

GREAT ADVICE FOR PARENTS

FALL 2016



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Here at Inceptia, the heart of our nonprofit mission is to arm students with the knowledge necessary to make informed financial choices. Working together with colleges and universities around the country, we're able to see our goal come to fruition by helping students manage their loans and learn the basics of personal financial wellness.

But we want more. We want to reach out to high school students as well, and provide them with the tools they need now to make sound financial decisions. We want to partner with the people who make a difference every day in the lives of these high schoolers: parents, family members, counselors, teachers, and every other mentor and educator that is committed to student success. And so we are proud to release this, our first edition of "Great Advice for Parents," as a way to do just that.

Inceptia has teamed up with the personal finance site NerdWallet to give you timely advice on what you should know leading up to and during the college enrollment process, as well as steps you can take now to help your teen be financially prepared. With NerdWallet's team of expert contributors, several of whom are walking this same path, this guide can be a trusted resource to help both you and your child navigate what can sometimes be a confusing and challenging season.

We hope that you are able to use this guide to have open conversations about college, money, the financial aid process, and what it means to build financial capability. If your student wants to learn more, we can help with that, too! Our online financial education program, Financial Avenue, is free to high school students and educators. Find out more at the end of this guide.

As the end of high school draws near, there will be moments of growth and struggle, change and exploration, highs and lows. There will also never be a better time to provide your child with the gift that will serve them well whichever road they travel – the gift of financial wellness. We hope that with this guide, we can help play a little part in that.

On behalf of NerdWallet and Inceptia, all our best during the year ahead, and our gratitude to all who take the time to talk with students about money.



Best,



Carissa Uhlman
Vice President of Student Success
Inceptia

PICK THE RIGHT COLLEGE TO AVOID STUDENT DEBT

By Brett Tushingham

Student loans should be the last alternative for any college-planning strategy. Unfortunately, it's where many families start.

According to the Institute for College Access and Success, about 70% of graduating seniors in 2014 had student loan debt, with an average of \$28,950 per student.

The good news is that a bit of planning can help reduce the need to rely on student loans. With online resources and research, you can develop a strategy that will help your child obtain a degree without breaking the bank.

Your strategy should start with choosing the right college based on the school's cultural and financial fit for your child.



CULTURE

Where your child will fit in best and be most successful could be the most important part of your college plan.

Ask these questions before addressing the financial matters:

- Will your child thrive in a competitive environment?
- Does your child want to be close to home?
- Does the school offer a major conducive to your child's strengths?

After all, what good is it if your child gets accepted and drops out after two years or takes six years to graduate? Your child's goal should not simply be to gain admission, but to thrive, grow and graduate ready to succeed in the next chapter of life.

Whatever you choose to do, incorporate the culture of the school and the personality of your child in the decision-making process.

FINANCIAL AID

College selection and affordability go hand in hand. Every school will view your student — and your family's finances — differently, so it's important to do your research and try to gauge how those factors will impact financial aid eligibility.

Each school has a choice of what aid methodology they use when determining your child's expected family contribution (EFC), the minimum amount a school will expect you to contribute toward your child's education each year. The cost of attendance less your EFC will produce your child's eligibility for need-based aid. But the same reported assets and income can produce dramatically different EFCs depending on what school your child applies to.

You need to know beforehand what application each school uses, how they will view your assets and income for financial aid purposes, and how desirable a candidate your child is from an admissions perspective. If your child is a good candidate for admission, the school will be more likely to meet a higher percentage of his or her need-based aid eligibility with grants and scholarships.

YOUR CHILD'S GOAL SHOULD NOT SIMPLY BE TO GAIN ADMISSION, BUT TO THRIVE, GROW AND GRADUATE READY TO SUCCEED IN THE NEXT CHAPTER OF LIFE.

FUTURE EARNINGS

So much focus is placed on getting into college and very little on life after college. But college selection should help position your child for success after graduation, not burden your student with unmanageable debt.

