



The spiraling cost of a college education in the United States is enough to take any parent's breath away. To add to this pain, in recent years the traditional means of saving for educational costs have been profoundly impacted by a depressed economy that has drastically decreased the value of some investments and savings that parents were relying on to pay for college tuition. Parents often find themselves unable to set aside sufficient funds to meet these burgeoning costs without using their retirement savings or tapping into home equity lines of credit.

In addition, many parents feel caught between a rock and hard place--they do not have enough money to meet their children's higher education costs without altering their current and long-term personal and financial objectives, but they have too much money to qualify for financial aid. A new approach was needed and F.A.C.T.S (Financial Aid Concepts & Tuition Strategies) was established to meet that demand.

We often find that parents don't have enough information about how best to navigate the financial aid process. For example, parents often have the mindset that if they have too many assets, they won't qualify for financial aid. This is totally FALSE! Don't pull out the checkbooks yet! It's not necessarily *how* many assets you have, but *where* you have them. Each investment has a different weighting as it relates to financial aid. Another other area people have trouble with is how the equity in one's home is factored into the financial aid process. The answer to that question depends on the type of school you are applying to. Colleges use different methodologies (federal vs. institutional). Only certain schools look at the equity in your home. It's important to understand the difference between the two methodologies and make appropriate adjustments only if necessary.

Keep in mind that when you are planning for college, one of the biggest mistakes is to move assets around or spend money simply to attempt to qualify for financial aid. As a result, people make changes to their assets without realizing that it usually doesn't put them in a better situation and they sometimes end up regretting those changes. The best thing to do is to consult with a professional who is an expert in the financial aid process and the various college funding options. While your family and friends may offer you lots of advice, they most likely don't know your exact financial situation or the intricacies of the financial aid process at the colleges your child is applying to. Although your situations may look similar, there is no "one size fits all" solution. The best approach is to meet with someone who truly understands the financial aid process, knows the particulars of your financial situation, and can develop a customized plan for paying for college.

College is expensive no matter how you break it down, so the more planning you do, the better off you will be!