GREAT ADVICE FOR PARENTS 2019

Inceptia
A DIVISION OF NSLP

nerdwallet

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Transitioning from high school to college can be exciting or scary, hopeful or dreadful, full of opportunities or loaded with stress, and often, a little bit of all of the above. With all the to-do lists and emotion that comes with ending one chapter and beginning another, it can be easy to lose track of what you and your student should know when it comes to college finances. Don't worry, though – Inceptia has you covered!

Since 2016, Inceptia has proudly collaborated with NerdWallet, the personal finance site, to bring you Great Advice for Parents. It's loaded with information that you need right now regarding FAFSA and financial aid, and tips on things you'll want to consider over the next few months, like choosing a major or how to handle finances in college.

This year, we've also teamed up with our partner here in the state of Nebraska, EducationQuest. This fellow nonprofit does a tremendous job in helping Nebraska students prepare for college; it only made sense that we share some of their resources with the rest of the world! We hope you find their FAFSA and admissions guides to be particularly useful.

As always, we remain committed to building the financial wellness of students everywhere by offering our online financial education program, Financial Avenue, free to all high school students and educators. Find out more about our program on page 31 of this guide.

From all of us here at Inceptia, we thank you for all you have done to get your students this far. Whether you're a parent, guardian, family member, educator, coach, mentor or advocate, we know that the students in your lives could not have bloomed and blossomed without your support. And for that, we commend you.

Here's to helping students bloom and blossom wherever they are planted, and may this Great Advice guide support you and your student in planning for those next steps.

Best,

Carissa Uhlman
Vice President of Student Success
Inceptia

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FINANCIAL AID AND THE FAFSA

TYPES OF FINANCIAL AID

By EducationQuest Foundation

The FAFSA (Free Application for Federal Student Aid) is your application for federal, state, and college-based financial aid. Complete on or after October 1 of your senior year at fafsa.gov. Depending on the results of your FAFSA, the types of aid you might receive could include the following:

Scholarships come from private donors or your college. Some are based on financial need, while others are based on academics, talents or community involvement.

Grants* are awarded based on financial need and you don't repay them. They include:

- Pell Grant
- Supplemental Educational Opportunity Grant (SEOG)
- State-specific grants
- College-based grants

Work-Study*, also based on financial need, is a federal program that provides money you earn by working a part-time job provided by the college.

Loans* are a type of financial aid you must repay. Some are in your name and some are for parents. Types of loans include:

- Direct Subsidized Loan (the federal government pays the interest while you're in college)
- Direct Unsubsidized Loan (you pay the interest)
- Direct PLUS Loan (for parents)

A few weeks after you submit your FAFSA, the colleges you listed on the form will send you an award notification detailing the types and amounts of aid you're eligible to receive.

*These types of financial aid are based on FAFSA results.

EducationQuest Foundation is a nonprofit organization with a mission to improve access to higher education. The article Types of Financial Aid originally appeared on the EducationQuest Foundation website.

8 STEPS TO FILLING OUT THE FAFSA FORM

Department of Education

1 Create an account (FSA ID)

- Student: An FSA ID is a username and password you need to sign the FAFSA form online. If you don't have an FSA ID, get an FSA ID here ASAP. It takes about 10 minutes to create an FSA ID. If this will be your first time filling out the FAFSA form, you'll be able to use your FSA ID right away to sign and submit your FAFSA form online. If this is not your first time filling out the FAFSA form, you may need to wait one to three days for us to verify your info before you can use your FSA ID to renew your FAFSA form and sign it online.
- Parent: If your child is required to report parent information on the FAFSA form, you need to create your own FSA ID in order to sign your child's FAFSA form online. Create an FSA ID here. Parents are able to use their FSA IDs right away.

IMPORTANT:

Some of the most common FAFSA errors occur when the student and parent mix up their FSA IDs. If you don't want your financial aid to be delayed, it's extremely important that each parent and each student create his or her own FSA ID and that they do not share it with ANYONE, not even with each other.

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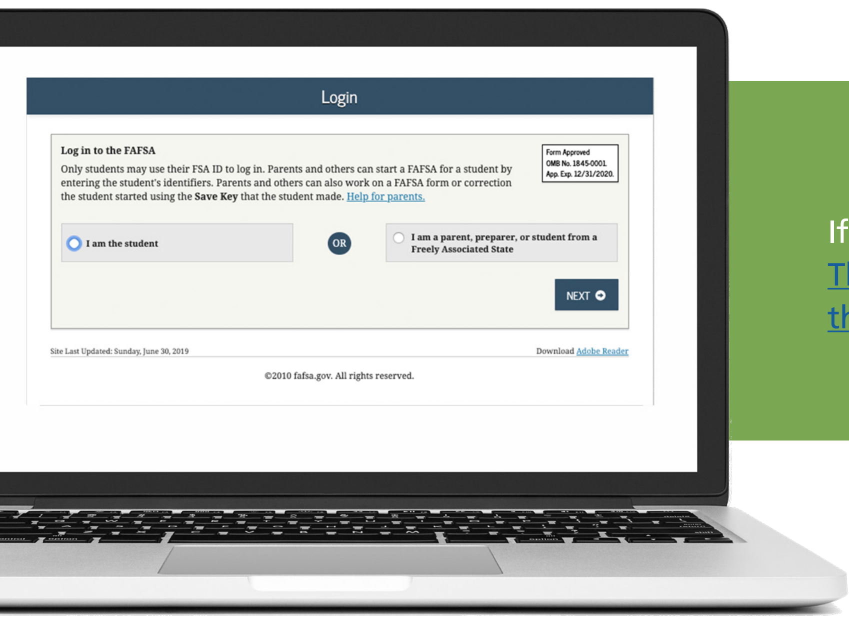
2 Start the FAFSA® form at fafsa.gov

The 2020-21 FAFSA form is available starting October 1! Even if your state and school deadlines aren't for a while, you should complete the FAFSA form as soon as possible because some states and schools run out of financial aid early and have limited funds. Don't wait until the last minute to apply!

