

A. Direct Educational Costs

Tuition costs vary considerably from school to school, and higher costs don't necessarily ensure a better educational experience for your child. While most public institutions cost less than private institutions, residency matters. If you are not a resident of the state that the public university is in, your tuition costs may be comparable to those of a private school. In fact, tuition and required fees for out-of-state students at some state universities are higher than at some private colleges.

You may qualify for tuition benefits or discounts if you are a college employee or even live in a college town. Additionally, some schools offer tuition breaks for siblings who attend at the same time or for the children of alumni.

There are some fine institutions without tuition – such as the service academies and Cooper Union. Cooper Union for the Advancement of Science and Art in New York City is, according to its Web Site, “the only private, full-scholarship college in the United States dedicated exclusively to preparing students for the professions of architecture, art, and engineering.” That's right – it's free! But before you rush off to get an application (yes, there is an application fee), keep in mind that it is super competitive, and for every spot in the freshman class, there are at least 10 applicants.

Northeastern University in Boston offers undergraduates the chance to participate in cooperative (“co-op”) education, alternating classroom learning with periods of full-time work at places like Microsoft, Fidelity, The Boston Globe, and The Boston Symphony. Typically, opting for co-op adds a fifth year to the college program; graduates benefit greatly by earning money for college expenses and getting an edge in the post-college job market. Forty percent of Northeastern's co-op students work for co-op employers after graduation.

ROTC scholarships make college more affordable for those who wish to join the armed services after graduation. Heather, a non-ROTC and the only child of a single mom, graduated from a private liberal arts college with \$52,000 in loans, and then joined the Army. Not only were her loans forgiven when she enlisted in the Army (she has a four-year commitment) but she was given an \$8,000 signing bonus.

B. Books and Supplies

While it's safe to assume that a student will spend \$750-\$1,000 per year on books, depending on your child's major, this figure can range dramatically. For instance, art supplies, uniforms, and special lab equipment may be requirements for some fields of study. Evaluate whether these costs will be one-time investments, or if equipment needs (and costs) will increase. Some majors lend themselves to taking advantage of paperback and used books. Shakespeare's work hasn't changed in content over the eons, but with the never-ending political and geographic changes in the world, a student could be on the way to academic disaster if second-hand textbooks are out of date.

C. Room and Board

Consider variations in location of the schools (e.g., rents are more expensive in cities, etc.) and options inboard plans (e.g., 21 meals a week, lunches, and dinners only, etc.) when penciling in these estimates. While most students don't know where they want to live before enrolling in a college, some are sure that they want to live in a dorm, at home, in an apartment off campus, or

in a fraternity or sorority.

If your child will be living at home with you, you will incur some costs (e.g., food and utilities) that you wouldn't if your child was away.

You can get estimates of local rents and fraternity and sorority charges from the college housing office. If renting off campus, consider a month-to-month lease at first particularly if your child doesn't know anybody or may not be familiar with the area.

D. Personal Expenses

The numbers in this category can vary greatly, depending on geography, extracurricular interests, and your child's ability to stretch—or spend—a dollar. If your child goes to college 2,000 miles from home, airfare will be a big-ticket item in this section. Cities have treasures of museums and concerts, but ticket prices on Broadway can be extravagant on any budget, and city life brings with it parking or transportation costs. Thankfully, there are ways to get cheaper tickets, and student discounts are usually available.

If your child is going from a warm climate to a cold one, add in wardrobe costs. A winter coat and good waterproof boots can set you back hundreds of dollars—and that's not counting ski equipment and lift tickets.

A bicycle might be the best form of transportation around campus. Will your child insist on the latest model full-suspension mountain bike or pull the old Raleigh three-speed out of the garage? It's often not a bad idea to get there before making a major purchase such as this to find out what's really needed and to help keep transporting all the stuff to a minimum. Many must-have items (including bikes and computers) can often be bought second hand on or near campus.

Staying in touch via e-mail can contain telephone costs. Having a cell phone with a workable plan and region might be cheaper than having a phone in the room. You might want to have some kind of agreement about who is responsible for what—you may pick up the tab on calls home, but late night calls to girlfriends and boyfriends scattered all over the country should be the responsibility of the student.

If nothing else, if you have read this section in time, you may be able to make some suggestions to relatives for high school graduation presents. Telephone calling cards, a laptop computer, tickets to sporting or cultural events, and restaurant gift certificates are welcomed. A gift certificate at the college bookstore or a cash contribution to a college debit card makes a practical present at any time of year.

Total Costs

While you may be very surprised by the variations in costs among colleges, don't be premature about crossing a college off the list simply because prices are high. It may be that you will qualify for aid at the more expensive college and not at the other, and it may be that the less expensive school is really not a bargain because it doesn't offer your child as many opportunities or advantages.

Topics for Roundtable Family Discussions

- **Is there a certain amount of money that you are willing to commit to a child's education?** If your ability to pay is more than your willingness to pay, you should put your cards on the table as soon as you can in the college admission process. Some families agree to pick up the tab on tuition and room and board, but expect their children to pay for books and personal expenses. This is a good time to work out the ground rules.
- **Are there sources of financial assistance that you should be investigating?** If a grandparent has always said, "I'll be willing to help out when the time comes," this might be the time. Often, grandparents are eager to help out financially—for tax reasons as well as altruistic ones. If grandparents pay tuition directly to a college, this money will not be treated as taxable gifts, and the grandparent would still be able to take advantage of making a \$10,000 annual gift, reducing his or her taxable estate. Be sure to investigate specific scholarships through your church, club, or employer, too. Peterson's Panicked
- **What sacrifices are you willing and able to make as a family to pay for college?** Vacations, new cars, and home improvements may be luxuries that you won't be able to afford with children in college. If these decisions are discussed and made together, they are usually easier to live with. In addition, if your child has assets such as stocks and bonds, will any or all of them need to be liquidated to pay for school?
- **Expect to borrow.** The number of families borrowing for education continues to rise, and these days most college students and their families borrow from someone or from somewhere. It's important for you to establish an idea of how much debt you are willing to incur. Make sure that your credit rating is healthy. If your family has not experienced any trouble with previous debts, you should be in good shape to borrow again.
- **Don't blackmail your children.** Far too many parents insist that they will foot the bill only if their children attend a school of the parents' choice or study a particular major. Janice unhappily enrolled at her parents' alma mater, and only after being miserable for two years was she able to convince her parents to allow her to transfer.
- **If parents are divorced, be certain that it's clear about who will assume what college expenses.** Paul, a divorced non-custodial father, paid all the bills for his daughter's private college. Now his son is ready to enter college and he's asked his ex-wife to split the cost since he hasn't recovered financially from their older child's bills. She has refused. The father plans to apply for financial aid this time around and may or may not qualify.

Source: Petersons Panicked Parents' Guide to College Admissions, 3rd Edition