

Twelve myths about paying for college

Billions of dollars in financial aid are available to those who need help paying for college. Yet a lot of misinformation clouds the facts about what type of aid is available and who is eligible. Here are some myths dispelled for those confronting the process of securing financial aid.

College is just too expensive for our family

- Despite the media hype, a college education is more affordable than most people think, especially when you consider that college graduates earn an average of \$1 million more over the span of their careers than high school graduates. The average yearly tuition at a four-year public college in 2006–2007 was just \$5,836. There are some expensive schools, but high tuition is not a requirement for a good education.

There's less aid available than there used to be

- In fact, student financial aid in 2006–2007 rose to a record level of \$135 billion. Most students receive some form of aid. Less of this aid now comes in the form of grants, however; most aid is awarded through low-interest loans or institutional and other grants. You should carefully consider the financing packages you've been offered by each college to determine which makes the most financial sense.

My family's income is too high to qualify for aid

- Aid is intended to make a college education available for students of families in many financial situations. College financial aid administrators often take into account not only income but also other family members in college, home mortgage costs, and other factors. Aid is awarded to many families with incomes they thought would disqualify them.

My parents saved for college, so we won't qualify for aid

- Saving for college is always a good idea. Since most financial aid comes in the form of loans, the aid you are likely to receive will need to be repaid. Tucking away money could mean that you have fewer loans to repay, and it won't make you ineligible for aid if you need it. A family's share of college costs is based mostly on income, not assets such as savings.

I'm not a straight-A student, so I won't get aid

- It's true that many scholarships reward merit, but most federal aid is based on financial need and does not even consider grades.

If I apply for a loan, I have to take it

- Families are not obligated to accept a low-interest loan if it is awarded to them. One financial aid administrator recommends applying for aid and comparing the loan awards with other debt instruments and assets to determine the best financial deal.

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Working will hurt my academic success

- Students who attempt to juggle full-time work and full-time studies do struggle. But research shows that students who work a moderate amount often do better academically. Securing an on-campus job related to career goals is a good way for you to help pay college costs, get experience, and create ties with the university.

Millions of dollars in scholarships go unused every year

- Professional scholarship search services often tout this statistic. In fact, most unclaimed money is slated for a few eligible candidates, such as employees of a specific corporation or members of a certain organization. Most financial aid comes from the federal government, although it is a good idea to research nonfederal sources of aid.

My folks will have to sell their house to pay for college

- Home value is not considered in calculations for federal aid. Colleges may take home equity into account when determining how much you are expected to contribute to college costs, but income is a far greater factor in this determination. No college will expect your parents to sell their house to pay for your education.

I should live at home to cut costs

- It's wise to study every avenue for reducing college costs, but living at home may not be the best way. Be sure to consider commuting and parking costs when you do this calculation. Living on campus may create more opportunities for work and other benefits.

Private schools are out of reach for my family

- Experts recommend deferring cost considerations until late in the college selection process. Your most important consideration is to find a school that meets your academic, career, and personal needs. In fact, you might have a better chance of receiving aid from a private school. Private colleges often offer more financial aid to attract students from every income level. Higher college expenses also mean a better chance of demonstrating financial need.

We can negotiate a better deal

- Many colleges will be sensitive to a family's specific financial situation, especially if certain nondiscretionary costs, such as unusually high medical bills, have been overlooked. But most colleges adhere to specific financial aid award guidelines and will not adjust an award for a family that feels it got a better deal at another school.

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