships, or loans.”

She said parents should allow students to change the list, adding and deleting colleges and even choices of major. And they should hold regular (even scheduled—she met with her daughter monthly for a half an hour during this process) meetings to consider goals, how the student is doing and any concerns about finances.

“This is a time for dialog, not reporting on their efforts. If parents fall into that approach in these meetings, expect the eye rolls and possible disconnection. Teens will interpret this as ‘my parents are nagging me again.’”

She said her daughter timed these meetings to keep to the allotted 30 minutes, but seemed engaged. She finally let her parents know what she was thinking.

“She said, ‘I’m not interested in private out-of-state colleges since the cost of attendance is so high, and I’m not sure if I would receive an education that much better compared to other colleges in California that cost less,’” said Montiel.

“Our jaws dropped. I think I may have teared up just a little. She had become aware of cost and value of college and was able to articulate it. Our conversations advanced from there as we got to talk about list and net prices and other things. That one statement, however, gave us confidence that we might be on the right track.”