- **If you are the student:** Click "I am the student." Enter your FSA ID username and password, and click "Next."
- **If you are the parent: Click** "I am a parent, preparer, or student from a Freely Associated State." Provide thestudent's name, Social Security number, and date of birth, and click "Next."



If you are the parent, read The Parent's Guide to Filling Out the FAFSA Form.

Choose which FAFSA form you'd like to complete:

- **2020-21 FAFSA form** if you will be attending college between July 1, 2020, and June 30, 2021.
- **2019–20 FAFSA form** if you will be attending college between July 1, 2019, and June 30, 2020.
- **Both:** If you will be attending college during both time periods and haven't completed your 2019–20 FAFSA form yet. Complete that first, wait one to three days until it processes, then go back in and complete the 2020–21 FAFSA form.

TIP: If you are given the option to complete a "renewal" FAFSA form, choose that option. When you choose to **renew** your FAFSA form, your demographic information from the previous year will roll over into your new application, saving you some time.

Remember, the FAFSA form is not a onetime thing. You must complete a FAFSA form for each school year.

Create a save key

- Unlike the FSA ID, the save key is meant to be shared. A save key is a temporary password that allows you and your parent(s) to "pass" the FAFSA form back and forth. It also allows you to save the FAFSA form and return to it later. This is especially helpful if you and your parent are not in the same place.
- Watch the "FAFSA and FSA ID Tips for Parents" video

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3 Fill out the Student Demographics section

This is information such as your name, date of birth, etc. If you have completed the FAFSA form in the past or if you log into the FAFSA form with your FSA ID, a lot of your personal information will be prepopulated to save you time. Make sure you enter your personal information exactly as it appears on your Social Security card. (That's right, no nicknames.)

Parents:
Remember that the FAFSA form is the student's application, not yours. When the FAFSA form says "you" or "your," it's referring to the student (unless otherwise noted). Pay attention to whether you're being asked for student or parent information.

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4 List the schools to which you want your FAFSA information sent

In the School Selection section, add every school you're considering, even if you haven't applied or been accepted yet. It doesn't hurt your application to add more schools; colleges can't see the other schools you've added. In fact, you don't even have to remove schools if you later decide not to apply or attend. If you don't end up applying or getting accepted to a school, the school can just disregard your FAFSA form. But, you can remove schools at any time to make room for new schools. You can add up to 10 schools at a time. If you're applying to more than 10 schools, here's what you should do.

⑤ Answer the dependency status questions

In the dependency status section, you'll be [asked a series of specific questions]() to determine whether you are required to provide parent information on the FAFSA form.

The dependency guidelines are set by Congress and are different from those used by the Internal Revenue Service (IRS). Even if you live on your own, support yourself, and file taxes on your own, you may still be considered a dependent student for federal student aid purposes. If you are determined to be a dependent student, you'll be required to report information about your parent(s). If you're determined to be an independent student, you won't have to provide parent information and you can skip the next step.

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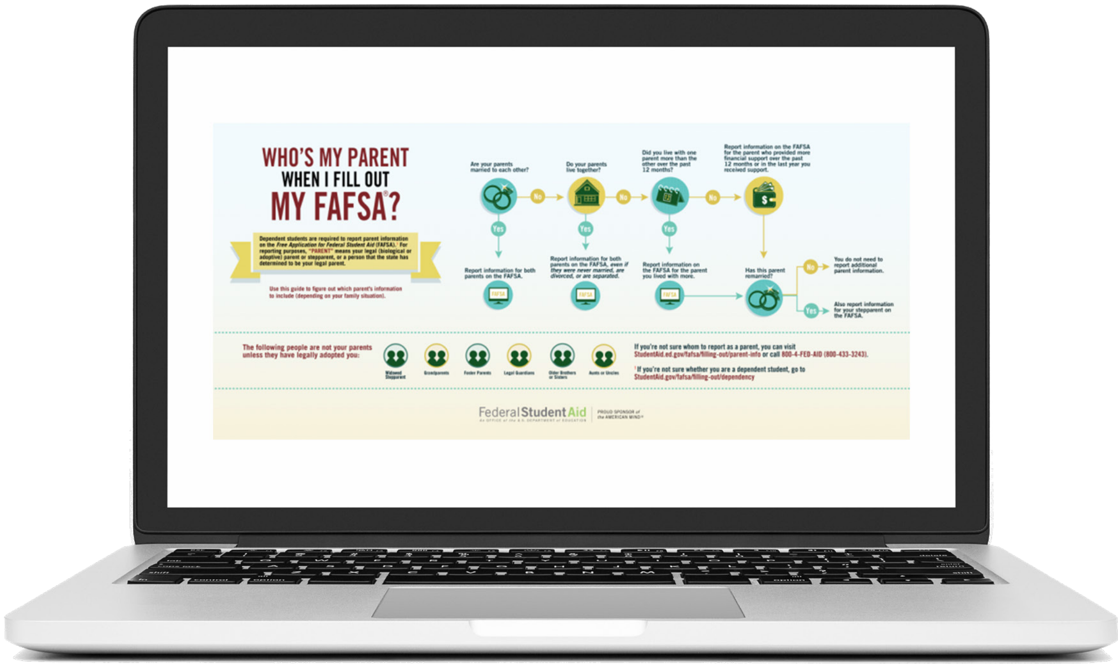
⑥ Fill out the Parent Demographics section

This is where your parent(s) will provide basic demographic information. Remember that it doesn't matter if you don't live with your parent(s); you still must report information about them if you were determined to be a dependent student in the step above.

Start by figuring out who counts as your parent on the FAFSA form.