College is an investment, and the cost you pay for admission should result in a future income stream that far outweighs the expense of any student loan debt. The break-even point can vary greatly depending on what your child wants to study or what career he or she may want to pursue and, of course, which school your student decides to attend. Eliminating or reducing the amount of debt your student needs to take on can help tip the balance in his or her favor for years to come. In fact, a recent study showed that student loan debt of \$30,000 could reduce a person's 401(k) balance by over \$325,000 by retirement.

If your child is uncertain of his or her career goals, which is completely reasonable at age 18, then it may be smart to consider taking a gap year to figure things out. Ultimately your child might even decide to take the entrepreneur route and start a business. And at the very least, a little research and self-examination should prove helpful.

EXPLORE YOUR OPTIONS

My oldest son, Reece, is already talking about attending Notre Dame and Duke. I'd love to help him make that a reality. However, the last thing I want to do is saddle him with enormous student loan debt or spend down my retirement assets to make it happen.

I plan on exploring a broad range of colleges to determine which ones offer him the best fit from a cultural, financial aid and future employment perspective. Doing the same with your children could be the best investment you ever make.



Brett Tushingam is a financial advisor and the founder of Tushingam Wealth Strategies in Wilmington, North Carolina.

This article originally appeared on [NerdWallet](#).

3 QUESTIONS TO EVALUATE THE INVESTMENT IN YOUR COLLEGE EDUCATION

By Brett Tushingham

College costs are going through the roof. The average four-year private college now runs nearly \$44,000 a year, including tuition, fees, and room and board. For many people this will be the biggest investment they make and, for some, the one with the highest return — if planned for carefully.

Before making any investment, you should always evaluate the costs and risks it involves. Answering the following three questions will help you evaluate your education investment and determine the potential return.



WHAT IS THE INITIAL COST?

Like any investment, the price you pay will impact your future return. In terms of your education investment, this is where college selection comes in to play and why it's one of the most important pieces of your college planning strategy.

To figure out what you can expect to pay, first begin researching schools to determine where you will be a good fit and how your academic profile compares with those of current students. The [College Navigator](#) site is a great resource to use in assessing this. The more desirable you are to the school, the more likely it is that you will be accepted and receive financial aid in the form of grants and scholarships. Don't exclude community colleges in your search, as they can offer a good education at a fraction of the cost of private schools.

Once you receive your award letters from the schools, you will be able to determine your net price. This is the difference between the school's sticker price minus any grants or scholarships. Student loans should not be subtracted since they will ultimately increase your total college costs. But before committing to any loans, [calculate](#) the interest over the entire term and add it to your sticker price. At this point you will be able to determine your initial investment cost.

Beyond financial aid, there are other ways to reduce the initial cost. For instance, taking advantage of the [American Opportunity Tax Credit](#) can reduce your tax burden, effectively helping with college funding.

Provided they qualify, students or their parents may claim this education tax credit, which can provide up to \$10,000 in tax credits over a four-year education. And if you use tax-favored savings vehicles such as 529 plans, this can provide years of tax-free growth for your college expenses.

WHAT ARE THE RISKS?

Every investment has risk, and a college education is no different. One of the greatest risks is that you extend your stay beyond four years (increases your initial cost) or don't graduate at all (diminishes your return). This is another reason the college selection process is so important.

To address these risks, you may benefit from working with a college admissions department to help you understand the campus culture, select a major you will stick with and increase your odds of graduating on time. In addition, resources such as the [College Scorecard](#) can show you the graduation rates at each school, which can be an indication of the amount of guidance and support students receive and the likelihood that you will complete your degree. You can also research the tutoring, academic advising, counseling and career development services provided by the schools you are interested in.

DECADES OF HIGHER EARNING POWER CAN MAKE A COLLEGE DEGREE AN EXCELLENT INVESTMENT THAT PAYS YOU BACK EXPONENTIALLY.

However, there's also the risk that the school reduces your grant or scholarship aid, which would increase your out-of-pocket costs. If you have an aid package, be sure to talk to the school's financial aid administrator about what award amounts you can expect each year and any factors that might alter that amount.

