

THE TOP 50 COLLEGES THAT WILL KILL YOUR RETIREMENT!

What this report is and what it isn't.

Everybody loves getting a bargain, a great deal, a real steal. But if you're near the highest rungs on the economic ladder, paying wholesale at the nation's most selective and prestigious colleges in America isn't in the cards.

On the other hand, the information found here in this report can steer you away from falling prey to colleges that will cost you a fortune... without any real educational or career benefit!

At the very least, it will prepare you for what you are up against.

At many fine colleges and universities, tuition discounts, also known as merit or gift aid is offered to attract the best students. Some would say this is rewarding students for their hard work. Others would say it is buying students.

If you earn between \$130,000 and \$180,000 per year, depending on where you live, paying for college will almost certainly be a challenge. It is for you that this report has been prepared.

At the schools included in this list, the only thing that would be in your favor is if you have more than one student in college at the same time. Generally, you will find some grant money from the college available if this is the case.



First and foremost, this report assumes that as a parent you have raised students that have done well scholastically. They are, at the very least, in the top 25% of their class, and they have or are expected to perform very well on the SAT's or ACT.

This report will provide you a list of the colleges that will meet 100% of a student's financial need or very close to it.

As good as this sounds, financial need is relative. The colleges listed here may offer some student loans and/or federal work-study, but no free money to your student. That's because you earn too much to qualify for grants (free money the college or government gives).

And because these institutions are very competitive, and the students that apply to these colleges are too, you won't find any merit based scholarships offered. If there are, they are only a token amount of aid.



First, it's helpful if you know how financial aid works. There are literally millions of web sites that have this information. But the gist of it is pretty simple.

The following will show you how a family with less income is treated as compared to a more affluent family.

For example, this is how an average family of four would be treated by Duke University in North Carolina. Duke University is known to meet a 100% of a family's financial need.

The family's numbers are:

1. Adjusted Gross Income (AGI) of \$115,000
2. 401(k) contribution of \$5,000
3. Non retirement assets of \$175,000 (savings, CD's, stocks and bonds)
4. \$300,000 of home equity
5. Student has \$5,000 in savings

Duke would use a financial aid formula that would tell the family it can afford to pay \$41,246 (this is known as the Expected Family Contribution or EFC) more or less, before any financial aid was applied.

Expected Family Contribution:

Parent contribution from income and assets (as adjusted if more than one family member in college)
+ Student contribution from income and assets
= Expected Family Contribution (EFC)

Then the financial aid department would take the cost of attendance (COA) which in this case is \$48,507 and subtract the parents EFC of \$41,246 leaving 6,261 as the student's responsibility.

The student would receive a \$3,500 Stafford Loan, a Perkins Loan of \$2,000, and \$761 in Federal Work Study. This type of aid is called self-help. Self-help is usually offered first before other money is offered.

COA: \$48,507 minus
Family EFC: 41,246
Financial Need: \$6,261

Loans and work study offered to fill that need: \$6,261

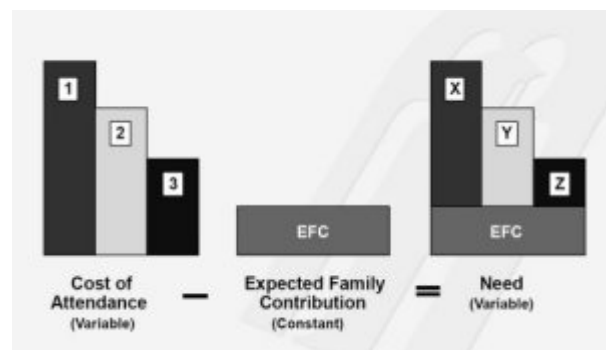
As you can see, the school met 100% of the family's need.

Yet, as you can also see, the parents will have to pay \$41,246.00 and the student will have a debt of \$5,500. This is for one year.

Let's say that the numbers remain unchanged except the parents income is \$150,000 and they contributed 12,000 to their 401(k).