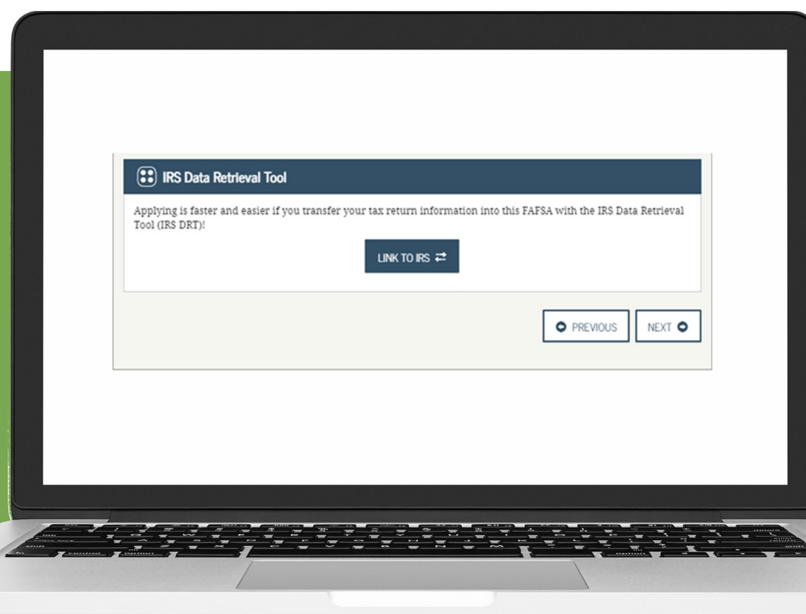


- [Read specific guidance about reporting your parents' information as a dependent student.]()
- [What to do if you are not able to provide parent info due to special circumstances.]()

7 Supply your financial information

Here is where you and your parent(s) (if applicable) will provide your financial information. This step is incredibly simple if you use the IRS Data Retrieval Tool (DRT). The IRS DRT allows you to import your IRS tax information into the FAFSA form with just a few clicks. Using this tool also may reduce the amount of paperwork you need to provide to your school. So if you're eligible, use it!

To access the tool, indicate that you've "already completed" taxes on the student or parent finances page. If you're eligible, you'll see a "LINK TO IRS" button. Choose that option and follow the prompts.



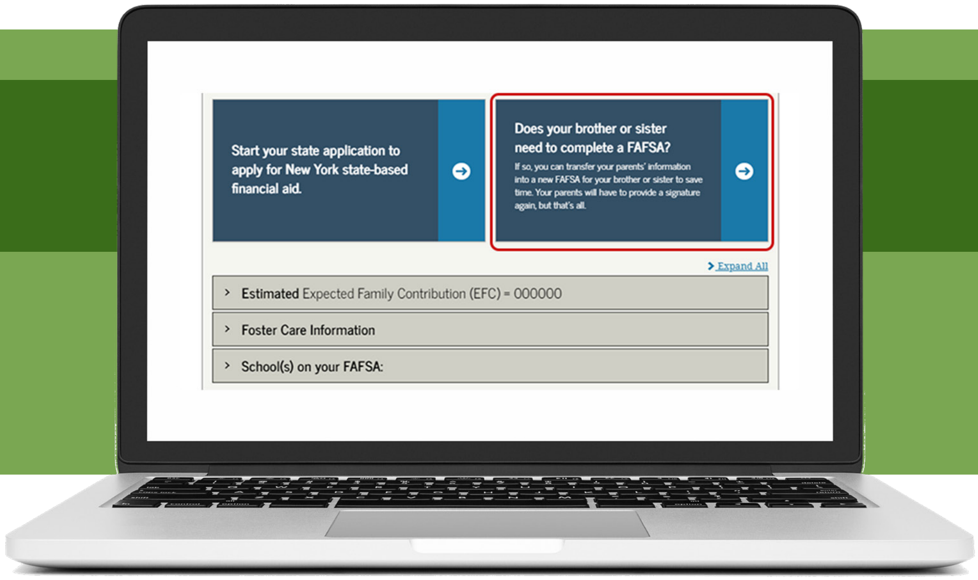
⑧ Sign and submit your FAFSA form

You're not finished with the FAFSA form until you (and your parent, if you're a dependent student) sign it. The quickest and easiest way to sign your FAFSA form is online with your FSA ID.

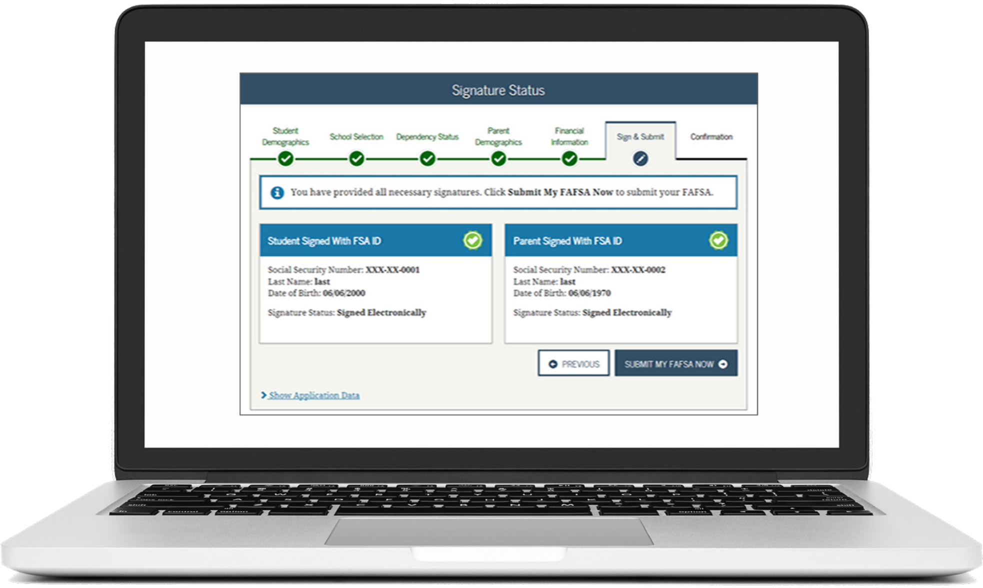
Note: If you (the student) logged in to the FAFSA form with your FSA ID at the beginning, you won't need to provide it again on this page. But, if you're a dependent student, your parent will still need to sign before you can completely submit.

