10 strategies for reducing college costs

Wealth Management

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With college costs currently growing faster than inflation, many families are looking for creative ways to fund college. Here are 10 suggestions that may help reduce the price tag of college education.

1. **Earn college credit while in high school.** By taking advanced placement courses or special academic exams, your high school student may be able to earn college credits before they even graduate.

2. **Apply for scholarships and grants.** These two forms of financial aid are offered by several sources: the federal and state government, educational institutions and a variety of private organizations. They may be offered on either a financial need basis or merit basis. Your student's background, employment history, membership in clubs, nationality or exceptional talent(as a writer, scientist, musician, athlete, etc.) may help him or her meet eligibility requirements. To learn about available scholarship and grant opportunities, ask your student's high school career counselor, visit your local reference librarian or go online.

3. **Enroll in community college first.** Your student may be able to attend your local community college for their first two years—where costs are often much less than at four-year institutions—then transfer to the four-year college where they want to complete their degree.

4. **Consider cooperative education.** Many colleges allow students to alternate semesters of education with semesters of full-time work in a field related to their major. A co-op degree usually takes about five years to complete; however, your student will have earned income to help offset college expenses, in addition to having a history of relevant work experience to offer employers.

5. **Live at home.** By attending a nearby college and living at home, your student can eliminate the room-and-board expenses; however, keep in mind the cost of commuting may reduce the savings benefit of living at home.

6. **Have grandparents pay tuition directly to college.** Grandparents (and others) who wish to help with your student's education expenses can make payments directly to the college and avoid the federal gift tax rules. Therefore, grandparents can be as generous as they want without worrying about the tax implications for themselves.

7. **Consider distance learning.** Your student may be able to take a year's worth of courses online while living at home, potentially paying lower tuition and saving on room-and-board. They can then attend the same school in person for the remaining years.

8. **Ask about tuition discounts.** Some colleges may offer discount programs. For example, a school may offer a discount if you pay the entire semester's bill up-front or if you allow the money to be directly withdrawn from your bank account. And, if your student is attending your alma mater, don't forget to ask about discounts for children of alumni.

9. **Check into education assistance programs at work.** Does your employer offer any educational benefits for children of employees? Some companies offer partial tuition reimbursement or company scholarships. Check with your human resources department to learn more.

10. **Enroll in government military programs.** In return for military service to our country, your student can receive educational benefits. Your student can attend a service academy to receive an education, participate in the Reserve Officers' Training Program while in college, or attend college on the Government Issue (GI) Bill after they are honorably discharged from the branch of the military they enlisted in. Depending on the program, to qualify for these benefits your student will be required to serve between three and five years of active military duty.