The EFC now goes up to \$54,154.00. The EFC is higher than the COA. That means the student is entitled to no financial aid at all save an unsubsidized loan for \$3,500.00 and is not considered financial aid.

Unless the student goes outside the college for other funds, such as a scholarship offered by Wal-Mart or Coca-Cola, etc., the out of pocket cost to the family will be \$48,507.00 per year.



These schools have made a commitment to only provide financial aid to those who truly need it. They are Need Blind. That means they don't consider a families ability to pay into their admissions decisions.

In fact, if you earn less than \$40,000 per year, Harvard will cost you nothing. Not to be outdone, Princeton doesn't offer loans, just grants (free money that doesn't have to be paid back) to help make paying their tuition more affordable. But you have to have a low income to qualify. Also, the % of students from financially challenged homes that actually make into the Ivy's is really small. It doesn't cost these great institutions of higher learning much to *appear* to be doing great works for the underprivileged.

There are other colleges and universities that are not really all that prestigious but made our list because their marketing departments have done an extraordinary job of attracting applicants. When the number of applicants grows, a buzz is created and a greater demand to be admitted soon follows. Washington University in St. Louis is a good example of this.

Another reason colleges made our list is largely due to demographics and geography. In the Northeast for instance, there is a dense population and few seats are being added to keep up with the children of the baby-boomers.

Some of the schools have managed to jack up their COA to over \$50,000 per year. That is more than the Ivy Leagues charge. These schools give such miserable amounts of financial aid regardless of merit achievement, that financially they should be considered on the same level as out of state public universities*.

*Out of state public colleges and universities charge up to three times tuition for non-residents. Also they don't have much aid to give their own in state students. The University of California system is a good example of this.

Some Basic Terminology

Before we begin, it's a good idea to go over some of the more important terms we will be using. These terms may be familiar to you already, and there may be some you haven't heard or seen used. At any rate, it never hurts to do a quick review.

Award Letter

In the springtime, the school(s) to which the student has been accepted will issue their Award Letter(s). The Award Letter lists all the aid the student is eligible for and what the Expected Family Contribution (EFC) is to be.

universities. It helps colleges get a more overall picture of your financial situation, so that they may appropriately give out their own awards. This form is separate from any government form, such as the FAFSA. Be aware that the College Board charges a fee to file this form.

Base Year

The tax year prior to the academic year (award year) for which financial aid is requested. The base year runs from January 1 of the junior year in high school through December 31 of the senior year. Financial information from this year is used to determine eligibility for financial aid.

Campus-based AID

Financial aid programs are administered by the university. The federal government provides the university with a fixed annual allocation, which is awarded by the financial aid administrator to deserving students. Such programs include the Perkins Loan, Supplemental Education Opportunity Grant and Federal Work-Study. Note that there is no guarantee that every eligible student will receive financial aid through these programs, because the awards are made from a fixed pool of money. This is a key difference between the campus-based loan programs and the Direct Loan Program. Do not confuse the two, even though both loans are issued through the schools.

CSS/PROFILE

The CSS/PROFILE is a supplemental financial aid form processed by the College Scholarship Service (CSS) of the College Board. The PROFILE is a financial aid form required by some private colleges and

Some Basic Terminology

Cost of Attendance (COA)

(Also known as the cost of education or "budget") The total amount it should cost the student to go to school, including tuition and fees, room and board, allowances for books and supplies, transportation, and personal and incidental expenses. Loan fees, if applicable, may also be included in the COA. Child care and expenses for disabilities may also be included at the discretion of the financial aid administrator. Schools establish different standard budget amounts for students living on-campus and off-campus, married and unmarried students and in-state and out-of-state students.

Custodial Parent

If a student's parents are divorced or separated, the custodial parent is the one with whom the student lived the most during the past 12 months. The student's need analysis is based on financial information supplied by the custodial parent.

Endowment

Funds owned by an institution and invested to produce income to support the operation of the institution. Many educational institutions use a portion of their endowment income for financial aid. A school with a larger ratio of endowment per student is more likely to give larger financial aid packages.