Sign and Submit Tips:

- If you or your parent forgot your FSA ID username or password, you can retrieve it.
- Make sure you and your parent don't mix up your FSA IDs. This is one of the most common errors we see, and why it's extremely important for each person to create his or her own FSA ID and not share it with anyone.
- Make sure the parent who is using his or her FSA ID to sign the FAFSA form chooses the right parent number from the drop-down menu. If your parent doesn't remember whether he or she was listed as Parent 1 or Parent 2, he or she can go back to the parent demographics section to check.
- Here's what you should do if you get an error saying that your FSA ID information doesn't match the information provided on the FAFSA form.



- If you have siblings, your parent can use the same FSA ID to sign FAFSA forms for all of his or her children. Your parent can also transfer his or her information into your sibling's application by choosing the option provided on the FAFSA confirmation page.
- We recommend signing the FAFSA form with an FSA ID because it's the fastest way to get your FAFSA form processed. However, if you and/or your parent are unable to sign the FAFSA form electronically with an FSA ID, you can mail in a signature page. From the sign and submit page, select "Other options to sign and submit" and then choose "Print A Signature Page." Just keep in mind that your FAFSA form will take longer to process if you go this route.



I'm finished. What's next?

Congrats on finishing! You're one step closer to getting money for college. With the hard part over, [check out this page to learn what you should do next](#).

This [post](#) originally appeared on Homeroom, the Department of Education's online blog.

6 THINGS TO KNOW ABOUT STUDENT LOANS BEFORE YOU START SCHOOL

By Anna Helhoski

The summer before your freshman year in college means choosing classes, checking out your future roommate's Instagram and figuring out how you're going to pay the bills.

Chances are you will need a loan: 2 out of 3 students have debt when they leave school, according to 2017 graduate data from the Institute for College Access and Success. But consider a loan after you've accepted grants, scholarships and work-study. You can get these by submitting the Free Application for Federal Student Aid, or FAFSA.

Here are six things you need to know about getting your first student loan.

1 Opt for federal loans before private ones

There are two main loan types: federal and private. Get federal loans first by completing the FAFSA. They're preferable because you don't need credit history to qualify, and federal loans have income-driven repayment plans and forgiveness that private loans don't.

You may be offered two types of federal loans: unsubsidized and subsidized. Subsidized loans — for students with financial need — don't build interest while you're in school. Unsubsidized loans do.

Take a private loan only after maxing out federal aid.

2 Borrow only what you need — and can reasonably repay

Undergraduate students can borrow up to $12,500 annually and $57,500 total in federal student loans. Private loan borrowers are limited to the cost of attendance — tuition, fees, room, board, books, transportation and personal expenses — minus financial aid that you don't have to pay back.

Aim to borrow an amount that will keep your payments at around 10% of your projected after-tax monthly income. If you expect to earn an annual salary of $50,000, your student loan payments shouldn't be over $279 a month, which means you can borrow about $26,000 at current rates.

To find future earnings, look up average salaries in the U.S. Department of Labor's Occupation Outlook Handbook. Then, use a student loan affordability calculator to estimate payments.

Your school should provide instruction on accepting and rejecting financial aid in your award letter. If you're not sure how to do it, contact your financial aid office.

"We're not scary people," says Jill Rayner, director of financial aid at the University of North Georgia in Dahlonega, Georgia. "We really do want students and families to come in and talk with us so we can help strategize with them."

3 You'll pay fees and interest on the loan

You're going to owe more than the amount you borrowed due to loan fees and interest.

Federal loans all require that you pay a loan fee, or a percentage of the total loan amount. The current loan fee for direct student loans for undergraduates is 1.059%.

You'll also pay interest that accrues daily on your loan and will be added to the total amount you owe when repayment begins. Federal undergraduate loans currently have a 4.53% fixed rate, but it changes each year. Private lenders will use your or your co-signer's credit history to determine your rate.

4 After you agree to the loan, your school will handle the rest

Your loan will be paid out to the school after you sign a master promissory note agreeing to repay.

"All the money is going to be sent through and processed through the financial aid office — whether it's a federal loan or a private loan — and applied to the student's account," says Joseph Cooper, director of the Student Financial Services Center at Michigan Technical University in Houghton, Michigan. Then, students are refunded leftover money to use for other expenses.

5 You can use loan money only for certain things

Loan money can be used for education-related expenses only.

"You cannot use it to buy a car," says Robert Muhammad, director of the office of scholarships and financial aid at Winston-Salem State University in North Carolina. "It's specifically for educational purposes: books, clothing, anything that is specifically tied to the pursuit of their education."

You can't use your loan for entertainment, takeout or vacations, but you should use it for transportation, groceries, study abroad costs, personal supplies or off-campus housing.

6 Find out who your servicer is and when payments begin

If you take federal loans, your debt will be turned over to a student loan servicer contracted by the federal government to manage loan payments. If you have private loans, your lender may be your servicer or it may similarly transfer you to another company.

Find your servicer while you're still in school and ask any questions before your first bill arrives, says John Falleroni, senior associate director of financial aid at Duquesne University in Pittsburgh. They're also whom you'll talk to if you have trouble making payments in the future.

When you leave school, you have a six-month grace period before the first bill arrives.

Anna Helhoski
is a staff writer at NerdWallet, a personal finance website.

The article 6 Things to Know About Student Loans Before You Start School originally appeared on NerdWallet.

WHY YOUR FINANCIAL AID MAY PLUMMET AFTER FRESHMAN YEAR

By Ryan Lane

Grants and scholarships are the best ways to pay for college because you don't have to repay them. But if you chose a college because it offered you the most free money, your final bill may end up bigger than you thought.

More than 72% of college students ages 18 and younger received scholarships, grants or other free money in 2015-16, according to the latest data from the National Center for Education Statistics. For students ages 19 to 23, that percentage is less than 65%.

Here are some reasons your free money may disappear after freshman year and how you can prepare.

Some scholarships aren't renewable

All of the scholarships listed on your financial aid award letter may not be available to you next year.

For example, some schools award incoming freshmen a one-time scholarship for visiting the college's campus or interviewing with the school, says Tori Berube, vice president of college planning and community engagement at The NHHEAF Network Organizations, a nonprofit agency based in Concord, New Hampshire.

Other scholarships are renewable if you meet specific requirements. These may include maintaining a particular grade point average, choosing a certain major or following the school's code of conduct.

