

# Preparing Your Child for College

## *Helpful information for parents*



***As you and your child think about his or her higher education, you'll find a wide range of issues and concerns arise during the years leading up to college. Don't let them overwhelm you and your family. In this report, we've organized a number of tasks and reminders according to various stages.***

Although this is not a comprehensive list, it will help keep you on track as you work with other advisors, counselors, and professionals who may suggest additional reminders and tasks. See the tables on pages two and three for more information on tasks you and your child should accomplish during his or her high school junior and senior years.

## Choosing a school

Hopefully, a number of schools will accept your child and offer various financial-aid packages. Selecting a school involves weighing a number of factors — both quantitative and qualitative. First, consider where the school ranks on the child's list of desired schools. How well does each school match the parameters you and your student established regarding:

- Size — Which school best fits your child's needs? A smaller campus or a major university?
- Location — Does your child want to stay in state or go out of state?
- Housing — Will your child live on or off campus?

A key element in your decision-making will be cost. Factor such outlays as tuition and fees, room and board, books and supplies, travel expenses (especially if attending an out-of-state school), and personal expenses as you project an annual cost. Although the total cost is important, do not eliminate colleges based on this alone. Financial-aid packages will differ, and you'll need to compare them on an apples-to-apples basis. After doing your analysis, you may find that a financial-aid package offered by a private school makes it just as affordable as a public school.

Remember, the financial-aid award can come in many forms, such as grants, scholarships, loans, and work study. If you are looking for an easy way to compare multiple schools and financial awards, use the "Compare Your Aid Awards" calculator at [collegeboard.org](http://collegeboard.org). Once you net the award against the total costs, you will have a better idea of how much you will be expected to contribute — which will help you make an informed decision.

Don't stop there, though. Regardless of which package yields a result you can afford, sometimes these packages are negotiable. That is, if you find that the school of choice offers a lower aid package or still remains out of your budget, discuss the financial-aid package from another school with the financial-aid officer at the school you prefer. Sometimes the preferred institution will increase its award.

# What to do during your child's junior year ...

## Fall

- Discuss goals (i.e., academic, career, etc.) with guidance counselors. Focus on how favorite subjects might turn into interesting careers.
- Make a list of colleges of interest.
- Review each school's attributes (i.e., size, location, academics, facilities, activities) and consider your student's comfort level with each category.
- The student should determine test dates in the next year, and begin studying for the ACT, SAT, and PSAT/NMSQT exam(s). Evaluate whether test prep courses are appropriate.
- Create a calendar of all important events and deadlines; keep it conveniently located where you can add to it and check-off accomplishments.
- Research and apply for scholarships.
- Consider high school classes that provide college credit.
- Make sure your student is on target to meet college entrance requirements. Don't forget about electives — schools look for well-rounded students.
- Find out when college fairs are hosted in your area, and plan to attend.
- Discuss investment and tax strategies for financing college costs.
- Take PSAT/NMSQT exam.

## Winter

- Attend a college night and financial-aid night.
- Begin scheduling campus visits, including stops at campus bookstores to get a realistic idea of the costs of course books.
- Use the FAFSA4caster at [FAFSA.ed.gov](https://fafsa.ed.gov) to get an estimate of your expected family contribution (EFC) toward your student's college expenses and eligibility for federal student aid.
- Determine what careers interest your student and what type of education is needed — consider career interest or compatibility assessments.

## Spring

- Take the ACT and SAT.
- Take SAT subject tests.
- Continue scheduling and visiting campuses (keep notes and take pictures to compare).
- Review your student's senior class schedule and consider taking advance placement or honors courses. Make sure classes will meet college entrance requirements.
- Continue the scholarship search by meeting with guidance counselors, community organizations, and any other local or online scholarship sources.
- Visit colleges during spring break.

## Summer

- Help research summer opportunities to enhance your student's admission applications — consider volunteering, landing a career-building job, or interning, etc.
- Begin reviewing the admission application procedures and deadlines for the schools your student would like to attend.
- Add to your college activities calendar key test dates, fees, deadlines for college applications, and financial-aid applications for the upcoming year.

# What to do during your child's senior year ...

## Fall

- Register to retake the ACT and/or SAT exam(s), if necessary.
- Take SAT subject tests.
- Ask teachers, counselors, employers, etc. for letters of recommendation needed for admissions and scholarship applications.
- Check your high school's online resources.
- Meet with college representatives who visit your high school.
- Submit college applications; apply to several schools to keep options open. If you are relying on financial aid, apply to at least five to eight schools where you are likely to be admitted based on your grades and test scores. Be sure to meet deadlines and keep copies of everything submitted.
- Schedule admission interviews, if required; continue applying for scholarships.
- Have the high school send transcripts to the colleges of choice now or after the first term.
- Discuss whether an early decision is something to consider. Do not apply early decision if you need financial aid; you will not be able to compare aid offers from different schools.
- Submit financial aid forms as soon as possible after Oct. 1 for the upcoming school year.

## Winter

- Confirm that schools have received all admission applications and required materials.

## Spring

- Review acceptance letters and financial-aid offers using the "Compare Your Aid Awards" tool on collegeboard.org.
- Visit colleges where admitted.
- Clarify any questions regarding the award offers with the schools' financial-aid officers. Discuss offers with choice schools and the need or opportunity for further assistance.
- Accept or reject the offers of admission or financial aid by the deadline; if more time is needed, ask for an extension. (See "Choosing a School" on page 1 for tips on how to narrow your choices.)
- If additional financial assistance is needed to supplement the financial-aid award and scholarships, initiate a private student or parent loan application.
- Submit tuition deposit by deadline to preserve admission.
- Take advanced placement exams.