Entitlement

Entitlement programs award funds to all qualified applicants. The Pell Grant is an example of such a program.

Expected Family Contribution (EFC)

The amount of money that the family is expected to be able to contribute to the student's education, as determined by the Federal Methodology need analysis formula approved by Congress. The EFC includes the parent contribution and the student contribution, and depends on the student's dependency status, family size, number of family members in school, taxable and nontaxable income and assets. The difference between the COA and the EFC is the student's Financial Need, and is used in determining the student's eligibility for need-based financial aid. If you have unusual financial circumstances (such as high medical expenses, loss of employment or death of a parent) that may affect your ability to pay for your education, tell your financial aid

administrator (FAA). He or she can adjust the COA or EFC to compensate. See also Professional Judgment.

Federal Direct Student Loan Program (FDSLP)

Similar to the Federal Family Education Loan Program (FFELP). The funds for these loans are provided by the US government directly to students and their parents through their schools. Benefits of the program include a faster turn-around time and less bureaucracy than the old "bank loan" program. The FDSLP includes the Federal Direct Stafford Loan (Subsidized and Unsubsidized) and the PLUS loan program.

Federal Family Education Loan Program (FFELP)

Includes the Federal Direct Stafford Loan (Subsidized and Unsubsidized), Perkins loans, and the PLUS loan program. The funds for these loans are provided by private lenders, such as banks, credit unions and savings & loan associations. These loans are guaranteed against default by the federal government.

Federal Methodology (FM)

The need analysis formula used to determine the Expected Family Contribution (EFC). The Federal Methodology takes family size, the number of family members in college, taxable and nontaxable income and assets into account. Unlike most Institutional Methodologies, however, the Federal Methodology does not consider the net value of the family's residence.

Federal Processor

The organization that processes the information submitted on the FAFSA and uses it to compute eligibility for federal student aid. There are two different federal processors serving specific geographic regions.

Federal Work-Study (FWS)

Program providing undergraduate and graduate students with part-time employment during the school year. The federal government pays a portion of the student's salary, making it cheaper for departments and businesses to hire the student. For this reason, work-study students often find it easier to get a part-time job. Eligibility for FWS is based on need. Money earned from a FWS job is not counted as income for the subsequent year's need analysis process.

Some Basic Terminology

Financial Aid

Money provided to the student and the family to help them pay for the student's education. Major forms of financial aid include gift aid (grants and scholarships) and self-help aid (loans and work).

Financial Aid Administrator (FAA)

A college or university employee who is involved in the administration of financial aid. Some schools call FAAs "Financial Aid Advisors" or "Financial Aid Counselors".

Financial Aid Office

The college or university department that is responsible for the determination of Financial Need and the awarding of financial aid.

Financial Aid Package

The complete collection of grants, scholarships, loans and Federal Work-Study employment from all sources (federal, state, institutional and private) offered to a student to enable them to attend the college or university. Note that Unsubsidized Stafford Loans and federal loans are not considered part of the financial aid package, since these financing options are available to the family to help them meet the EFC.

Financial Need

The difference between the COA and the EFC is the student's financial need. This is the gap between the cost of attending the school and the student's resources. The financial aid package is based on the amount of financial need. The process of determining a student's need is known as Need Analysis.

Cost of Attendance (COA) - Expected Family Contribution (EFC) = Financial Need

FAFSA (Free Application for Federal Student Aid)
Form used to apply for Federal and State financial aid, including Pell

Grants and all other need-based aid. Required by nearly all two- and four-year colleges and universities.

Gapping

The practice of failing to meet a student's full demonstrated need. See *also* Unmet Need.

Gift Aid

Financial aid, such as grants and scholarships, which does not need to be repaid.

In-State Student

A student who has met the legal residency requirements for the state, and is eligible for reduced in-state student tuition at public colleges and universities in the state.

Institutional Methodology (IM)

If a college or university uses its own formula to determine Financial Need for allocation of the school's own financial aid funds, the formula is referred to as the Institutional Methodology.