Of course, there are other risks you can't plan for. For instance, your future employment potential could be affected by changes in the economy or technology, family obligations or other unexpected events. You cannot control such risks, but you should consider them as you evaluate your options.

WHAT IS THE POTENTIAL RETURN?

Not all gains can be measured in dollars, but for now let's focus on the financial aspect of the return on your investment in your education. [Research](#) shows that people who go to college earn substantially more over their lifetimes than non-graduates. Decades of higher earning power can make a college degree an excellent investment that pays you back exponentially.

When selecting your potential school and area of study, estimate what you can expect to earn after graduation. [PayScale](#) offers salary projections for specific majors and offers a return-on-investment calculation based on future income and college costs. Of course, such calculations won't be exact, but thinking realistically about what you can expect to earn later in life can help you make decisions about how much you can afford to invest in your education today.

BE PROACTIVE

The last thing on my mind when selecting a college was the return on my investment. I remember opening the Barron's college ranking book and choosing a few recognized schools in the area that offered business degrees. Then I subsidized what I couldn't pay with student loans. But knowing what I know now, it's clear that this lack of planning cost me thousands of dollars in missed financial aid opportunities and excessive student loan debt.

Don't make the same mistake — be proactive! Start by choosing your college wisely and exploring financial aid opportunities. Learn how to take advantage of tax aid and figure out ahead of time how your degree will impact your future earning potential. With a sound planning strategy, your college education can be the best investment you ever make.



Brett Tushingham is a financial advisor and the founder of Tushingham Wealth Strategies in Wilmington, North Carolina.

This article originally appeared on [NerdWallet](#).

WAYS TO PAY FOR YOUR CHILD'S COLLEGE, NO MATTER WHEN YOU START SAVING

By Charlie Shipman

Many parents would say saving for their children's college education is pretty high on their list of priorities, and yet they don't have a savings plan in place.

That's understandable. Saving is becoming more of a challenge these days, especially when you consider the forces working against parents. College tuition and fees keep rising, students are spending more than four years in undergraduate programs, and postgraduate and/or professional education is becoming a requirement for many employment opportunities.

Also working against parents: the increase in the cost of college tuition, known as the college inflation rate, averages around 5% per year. This means a college with a \$20,000 tuition will cost you \$21,000 next year. If you have a 10-year-old child, then that same college might cost you more than \$30,000 by the time your child graduates from high school.

With younger children, you have time on your side — time to create a savings plan, time to save consistently and systematically, time to meet (or beat) your savings goal. And as your income rises over the years, you can contribute more toward college savings.



But there are steps you can take to save no matter how much time you have. Here are three popular options to pay for your child's education:

529 PLANS

One of the best investment vehicles for college savings is the state-sponsored [529 plan](#), which lets parents set aside money in an investment fund for higher education. This is an especially good plan if you start early enough to reap the tax advantages: Savings in this type of plan grow federal-tax-free, and withdrawals also are tax-free as long as they're used to pay for qualified education expenses. (Most states provide the same tax advantages for residents.)

Each state that offers a 529 plan establishes how the plan is structured and which investment options are offered, so make sure you know what's available.

Another great feature: Grandparents can contribute directly to a 529 account on behalf of a grandchild, which can be an effective estate-planning technique if done correctly. For 2016, that means each grandparent can contribute up to \$14,000 on behalf of a grandchild without triggering a gift tax or a generation-skipping transfer tax.

BONUS: For more ideas on how grandparents can contribute to college planning, check out [this article](#).



FINANCIAL AID

If your children are older and nearing college, savings options are fewer, unfortunately. But there's still hope. You might have time to save a little and design a plan that incorporates scholarships, other awards and/or student loans.

When you're considering financial aid, be aware of the different [loan options](#) out there. Federal loans — Stafford, Perkins, PLUS — are available based on financial need and require the filing of the Free Application for Federal Student Aid, or [FAFSA](#).

Private loans from banks or other financial institutions also are available to families to help pay for college; however, they tend to have higher interest rates than federal or state loans do, and they are not government-funded or government-guaranteed. Visit the [Federal Student Aid](#) website for additional information.