Review your scholarships to see which are renewable, and make sure you meet their terms — even if that means doing "handstands in the quad on Tuesdays," says Berube. You should be able to find this information in your award letter, on the school's website or by calling the financial aid office.

Financial situations change

Typically, schools aspire to maintain overall awards from year to year, says Stacey MacPhetres, senior director of college finance for College Coach, an educational adviser located in Watertown, Massachusetts. But the types of financial aid within that award may change.

For example, students have higher federal student loan limits after their first year in school. To account for this, a college could replace a grant with a loan of an equal amount for your sophomore year.

"I think a lot of families see that as a pretty significant bait and switch," says MacPhetres. She believes that is not necessarily the case because the student still receives the same total amount of aid. Still, scholarships and grants are always more desirable than financial aid you have to pay back, like student loans.

Other changes to your financial circumstances could lead to you losing aid altogether. For example, say your older sibling graduates or moves out of your parents' house while you are enrolled. The financial

aid calculation now sees your family as having more available income, which increases the amount you're expected to pay out of pocket.

When you submit the Free Application for Federal Student Aid, or FAFSA, be aware of changes to your income. If these are one-time events — like your parent taking a stock or a retirement distribution — MacPhetres says you should ask the financial aid office to treat this money as an asset, instead of income. Assets have a smaller impact on your ability to receive financial aid.

Tuition and fees increase

Even if you receive the same amount of aid year after year, it may feel like less because your college's costs increased. On average, tuition and fees have risen roughly 3% annually over the past 10 years, based on data from the College Board.

Mark Salisbury, the founder of TuitionFit, a website aimed at increasing transparency around college pricing, offers this example: A school with a cost of attendance of $40,000 might offer you a $20,000 scholarship. The cost of attendance then rises each year, while the scholarship doesn't.

"By the time the student graduates, tuition is $48,000 and they end up having to pay substantially more," says Salisbury.

Planning ahead is the best way to prevent these additional costs from catching you by surprise. To help predict future tuition and fee increases at your own school, look it up on the College Navigator website.

College is a multiyear investment. If you can't make the numbers work long term, be honest with yourself. Transferring to a less-expensive college may feel drastic, but it won't necessarily hurt your education.

"What you do in college matters far more than where you go," says Salisbury. "Go to a place that is less expensive, and then go in and make the most of it."

Ryan Lane
is a staff writer at NerdWallet, a personal finance website.

The article Why Your Financial Aid May Plummet After Freshman Year originally appeared on NerdWallet.

CONSIDERING **COLLEGE EXPENSES**

WHY YOUR KID SHOULD HELP PAY FOR COLLEGE

By Liz Weston

I recently heard from the parents of yet another high school senior who turned down a huge scholarship from a good college to attend her "dream school," which of course has lousy financial aid. Now her parents are scrambling, trying to figure out how to pay for it.

This madness must end.

Asking teenagers to pay the whole cost of a four-year college degree probably isn't realistic or smart. Kids may be cut off from financial aid, since need-based help is largely based on the parents' resources. The debt they accumulate may be crippling, and students who try to pay for school entirely on their own are more likely to drop out.

But the open bar approach isn't wise, either. Setting limits and requiring a kid to pay at least part of the cost can actually lead to better grades while protecting parents' finances.

The sticker price to attend many private universities now exceeds $70,000 per year, including tuition, room, board, books and fees. Most college educations cost much less, of course: The net average cost, after scholarships and grants are taken into account, was $15,367 last year, according to student lender Sallie Mae.

Many families aren't prepared for the expense: Some 4 out of 10 parents aren't saving for college. Among those who are, the average amount saved is $18,135, Sallie Mae found.

The high cost of college and the low rate of savings has led to a whole lot of debt: $1.5 trillion in student loans, at last count. Although the typical college graduate has a manageable level of education debt, it's easy to borrow far more than a student, or a parent, can comfortably repay.

Given these realities, parents should set clear boundaries about how much they'll pay for college.

Find out what you'll be expected to pay

Start with the Department of Education's FAFSA4caster, an online tool that predicts your "expected family contribution" based largely on parental income and assets. Enter the cost of a college to see roughly how much need-based aid to expect. Once families have the financial aid figure, parents can add in the amount they want to contribute (or borrow) to determine how much they can help.

Put limits on your borrowing

Parents often want to spare their kids from student loans, but the kids are the ones benefiting from the education, and they have many more years ahead of them to pay off the debt.

Having student loans typically isn't a huge hardship. Students can borrow up to $31,000 in federal student loans for their undergraduate degrees, including $5,500 for their first year. The typical college graduate can easily pay that back within 10 years.

A rule of thumb for students: Don't borrow more in total than you expect to earn in your first year out of school.

Parents usually have access to PLUS federal education loans, but those have higher rates and less generous repayment plans. Parents and students should be wary of using private student loans, since those typically come with variable rates and fewer consumer protections. Parents also may be able to borrow against their home equity or retirement funds.

A rule of thumb for parents: Don't borrow more than you can pay off before you retire, while still saving enough for that retirement.

Make sure your kid has skin in the game

The more financial help parents offer, the more likely college students are to graduate, according to a 2013 study by Laura Hamilton, a sociology professor at the University of California, Merced. At the same time, students' grade-point averages decreased as parental support increased.

Having loans didn't help grades, but scholarships, work-study and grants did. Some studies have found that working less than 20 hours per week while in college is associated with better grades. So even parents who can afford to give their kids a full ride might insist they at least get a job.

Most parents, though, should be sending a different message: "Honey, we can afford to contribute this much to college. If you want to spend more, you'll have to come up with the difference on your own." Follow that with a discussion of the impact excessive debt could have on their future.

Have this conversation long before college applications are due. It will be a much more wrenching discussion later, when the student has her heart set on the dream school that would be a nightmare for the family's finances.

Liz Weston
is a staff writer at NerdWallet, a personal finance website.

The article Why Your Kid Should Help Pay for College originally appeared on NerdWallet.

