



9 Ways to Help You Get More Financial Aid

By Kelli Grant

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AS COLLEGE COSTS escalate to new heights each year, landing a good financial-aid package has become just as important as the almighty acceptance letter itself.

The average total cost to attend a private, four-year institution — including tuition, fees, room and board — has increased 30% over the past five years, to \$32,307 for the 2007-08 academic year, according to the College Board's Annual Trends in College Pricing report. At four-year public colleges and universities, costs are 40% higher, averaging a current \$13,589. While the amount of financial aid has also risen, it's done so at a comparatively sluggish pace of 11%. During the 2006-07 academic year, the average package of loans and grants for undergraduates was \$9,499.

To help close the gap between rising tuition costs and the amount of aid being offered, more than 40 colleges and universities — many of them endowment-rich Ivy League institutions — recently announced overhauls to their financial-aid programs. Harvard University was the first to move, announcing in December that it would cap the expected family contribution toward tuition at 10% for households making \$180,000 or less. Other colleges soon followed suit. Dartmouth eliminated tuition for families making \$75,000 or less and Stanford University is doing the same for families earning less than \$100,000. Meanwhile, Northwestern University says that once a student has hit the four-year cap of \$20,000 in student loans, it will cover the cost to attend with grants and work-study opportunities.

But these seemingly favorable moves also carry some unfavorable consequences. "Many students will opt to go to the school that offers the biggest strategic discount," points out Jack Maguire, founder of Maguire Associates, a higher education consulting firm. That means even the smallest school has to offer more grant money in order to remain competitive. If the college's endowment isn't big enough to live up to the task, the added costs could result in even bigger tuition increases.

For now, though, that competitive spirit could be consumers' key to a more-affordable higher education experience. Here's how to angle for a better deal.

Apply for aid ASAP

Sure, the Free Application for Federal Student Aid (FAFSA) isn't due until July 1. But colleges are giving away aid for the 2008-09 academic year *now*, says Paul Wrubel, co-founder of TuitionCoach.com. If you haven't filed your FAFSA already, do so as soon as possible. Even if you're pretty confident that you won't qualify for financial aid, it's still worth applying for it, he says. Many schools will use the FAFSA form as a basis for doling out merit aid.

Play hard to get

"Applying to college is like dating," says John Pearson, a CPA and certified college planning specialist based in Norwalk, Conn. "The more interest you express, the less the other party feels they have to do to attract you." Schools note everything from where they rank on your SAT list of applicant schools to the number of visits you make to campus and even how enthusiastic you seem during tours. Maintain the appearance that you're interested but not committed, and you could probably land a better aid package.

Dig into offer details

It seems like simple arithmetic: If College A offers \$5,000, and College B offers \$8,000, then B is clearly the better package, right? Not necessarily, says Roger Dooley, managing director for financial aid education site CollegeConfidential.com. Aid offers can be misleading if all you look at is the sum, rather than the individual parts.

To get a more-realistic sense of how affordable that college experience will be, subtract the grants offered from the total cost to attend. Make sure not to include any student loans in this calculation — even though a loan is considered aid, it's still a debt you'll have to pay later. For more tips on assessing the paperwork, read our column [Comparing Financial Aid Offers](#).

Look long term

Keep in mind that the aid offered for freshman year may change come sophomore year. Because the FAFSA is based on a family's latest tax returns, the amount of aid offered may fluctuate from year to year as your financial situation changes. There's also inflation to consider. "The costs to attend college are outpacing inflation rates by roughly double," says Lynn Nichelson, associate dean of enrollment management and financial aid at Illinois Wesleyan University. "You need to think about all four years."

The amount of money a school distributes in grants tends to decrease after freshman year. That's primarily because the amount you're allowed to borrow in student loans increases. When you couple these factors with rising tuition, it's highly likely you'll have to pay more each year. To prevent those payments from becoming too painful, ask the college how the aid package could change over the coming years, and what new aid opportunities will open up for returning students. Also, try to wrangle a promise from the school that they will continue offering aid to your student for all four years — and make sure to get it in writing.

Study scholarship policies

Winning a \$2,000 Eagle Scout scholarship from the American Legion is quite an achievement, but it could actually leave you less prepared to pay for college. Colleges often treat third-party scholarship money as family assets, reducing the amount of grants offered rather than defraying your out-of-pocket costs. Ask the college about its policy before you apply for any outside scholarships, advises Dooley. More grant money from the college over four years typically trumps a few smaller, one-time awards.

Exploit school rivalries

"Just like colleges compete on the playing field, they fight for the best students," says Pearson. Once you have all your financial-aid offers in hand, take them to your first-choice school and ask for a review of your aid package. Emphasize that they're your first choice, but not the most affordable one. Then ask if they can meet or beat the competing offer. A helpful hint: If the other offers are from colleges in the same sports conference, or with rival academic programs, you'll have even more leverage.

Get the college in your corner

Your appeals for aid will go further if you have an insider working in your favor. "You want to create a marketing campaign for yourself, to highlight your strengths for the college," says Kelly Tanabe, author of "Accepted! 50 Successful College Admission Essays." Ask for recommendation letters from the college baseball coach your son tried out with, the biology professor he met with during a campus visit, or an alumnus friend or neighbor.

Request a hardship review

"If you realize you're having financial problems now, approach the college right away," says Tanabe. "The earlier you do that, the more time they have to find a solution." Most colleges have discretionary funds to cover appeals for family problems that affect their finances, from medical bills, divorce, legal problems or even support of an adult child who has moved back home. Current economic woes, including job cutbacks, rate cuts, foreclosures and the slumping real estate market, may also entitle you to more aid.

When you ask for a review, aim for an in-person meeting to show that you're serious, advises Pearson. Instead of blindly asking for more, calculate how much more you'd need to make the college affordable. "It shouldn't be approached as a hard-sell negotiation," he says. "Employ a good dose of humility."

Keep asking

Be persistent in your quest for more help. Aid availability fluctuates throughout the academic year. There's less money available after the initial offers go out, more in the late spring as students decline their backup schools. Check in once a semester to see if more aid has become available for your student. Good grades and active participation in campus clubs and teams will provide added leverage.