Leveraging

If a school offers a talented student extra financial aid, regardless of need, the student is more likely to enroll. Leveraging is the controversial practice of figuring out how much it will take to attract such students and customizing aid offers to optimize the quality of the incoming class.

Loans

While it is the hope of every family to be able to cover the entire cost of education with grants and scholarships ("free money"), the unfortunate reality is that most families will have to borrow or use their assets to fund higher education. The rule of thumb for families is grab all the "free money" available, and then borrow wisely. The three federal loan programs are often a great way to borrow wisely. Although there are alternatives, these programs offer the best terms and easiest qualification for most families.

Some Basic Terminology

Perkins Loan

The Perkins Loan is the most affordable federal loan since it has the lowest interest rate (5%) and fees. However, the Perkins Loan is only available to families based on need; so if the government doesn't offer it on the SAR, you can't get it. It also has a \$4,000 limit and is borrowed in the student's name without respect to credit worthiness.

Stafford Loan

The Stafford Loan is also borrowed in the student's name. A dependent undergraduate student can borrow \$2,625 for the first year; as a sophomore \$3,500; and as a junior or senior \$5,500. Independent undergraduate students receive additional eligibility for \$4,000 for the first two years and \$5,000 for the last two. The interest rate is variable yearly and capped at 8.25% -- lower than the PLUS loan but higher than the Perkins Loan. Some of the interest may be subsidized by the Federal Government for those who qualify. As with the Perkins Loan, credit worthiness is not an issue.

PLUS Loan

The Parent Loan for Undergraduate Students (PLUS) is a loan for parents of dependent undergraduate students. It has a slightly higher interest rate than the Stafford Loan, but is only limited in amount by the cost of education not already covered by other forms of aid. For instance, if the cost of education at a school is \$25,000, and the student has already received \$5,000 in other aid, then the parent of the student may borrow the remaining \$20,000 necessary to cover the cost of schooling. The parent that borrows the money must only meet federal minimum standards for credit worthiness to qualify.

Merit-based

Financial aid that is merit-based depends on your academic, artistic or athletic merit or some other criteria, and does not depend on the existence of Financial Need. Merit-based awards use your grades, test scores, hobbies and special talents to determine your eligibility for scholarships.

Need-Based Aid

Financial aid that is need-based depends on your financial situation. Most government sources of financial aid are need-based.

Need-Blind

Under need-blind admissions, the school decides whether to make an offer of admission to a student without considering the student's financial situation. Most schools use a need-blind admissions process. A few schools will use financial need to decide whether to include marginal students in the wait list.

Need-Sensitive

Under need-sensitive admissions, the school does take the student's financial situation into account when deciding whether to admit him or her. Some schools use need-sensitive admissions when deciding to accept a borderline student or to pull a student off of the waiting list.

Outside Resource

Aid or benefits available because a student is in school and is counted after need is determined. Outside scholarships, prepaid tuition plans and VA educational benefits are examples of outside resources.

Outside Scholarship

A scholarship that comes from sources other than the school and the federal or state government.

Out-of-State Student

A student who has not met the legal residency requirements for the state, and is often charged a higher tuition rate at public colleges and universities in the state.

Parent Contribution (PC)

An estimate of the portion of your educational expenses that the federal government believes your parents can afford. It is based on their income, the number of parents earning income, assets, family size, the number of family members currently attending a university and other relevant factors. Students who qualify as independent are not expected to have a parent contribution.

Pell Grant

A federal grant that provides funds of up to \$4,310 based on the student's financial need.

Some Basic Terminology

Professional Judgment (PJ)

Certain discretion is delegated from the Dept. of Education to financial aid administrators, especially for need-based federal aid programs. A financial aid administrator can adjust the EFC, adjust the COA, or change the dependency status (with documentation) when extenuating circumstances exist. For example, if a parent becomes unemployed, disabled, or deceased, the FAA can decide to use estimated income information for the award year instead of the actual income figures from the base year.