HOW TO PAY FOR COLLEGE WHEN YOU HAVEN'T SAVED ENOUGH

By Liz Weston

If college tuition bills are looming and you don't have nearly enough saved, you have plenty of company. But you also have options for making it more affordable.

Four out of 10 families who hope to send kids to college aren't saving for that goal, according to student loan company Sallie Mae. Among those who are, parents of children aged 13 to 17 have saved an average of $22,985.

That's not enough to pay for the typical college education out of pocket. The net average cost for a year of college, after scholarships and grants were deducted, was $15,367 in 2017, according to Sallie Mae. That means a four-year degree is likely to cost over $60,000. The expense can, of course, be much higher since many elite schools now charge $70,000 a year or more.

Here are some steps to take now to secure an affordable education — and avoid crushing debt.

Set borrowing limits

The federal PLUS loan program allows parents to borrow the full price of virtually any college education. That's rarely a good idea. It's much smarter to decide before applying for schools how much parents can and want to contribute. In general, parents should limit borrowing to what they can afford to pay off before retirement, while still being able to save for that retirement.

It's also reasonable to ask the student to first exhaust federal student loan options before parents consider borrowing. Students typically can borrow up to $5,500 in federal student loans for their first year of college and a total of $31,000 for an undergraduate education.

Apply to financial 'safety,' 'target' and 'reach' schools

College counselors typically recommend applying for three types of schools, based on the student's academic credentials: "safety" schools virtually certain to say yes, "target" colleges likely to accept them, and "reach" options where acceptance is a long shot.

Families should also include at least one financial "safety" school — a college with costs they know they can handle — as well as "target" schools that could be affordable and a "reach" school that may surprise them with generous financial aid. The net price calculators available on every college's site can help identify likely candidates.

Consider alternatives

Not every career requires a four-year degree. For those that do, a year or two of community college can significantly cut costs but also may increase a student's risk of dropping out. Community college may be best for self-motivated types who are determined to get a degree and who can do the legwork in advance to ensure their credits will transfer to the desired four-year institution.

For kids who aren't that motivated or are unsure what they want to study, a gap year may be a good option. They'll have another year to grow up and get focused, without racking up college expenses. They could even get a job to pay some of those costs.

Speaking of motivation:

Encourage focus

It's a lot to ask 17- and 18-year-olds to decide what they want to do for the rest of their lives. Dithering is expensive, though. Most colleges have career counselors who can help students sort through their options, and internships can offer real-world glimpses of future career paths.

Trim expenses and tap assets

Cutting discretionary expenses can free up more money for college bills. The usual suspects: eating out less, buying used instead of new, vacationing cheaply, combing your bills for "leaks" such as memberships or subscriptions you're not using. If your student is attending college more than 100 miles away and won't have a car, your auto insurer may give you an away-from-home discount.

Tax breaks, such as the American Opportunity or Lifetime Learning credits, also may help make ends meet. Withdrawals from 529 college savings plans typically are tax-free when used for qualified education expenses.

Selling nonretirement investments and other assets can help pay for college while possibly increasing financial aid in future years. (While federal financial aid formulas typically ignore retirement funds, money in savings and brokerage accounts reduces need-based aid.) Consult a tax pro first, since asset sales can have tax consequences.

Don't pause retirement contributions, however. You can't get back the tax breaks and company matches you'll lose, or the future tax-deferred earnings that money could have earned. Retirement is even more expensive than a college education, and few of us can afford to stop saving for that goal.

Liz Weston
is a staff writer at NerdWallet, a personal finance website.

The article How to Pay for College When you Haven't Saved Enough originally appeared on NerdWallet.

HAVING 'THE TALK' ABOUT COLLEGE COSTS WITH YOUR TEEN

By Kevin Voigt

A four-year journey to decide where to go to college ended for Sofie Adams when a college recruiter approached her after a softball game and asked, "Do you want to study abroad?"

"No one else had asked me that, and yes — I really do want to get overseas," says Adams, 18, who considered several schools before taking an academic scholarship and an offer to play this fall for St. Lawrence University, a 2,500-student private college in upstate New York with a study abroad program.

Her father, Urban Adams, a financial planner based in Irvine, California, was delighted, too. He also was relieved: the scholarship will pay the majority of his daughter's tuition, and Sofie is the first of his three children, all of whom plan to enter college in the next four years.

Begin by the start of high school

Whether you have three teenagers or just one young one, planning is essential when it comes to the cost of education. Sometime after telling your kids about "the birds and the bees," but before you hand over the family car keys, financial advisors recommend having the talk with your teen about who is paying for college.

The opportunity to study abroad was the last box Sofie checked as she narrowed her choices: a small liberal arts school with a strong softball team and business degree program, as well as four seasons of weather (unlike Arizona and Southern California, where she grew up).

That list didn't exist when she first discussed college options with her parents when she was 13. "At that time, I barely knew what I wanted for lunch, let alone college," she recalls.

But she learned her parents wouldn't be footing the full bill, and realized her grades and her love of softball could hold the keys to attending the college of her choice.

“For Sofie, it probably started in eighth grade when she started showing some promise in softball, and seeing it as a potential opportunity for — and importance of — a subsidized education,” recalls Urban Adams.

“We would talk about it often, and as time went on, preferences would change. And I would stress that I am not trying to save enough to pay 100% of their college expenses,” he says.

The value of ‘skin in the game’

Adams’ reasons are both practical and philosophical. “With my three, because they are so close in age, it was really a moving target in terms of how much to save — will it be private, in-state, out-of-state, some community college followed by state or private school?” he says. “We looked at it all.”

As a financial planner for Dynamic Wealth Advisors, he sees clients who want to tap their retirement savings to cover college costs — which can spell big financial trouble later in life. “There are loans available for paying for college. There are no ‘retirement loans,’” he says.

“I also believe that kids will take success [graduating] from college more seriously if they have some skin in the game, so to speak. If they bear none of the costs, they may not take it as seriously.”

First things first: Save for retirement

Your top savings priority should be for your own retirement. Save at least 10% of your income in an employer-sponsored plan such as a 401(k) or a tax-advantaged individual retirement account, advisors recommend.