## Summer

- Mark calendars for summer orientation programs and class registration; plan to arrive early for better class offerings selection. Ask about any part-time job opportunities either on campus or in the area, if needed.
- Help your student find a summer job and save a percentage of his or her earnings for college expenses.
- Finalize housing arrangements and meal plans.
- Take care of final financial and housing arrangements (see "Other Financial and Lifestyle Considerations" on page 5).

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## Develop a budget based on your school choice

Now that you know which school your child will be attending and have broad parameters for the costs, it's time, well before school starts, to sit down with your child and come up with a budget. Include both your fixed and variable expenses such as:

- Tuition, fees, and books
- Housing expenses
  - If your student chooses to live on campus, this will include room and board
  - If your student will be living off campus, you'll need to factor in such items as rent, renter's insurance, utilities, food, etc.
- Transportation expenses
  - Bicycle
  - Auto, which leads to insurance premiums, parking permit, gas, maintenance
  - Travel costs for holidays if out of town
- Sorority or fraternity dues
- Entertainment expenses
- Cell phone plan (make sure your plan includes long-distance, if necessary)
- Computer with Internet service
- Miscellaneous (toiletries, laundry money, etc.)
- Health insurance for the campus health center (if required)

Once you tally these expenses, review your various income sources. Some examples may be:

- Financial aid in the form of grants, scholarships, student loans, or a work study program
- 529 plan (savings plan or prepaid tuition plan)
- Coverdell Education Savings Account (ESA)
- Custodial accounts/gift trusts
- Parents
- Gifts from grandparents/other third parties
- Private loans
- Part-time job

Knowing the inflow and outflow will help you and your student create a budget. Together, agree on who will be responsible for actually paying the various bills. Will you pay the large expenses, such as tuition and room and board while your student pays the other expenses? Or will you negotiate some other agreement? (Even if you agree to pay the substantial tuition and room and board expenses, deposit the amount in the child's checking account and have him or her write the check to the college or university. Doing so reminds your child of the significant investment you both are making in his or her future.)

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Regardless what you decide, it is important to keep the student involved to help him or her develop budgeting skills that could last a lifetime. Lastly, emphasize the importance of paying bills on time to avoid incurring late fees and/or damaging his or her credit rating.

### **Pay attention to withdrawal consequences**

When considering how you will pay for college expenses, you will not only need to know what income sources you have, but you will also need to be mindful of:

- Any tax consequences that may result from any distributions from those sources
- What effect they may have, if any, on future financial aid

For example, in most cases, a distribution from a parent- or student-owned 529 savings plan to pay for qualified education expenses is not taxable and will not be considered income to the student for financial-aid purposes. However, a distribution for a nonqualified expense is generally taxable, and the earnings will be subject to ordinary income tax and a 10% penalty unless there is an exception for the penalty.

In addition, nonqualified distributions do count as income to the distributee and could affect financial-aid eligibility in the future. Distributions from a 529 plan owned by someone other than the parent or student will also count as income for financial-aid purposes. You may want to discuss the various income sources with your tax advisor and Financial Advisor to devise an appropriate strategy for paying education expenses.

### **Other financial and lifestyle preparations**

**Open a checking account/credit card.** Before your child leaves for school, set up the right accounts. Open a checking account at a bank with branches located near you and your child to make banking more convenient. Look for banks that offer college student accounts with minimal fees and/or low minimum balance requirements. And by all means, make sure the student knows how to balance a checkbook. Sound silly? The popularity of debit cards and online banking has made many people feel there is no reason to keep track of expenditures — which can lead to overdrafts.

In addition to the checking account, open a credit card in the child's name to start building credit. Doing so before the child leaves for school allows you to shop around and get a card with a lower rate. With credit card in hand, your student should not be tempted by the multiple offers from high-interest-rate cards that bombard students once they arrive on campus. Discuss and agree on which expenses will go on the credit card. Will the credit card be used to pay everyday expenses or reserved only for emergencies, such as car repairs or doctor appointments? Be sure you both understand and abide by the ground rules.

## Ease the transition

Protecting your child and preparing him or her for every life experience is a goal you instinctively aspire to, but it's not realistic. By taking an organized approach and completing these tasks prior to college starting, you should feel a little more at ease when your child's departure day arrives.

**Make copies of important financial, medical, and other information.** There is nothing worse than your student losing a wallet or purse or having it stolen and not knowing whom to call to report the missing cards. List the account numbers and emergency phone numbers for each of the credit or debit cards and checking accounts you open for your student. Give your child a copy of the records, and keep a copy for yourself in case the child can't find his or her copy.

Likewise, create a folder with important medical information, such as doctors' names, phone numbers, medicines, allergies, insurance information, etc. You may also want to consider talking with your estate attorney about the advisability of creating a durable power of attorney and health care power of attorney for your child. The chances the student will be affected by disability is much greater than the probability of death. Something like a serious auto accident, sports injury, or major illness could leave your student unable to manage his or her finances and personal affairs. You'll want his or her agent to step in and take care of matters. Whatever documents you accumulate, make copies and give your child one folder, keeping a second one with you for handy reference.

Emergency phone numbers for police, fire, and an emergency contact (whether it be a family member or a friend) should also be easily accessible or programmed into the cell phone. If your child is taking a vehicle to school, add the insurance information and agent's phone number to the list.

**Coordinate items to take with the roommate.** Too often, students arrive in the dorm, meet their roommate, and discover each of them brought duplicate items and they both neglected a necessity. If possible, have your child call the roommate in advance and decide who will bring such major items as a refrigerator, microwave, television, DVD player, etc., to avoid this from occurring. Normally, space is limited, so your student should avoid taking everything from his or her room. If your student needs something that was forgotten, you can always ship it or bring it on a subsequent visit or trip home.