IRA PLANS

Another option to consider is using your individual retirement account to fund college costs. If you use funds from your traditional IRA, you won't pay the early withdrawal penalties, but you'll still have to pay income tax on the amount distributed for qualified education expenses.

If you have a Roth IRA, you won't pay a penalty or income tax on withdrawals used for qualified education expenses. One thing to keep in mind, though, is that Roth IRAs have income restrictions, so high earners might not qualify. And remember: The reason you've been saving in your IRA is to fund your retirement, so you might not want to spend all of that money on your kids' educations.



BONUS: You may also want to check out ["3 Clever Strategies to Fund Your Child's Education."](#)



Charlie Shipman is the founder and managing principal of Blue Keel Financial Planning in Weston, Connecticut.

This article originally appeared on [NerdWallet](#).

COLLEGE COUNSELORS SPILL 6 FINANCIAL AID SECRETS

By Teddy Nykiel

High school upperclassmen: As you're headed into a year of varsity letters, last hurrahs and anticipation for the new beginning that's now just around the corner, don't forget about college applications and financial aid forms.

You don't have to go through the college application cycle alone. Your high school's counselors and college financial aid advisors are there to help. We talked with several and asked them their best advice for maximizing financial aid and staying calm about college planning. Here are six little-known tips to save you time and money.



1 YOU CAN PAY TUITION IN INSTALLMENTS

Looking at a college's price tag can be enough to induce a minor heart attack. But you aren't expected to pay for the entire year all at once, says Phil Trout, a college counselor at Minnetonka High School in Minnetonka, Minnesota.

"No college is ever going to ask [families] to write a check for \$50,000," Trout says.

Schools typically send a bill each semester, but many also offer monthly payment plans. Monthly tuition payments often are easier for families to budget for because most other household costs, like mortgages and cell phone plans, are due monthly, he says.

2 FILLING OUT THE FAFSA WILL BE SLIGHTLY LESS OF A HEADACHE

Filling out the Free Application for Federal Student Aid will be slightly different this year from years past. You can start filling out the FAFSA in October 2016 for the 2017-18 school year. Previously, the earliest you could fill it out was January of the year you'd start college.

Also, this year you can use your family's 2015 tax information to complete the FAFSA for the 2017-18 school year. Until this year, families had to use tax information from the previous year when filling out the

FAFSA for the upcoming school year. That meant they either would have to wait until April to complete the FAFSA, file their tax return early or estimate their tax information on the form.

The changes are expected to make applying for financial aid a more seamless experience for college-bound students and their families, says Kent Rinehart, dean of admission at Marist College in Poughkeepsie, New York. "They should be able to get a more accurate picture of what their finances are, as well as what type of financial aid will be available to them," he says.

3 THERE'S A FINANCIAL AID FORM MOST PEOPLE DON'T KNOW ABOUT

You probably already know about the FAFSA, but around 300 private colleges require students to submit the [CSS Profile](#) in addition to the FAFSA to be considered for school-based scholarships. It costs \$25 to submit, plus \$16 for each copy if you need to send it to more than one school.

"Many schools are sticklers about it," says Bianca Martinez, a college advisor with the nonprofit College Advising Corps. "If you don't submit it on time, they deny you institutional funding."

YOU SHOULD HAVE AN IDEA OF HOW MUCH YOUR FAMILY CAN AFFORD TO PAY SO YOU CAN SET REALISTIC EXPECTATIONS ABOUT THE COLLEGES YOU'RE CONSIDERING.

4 YOU OFTEN HAVE TO OPT IN TO SCHOOL-BASED SCHOLARSHIPS

Just because you apply to a college doesn't mean you're automatically in the running to receive an institutional scholarship, says Marie Bigham, director of college counseling at Isidore Newman School in New Orleans.

Look for a check box on the application that indicates you want to be considered for a scholarship, and make sure you're not missing a separate scholarship application altogether.