Next, open a college 529 savings plan. Like your 401(k) or IRA, a 529 plan can grow your money much faster than an ordinary savings account would. That’s why putting in even a little bit soon after your children is born is much better than waiting until you can put in more, as you have nearly 20 years to let compounding do its magic.

As your children get closer to high school, start including them in discussions and set realistic expectations about how much you can afford to help. Look at how much you have saved, and the picture of how much you can help begins to take shape. Your child’s choice of schools and whether your family qualifies for financial aid will determine how big a student loan your child might need.

Other strategies for college funding

Besides targeting academic and athletic scholarships, as Sofie Adams did, there are other factors that advisors say students and their parents can consider:

- Apply for financial aid (aka free money). Applications for the Free Application for Federal Student Aid, or FAFSA, opened Oct. 1 — the earlier you file, the better, as deadlines may vary by state or college in order to qualify for aid next fall.
- Attend community college first. Community college for the first couple of years is a low-cost way to start your education before transferring to a public or private university.
- Put a GPA requirement on parent contributions. Agree to a sliding scale of contributions based on your child's academic performance and your budget.
- Split allowance with college savings. As your children get older, split their allowance so that half they can spend and half goes into their college fund.

The last weekend in September, Urban Adams and his wife, Lia, traveled to St. Lawrence to watch Sofie play center field and bat leadoff in her first college game — and experience her first upstate New York fall.

"I'm loving it here. The classes are small, which I like, the team is great — and all the trees are yellow and red," says Sofie, who hopes to study in Denmark her junior year.

Kevin Voigt is a staff writer at NerdWallet, a personal finance website. NerdWallet writer Anna Helhoski contributed to this article.

The article Having 'The Talk' About College Costs With Your Teen originally appeared on NerdWallet.

NAVIGATING **COLLEGE ADMISSIONS AND MAJORS**

HOW TO PREPARE FOR THE ADMISSIONS PROCESS

By EducationQuest Foundation

College application deadlines will start hitting in the fall of your senior year. Follow these tips to prepare.

Understand Admission Requirements

Most colleges will require these items with your application:

- Your high school transcript with class rank (sent through your high school registrar/guidance office)
- ACT and/or SAT scores (when you take the exams, have the scores sent to all colleges you're interested in attending)
- List of extracurricular activities
- Application fee (may be waived if you qualify for free or reduced price lunch)
- Some colleges also require an essay and/or letters of recommendation.

For a complete list, see the College Application Checklist at EducationQuest.org.

Stay Organized

Mark deadlines on your calendar and create a folder for each school to store correspondence and brochures, and notes from campus visits.

EducationQuest Foundation is a nonprofit organization with a mission to improve access to higher education.

The article How to Prepare for the Admissions Process originally appeared on the EducationQuest Foundation website.

WHAT DO COLLEGES WANT? IT'S HIDING IN PLAIN SIGHT

By Liz Weston

The college application process can seem pretty mysterious to the uninitiated.

But what colleges want from their applicants isn't a secret. Schools telegraph what they're after in the form of big data that's available online to anyone.

High school students can use that data to apply where they will be strong candidates, boosting their chances of admission and financial aid. Here's what to look for.

Use the data to find your best match

Each year, colleges supply reams of admission and financial aid statistics, known as the Common Data Set, to satisfy the demands of various education publishers, says college consultant Lynn O'Shaughnessy. The information can be found by searching for the college's name and the phrase "common data set," or at college comparison sites such as CollegeData.

Among other figures, the statistics for each school include:

- The cost to attend.
- How much student loan debt the average graduate incurs.
- What percentage of applicants are accepted.
- Average grades and test scores of incoming freshmen.

At Stanford University, for example, 75% of incoming students for the 2016-2017 academic year scored 700 or above on their math SATs (the top score is 800), 94% had grade point averages above 3.75 and 95% ranked in the top 10% of their high school class.

Top-flight grades and scores don't guarantee entrance into any selective school, of course. Stanford accepts just 5% of those who apply. But knowing the stats of the incoming class can help students eliminate long-shot choices and focus on schools where they're more likely to gain admission.

Target the schools that want you

Having grades and test scores that are above the school's average can help with both odds of admission and financial aid packages, college consultants say.

The best financial aid deals may come not from highly selective schools or large public universities but from smaller liberal arts colleges that are trying harder to attract good applicants, says Vita Cohen, a college consultant in Chicago.

"I tell students, 'Please consider being the big fish in a smaller pond,'" Cohen says. "Why wouldn't you want to be at a place where they're throwing rose petals at your feet?"

Clues to how a school evaluates applicants can be found in the data set's "admissions factors." These detail how each school weighs 19 admissions criteria, from class rank to extracurricular activities.

Many schools, for example, rate as "very important" the difficulty of the applicant's high school courses and his or her academic grade point average. Some heavily weigh standardized tests; others don't.

"Level of applicant's interest" is another differentiator. Colleges care about their "yield," or the percentage of applicants who accept an offer of admission. Some want to see definite signs of interest from applicants, including campus visits and responding to emails from the admissions office.

Need aid? Avoid ungenerous schools

Most colleges don't fully meet the financial need of their students, even after federal student loans are factored in. Families are expected to come up with the additional money on their own, often through parental or private student loans.

The size of those gaps depends on the generosity of each school.

The cost of attending New York University and the University of Southern California, for example, is roughly the same: about $72,000 a year. USC, however, fully met the financial need of 80.4% of freshmen who received financial aid. NYU fully met the financial need of only 9.1% of its first-year aid recipients.

Families who don't have financial need can get discounts from many schools in what's known as "merit" aid. In general, merit aid is less likely at public and highly selective schools that can attract plenty of applicants without it. UCLA, for example, offered merit aid averaging $4,847 to just 2.6% of its freshmen. (UCLA's cost of attendance is $31,916 for in-state residents and $59,930 for out-of-state students.)

University of Puget Sound, a private liberal arts school in Tacoma, Washington, gave merit aid to 42.2% of its freshmen, knocking an average $16,832 off its $63,510 cost of attendance. Each college has a "net price calculator" on its site to help applicants understand how much they're likely to pay out of pocket annually.