Reach School

A school where the average SAT/ACT scores of the freshman class and/or the cost of the attendance is above what you believe you can get into or afford. Every student should apply to at least one reach school. See *also* Safety School.

Renewable Scholarships

A scholarship that is awarded for more than one year. Usually the student must maintain certain academic standards to be eligible for subsequent years of the award. Some renewable scholarships will require the student to reapply for the scholarship each year; others will just require a report on the student's progress to a degree.

Safety School

A school that will almost certainly admit the student, and which is inexpensive enough that they you can afford to attend even they are awarded little or no financial aid. Remember, however, that the college admissions process is not predictable. Even "sure admits" are sometimes rejected. Some students are admitted to all the schools to which they apply; others are rejected by all the schools. To protect themselves against the latter scenario, a student should apply to at least one safety school. See *also* Reach School.

Scholarship

A form of financial aid given to undergraduate students to help pay for their education. Most scholarships are restricted to paying all or part of tuition expenses, though some scholarships also cover room and board. Scholarships are a form of gift aid and do not have to be repaid. Many scholarships are restricted to students in specific courses of study or with academic, athletic or artistic talent.

Scholarship Search Service

A service that charges a fee to compare the student's profile against a database of scholarship programs. Few students who use a scholarship search service actually win a scholarship.

Self Help Aid

Financial aid in the form of loans and student employment. If every financial aid package is required to include a minimum amount of self-help aid before any gift aid is granted, that level is known as the self-help level. For example, the self-help level will be \$8,150 at MIT in 1995-96 (The Tech, March 7, 1995, Vol. 115, No. 9, Page 1). MIT has one of the highest self-help levels of private colleges and universities, with an average self-help level of around \$5,500 at the more expensive schools.

Simplified Needs Test

If the parents have an adjusted gross income of less than \$50,000 and every family member was eligible to file an IRS Form 1040A or 1040EZ (or wasn't required to file a Federal income tax return), the Federal Methodology ignores assets when computing the EFC. If you filed a 1040 but weren't required to do so, you may be eligible for the simplified needs test. Details on the eligibility requirements appear on the Simplified Needs Test Chart. (Please note that starting in 2004, the AGI threshold for IRS Form 1040A and IRS Form 1040EZ changed from \$50,000 to \$100,000. Nevertheless, a threshold of \$50,000 is still used for the simplified needs test.)



Some Basic Terminology

Stafford Loans

Federal loans that come in two types, subsidized and unsubsidized. Subsidized loans are based on need; unsubsidized loans aren't. The interest on the subsidized Stafford Loan is paid by the federal government while the student is in school and during the 6 month grace period. The Subsidized Stafford Loan was formerly known as the Guaranteed Student Loan (GSL). The Unsubsidized Stafford Loan may be used to pay the EFC.

Undergraduates may borrow up to \$23,000 (\$2,625 during the freshman year, \$3,500 during the sophomore year and \$5,500 during the third, fourth and fifth years) and graduate students up to \$65,500 including any undergraduate Stafford loans (\$8,500 per year). These limits are for subsidized and unsubsidized loans combined. The difference between the subsidized loan amount and the limit may be borrowed by the student as an unsubsidized loan.

Higher unsubsidized Stafford loan limits are available to independent students, dependent students whose parents were unable to obtain a PLUS loan and graduate/professional students. Undergraduates may borrow up to \$46,000 (\$6,625 during the freshman year, \$7,500 during the sophomore year and \$10,500 during each subsequent year) and graduate students up to \$138,500 including any undergraduate Stafford loans (\$18,500 per year). These limits are for subsidized and unsubsidized loans combined. The amounts of any subsidized loans are still subject to the lower limits.

Student Aid Report (SAR)

Report that summarizes the information included in the FAFSA and must be provided to your school's Financial Aid Office. The SAR will also indicate the amount of Pell Grant eligibility, if any, and the Expected Family Contribution (EFC). You should receive a copy of your SAR within ten days after the student's FAFSA is filed.

