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Staring Down Scary College Costs? Get Creative

by Brenda Buttner

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Is this your financial aid plan: signing a personal check with lots of zeros on the end?

If so, you're not alone. Many families are not eligible for any of the aid packages such as need-based grants, scholarships, and low-interest-rate loans that help students from limited income parents pay for their college education.

But that doesn't mean you have to relinquish your retirement account to or surrender to drowning in debt as your lot in life. Even if you do not qualify for a federal aid package or one from the university your child chooses, there are plenty of ways to cut college costs.

To get a list of the lowest-hanging of creative options for financial aid, I spoke with Eric Greenberg, of Greenberg Educational Group, Inc. For many families I know, he has been an invaluable resource in navigating the brain-numbing maze of deciding what college is best for a child and how to apply there, then pay for the choice once accepted.

When I asked Eric for his top myth about financial aid, he was quick to answer: That most families cannot find aid options short of personal checks to pay for higher education.

He was also fast to give out-of-the-box ideas. Here are three possibilities for aid that is not need-based:

- **Third-party merit scholarships**

A very underutilized source of college dollars are scholarships offered by a particular school. Many are very specific. For example, a scholarship could be given to a student-athlete, perhaps a lacrosse player who is also excellent in the sciences. Or dollars could be set aside for an entering freshman who wants to major in, say, American literature.

Greenberg says some of these scholarships are actually not awarded because potential applicants are either unaware of them or avoid them for fear a rejection would impact their chances of overall acceptance by the school.

Nothing could be more untrue, according to Greenberg. "It's a win/win situation to apply -- A very small investment of time and effort for the potential benefit," he says. Most require just an extra essay, one that can often demonstrate a student's passion for the school and provide more evidence about why the college is a good fit for the applicant and vice-versa. These scholarships can be more than a small chunk of change – sometimes adding up to several thousand bucks per year or granting a winner resources such as entry into an honors college with small classes and resume-building prestige.

- AP Credits

This option yields double benefits: Advanced placement tests can help a student get into a college and they can shave a semester or more of room, board, and tuition off a college bill. "A family could potentially save tens of thousands of dollars by looking very closely at colleges which offer AP credit." Greenberg believes this is the most underutilized of tuition busters, potentially changing the entire calculus of college cost for a family.

Worried that your high school no longer offers AP credit? Fewer high schools give "official" advanced placement courses, but they do extend very similar classes renamed as "honors" or "college placement". Students can still take the AP tests after finishing that coursework as they have likely mastered the same material under a different name.

- Second-tier = #1?

Go to a state school, which is a lot cheaper than a private university, for two years, then transfer. You end up with a diploma to the often more prestigious place at a far less expensive price than if you went all four years there. But it's not a simple choice. "There is a risk," warns Greenberg. "Transferring is very competitive and it's hard to go to a school, thinking you'll be switching soon. But it can potentially save huge amounts of money and open up opportunities that wouldn't be available otherwise."

One thing to keep in mind with this plan: the longer a student has been in a particular college, the more relevant the college transcript becomes. It will overshadow what a student did in high school. So it's not enough to just get into a state school and think you can take an easy ride to the next level. The student needs to work as hard, perhaps harder, than he or she did in high school. And, bottom line, it may be impossible to transfer. So make sure the state school is one in which you could be happy for four years, if necessary.

I'll have more ideas next week. Bottom line: you can't toss the checkbook. But there are other tools available to you for financial aid even if you don't qualify for the traditional type.



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