And costs matter. While a college degree is important, consultants warn students against overdosing on debt to get one. "You don't want to be 22 or 23 and saddled with debt that's going to cripple you," Cohen says.

Liz Weston
is a staff writer at NerdWallet, a personal finance website.

The article What Do Colleges Want? It's Hiding in Plain Sight originally appeared on NerdWallet.

HOW TO CHOOSE A COLLEGE MAJOR WITH LOAN DEBT IN MIND

By Anna Helhoski

Dan Brandt still has $32,000 in student loan debt, after earning his bachelor's degree in marketing, but he's not worried about paying it back.

That's because Brandt chose a major and a career with that debt in mind.

"Money is a big deal for a 17-year-old kid that has nothing," says Brandt, who graduated from Augsburg University in Minneapolis in 2011 with $55,000 in student debt. "I knew the salary ranges in marketing could make a nice living, but I was more concerned with finding a place I enjoyed working at," adds Brandt, who is now a marketing manager at Best Buy's headquarters.

If you, unlike Brandt, don't know what you want to study, you can choose a major that won't leave you with student loans you can't repay. Here's how.

Explore job titles and prospects by major

Start by listing your interests and skills. There may be a clear fit — if you're adept with numbers, for example, you might consider accounting.

Next, research careers by matching a major to one of the "Occupation Groups" listed in the U.S. Department of Labor's Occupational Outlook Handbook. Each group lists positions along with descriptions, educational requirements and projected job growth. Consider contacting your college's career office to link up with alumni who studied what you're interested in, to see their career path.

Research potential earnings

Your major could make a big difference in lifetime earnings: The disparity between the lowest- and highest-paying majors is $3.4 million, according to a 2015 report by the Georgetown University Center on Education and the Workforce.

"There are people who really want to go to into social work or drama, but money is going to be an issue," says Brad Hershbein, economist and director of information and communications services at the W.E. Upjohn Institute for Employment Research. "You have to know that, and make an informed decision about what it's going to be like after you graduate."

Research median salaries rather than average salaries, Hershbein says.

"The example I always use is if you put Mark Zuckerberg [Facebook's billionaire co-founder and CEO] in a room with 10 other people who have no money, the average of the group is still inordinately wealthy," Hershbein says. "You don't care about the average so much as the median."

The average starting salary for the class of 2017 was $50,516, according to the National Association of Colleges and Employers Summer 2018 Salary Survey, but median earnings — where half earn more and half earn less — start at $27,000, according to 2014 research by The Hamilton Project, an economic research group at the Brookings Institution.

To find data on salaries, use sites like Salary.com or Glassdoor. Include "entry-level" in your search, along with specific cities or regions for more accurate results.

Factor earnings into borrowing

Before you take out student loans, submit a Free Application for Federal Student Aid, or FAFSA, to qualify for gift and earned aid, including grants, scholarships and work-study. Find private scholarships with scholarship search engines, such as the U.S. Department of Labor's CareerOneStop scholarship finder or Scholarships.com.

If you need loans and you're not sure how much to borrow for college, you can keep repayments manageable by aiming for a monthly payment that won't be over 10% of your expected after-tax take-home pay each month in your first year after school.

For example, If you expect to make a starting salary of $46,000, then borrowing about $24,000 for college means you can afford a monthly payment of $257. Use an undergraduate student loan calculator, like one from The Hamilton Project, to see what it would take to repay debt based on your major.

When in doubt, switch

If you start school without your major picked, it's OK. College is the place to explore potential career paths.

"Don't be deterred by risk to pursue a more difficult major; if you try computer science and it doesn't work out, you can always switch majors," says Artem Gulish, a senior policy strategist at Georgetown University Center on Education and the Workforce. "No one can really know what they can be good at if they haven't tried it."

Realize that if you do change your path, it could take longer to complete your degree, which may mean taking on more debt. But it could also lead to a career that motivates you, potentially boosting your earnings and the ability to repay your loans.

Anna Helhoski
is a staff writer at NerdWallet, a personal finance website.

The article How to Choose a College Major With Loan Debt in Mind originally appeared on NerdWallet.

MASTERING YOUR MONEY JUST GOT A LOT EASIER

FINANCIAL AVENUE AND THE KNOWL

Inceptia can work with your student's school to provide a leg up on financial education with our online program, Financial Avenue. Financial Avenue offers smart resources to help demystify the world of personal finance. Trust us — getting a handle on your money doesn't have to feel overwhelming or restrictive. It's all about empowering students with smart basics, and planning from there.

With Inceptia's money mascot — the Knowl — as a trusty guide, students can choose from ten online courses that take on big financial topics without snore-inducing jargon. Using quizzes, videos, interactive tools, and easy-to-understand tips, the Knowl explains subjects such as paying for college, budgeting, credit and identity theft, career planning, managing student loans, understanding a paycheck, and even bigger concepts like the psychology of money, which helps you to understand your personal relationship with money, and why you spend the way you do.

Getting started is easy. Ask your student's teacher to visit Inceptia.org/high-school-access-code to create an account and receive an access code to share with you. Before you know it, your teen will be so money-savvy that she or he may have some advice for you!

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EducationQuest FOUNDATION

EducationQuest Foundation is a nonprofit organization with a mission to improve access to higher education in Nebraska.

EducationQuest provides free college planning services, need-based scholarship programs, college access grants for high schools, college access resources for middle schools, and outreach services for community agencies. Find resources and additional articles from EducationQuest Foundation by visiting their website.

About Inceptia

Inceptia, a division of National Student Loan Program (NSLP), is a nonprofit organization committed to offering effective and uncomplicated solutions in financial aid management, default prevention, and financial education. Our mission is to support schools as they launch brilliant futures for students, armed with the knowledge to become financially responsible citizens.

Since 1986, we have helped more than two million students at 5,500 schools reach their higher education dreams. Each year, we help nearly 280,000 students learn how to pay for college, borrow wisely, resolve their delinquency issues, and repay their student loan obligations.

Our solutions are designed to support student success by helping financial aid administrators maximize resources, so they can spend more time focusing on students. Visit inceptia.org for more information.

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