Student Contribution

The amount of money the federal government expects the student to contribute to his or her education and is included as part of the EFC. The student contribution depends on the student's income and assets, but can vary from school to school. Usually a student is expected to contribute about 35% of his or her savings and approximately one-half of his summer earnings above \$1,750.

Subsidized Loan

With a subsidized loan, such as the Perkins Loan or the Subsidized Stafford loan, the government pays the interest on the loan while the student is in school, during the six-month grace period and during any deferment periods. Subsidized loans are awarded based on financial need and may not be used to finance the family contribution. See *also* Unsubsidized Loan.

Supplemental Education Opportunity Grant (SEOG)

Federal grant program for undergraduate students with exceptional need. SEOG grants are awarded by the school's financial aid office, and provide up to \$4,000 per year. To qualify, a student must also be a recipient of a Pell Grant.

Supplemental Loan for Students

Federal loans for financially independent students. This program was eliminated in 1994 with the creation of the Unsubsidized Stafford Loan program.

Unearned Income

This includes income from financial instruments (interest, dividends, capital gains), or welfare, disability, child support, Social Security benefits, and pensions.

Unmet Need

In an ideal world, the Financial Aid Office would be able to provide each student with the full difference between their ability to pay and the cost of education. Due to budget constraints the Financial Aid Office may provide the student with less than the student's need. This gap is known as the unmet need.

US Department of Education

Government agency that administers several federal student financial aid programs, including the Pell Grants, the Federal Work-Study Program, Perkins Loans, Stafford Loans, and Federal PLUS Loans.

Some Basic Terminology

Verification

Verification is a review process in which the Financial Aid Office determines the accuracy of the information provided on the student's financial aid application. During the verification process the student and parent will be required to submit documentation for the amounts listed (or not listed) on the financial aid application. Such documentation may include signed copies of the most recent Federal and State income tax returns for you, your spouse (if any) and your parents, proof of citizenship, proof of registration with Selective Service, and copies of Social Security benefit statements and W2 and 1099 forms, among other things.

Financial aid applications are randomly selected by the Federal processor for verification, with most schools verifying at least 1/3 of all applications. If there is an asterisk next to the EFC figure on your

Student Aid Report (SAR), that means that your SAR has been selected for verification. Schools may select additional students for verification if they suspect fraud. Some schools undergo 100% verification. If any discrepancies are uncovered during verification, the financial aid office may require additional information to clear up the discrepancies. Such discrepancies may cause your final financial aid package to be different from the initial package described on the award letter you received from the school if you refuse to submit the required documentation, your financial aid package will be cancelled and no aid awarded.

The List

In Alphabetical Order

- | | | |
|---------------------------------|--|---|
| 1. American University | 18. Duke University | 34. Reed College |
| 2. Amherst College | 19. Emerson College | 35. Sarah Lawrence College |
| 3. Boston College | 20. Eugene Lang College—New School of Liberal Arts | 36. Spelman College |
| 4. Bowdoin College | 21. Fordham University | 37. Stanford University |
| 5. Brown University | 22. Georgetown University | 38. The University of California System |
| 6. Carleton College | 23. Hampshire College | 39. Tufts University |
| 7. Carnegie Mellon University | 24. Harvard College | 40. University of Mary Washington |
| 8. Claremont McKenna College | 25. Hofstra University | 41. University of Michigan |
| 9. Colby College | 26. Massachusetts Institute of Technology (MIT) | 42. University of Norte Dame |
| 10. Colgate University | 27. Middlebury College | 43. University of Pennsylvania |
| 11. College of William and Mary | 28. New York University | 44. Vassar College |
| 12. Columbia University | 29. Northwestern University | 45. Villanova University |
| 13. Connecticut College | 30. Parson's School of Design | 46. Washington University in St. Louis |
| 14. Cornell University | 31. Pennsylvania State University | 47. Wellesley College |
| 15. Dartmouth College | 32. Pomona College | 48. Wesleyan University |
| 16. Drexel University | 33. Princeton University | 49. Williams College |
| 17. Dickinson College | | 50. Yale University |



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