Keep an eye on deadlines, too. "Some schools have earlier [application] deadlines if the student wants to be included in the scholarship pool," Bigham says. For example, last year's University of Southern California application deadline was January 15, 2016. But for students who wanted to be considered for merit scholarships, the deadline was December 1, 2015.

5 PAYING FOR FINANCIAL AID HELP ISN'T WORTH IT

No matter how confusing filling out the FAFSA or CSS Profile is, you don't need to pay a company to help you, Rinehart says. Plenty of free resources are available that will get you to the same result.

When applying for financial aid, start by talking with your high school counselor. If you still have questions, call the financial aid office at one of the colleges where you're applying. Finally, look for a [financial aid completion event](#) near you — many schools and local organizations host free workshops with experts on hand to answer your questions as you fill out the FAFSA.

6 TALKING ABOUT FAMILY FINANCES IS IMPORTANT

If there's one thing every college counselor agrees on, it's this: students and their parents need to talk about money early in the college application process. You should have an idea of how much your family can afford to pay so you can set realistic expectations about the colleges you're considering, Rinehart says.

If money is a touchy subject in your family, be thoughtful about how you approach the subject. "Those lines of communication have to happen," Martinez says. "Find a time when they're in a good mood and have a heart to heart with them."



Teddy Nykiel is a staff writer at NerdWallet, a personal finance website.

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UNDERSTANDING THE COST OF COLLEGE

By Brianna McGurran

There are a few things in life we can count on, but one thing we know for sure: the cost of college will go up. However, it's not always clear what those costs include or how much of your school's sticker price you'll end up paying.

Knowing a school's expenses can give you a better sense of potential student loan burden. About half of college freshmen in the U.S. underestimate the amount of debt they have, according to a 2014 Brookings Institution report. That could keep students from using smart strategies, like paying off accumulated interest before it's added to the loan balance or signing up for the right loan repayment and forgiveness programs.

We've laid out the average costs of several types of colleges, the amount students are likely to pay and how to pay for college so students can graduate without overwhelming student loan debt.



HOW MUCH DOES COLLEGE COST?

College costs continue to significantly rise; from the 2002-03 school year to 2012-13, average yearly tuition, room and board at public undergraduate institutions rose 39%, according to the National Center for Education Statistics. It went up 27% at private nonprofit colleges.

But the type of school your student chooses makes a big difference in the amount he or she will pay. Here's the average yearly cost of tuition, fees, room and board in 2012-13, again thanks to the [National Center for Education Statistics](#).

TYPE OF INSTITUTION	TOTAL COST	TUITION AND FEES	ROOM	BOARD (MEALS)
PUBLIC TWO-YEAR	\$8,928	\$2,792	\$3,247	\$2,889
PUBLIC FOUR-YEAR	\$17,474	\$8,070	\$5,241	\$4,163
PRIVATE NONPROFIT FOUR-YEAR	\$39,302	\$28,746	\$5,844	\$4,712
PRIVATE FOR-PROFIT	\$23,158	\$13,766	\$5,738	\$3,653



HOW MUCH WILL STUDENTS END UP PAYING ON AVERAGE?

Those numbers can be discouraging, but it's unlikely students will pay the total amount for the school they choose after factoring in financial aid. Filling out the Free Application for Federal Student Aid, known as the FAFSA, is the first step to receiving financial aid that could cut the cost.

The FAFSA determines the amount of money your family can provide to pay for college. It also qualifies you for federal, state and school grants, which you don't need to pay back; federal student loans; and work-study to cover the rest of the cost.

You'll get certain types of financial aid, including Pell Grants and subsidized federal loans, if you have especially high financial need, which is calculated by subtracting your expected family contribution from the school's cost of attendance. Prioritize applying to colleges that pledge to meet your full financial need; check the schools' websites or call their financial aid offices to find out if they do.

To get a sense of what you might pay, check out the average out of pocket net price in 2011-12 and the average loans, grants and work-study funds students received. Net price is the amount of tuition and fees charged after taking into account any grants or scholarships for which the student is eligible.



TYPE OF INSTITUTION	OUT-OF-POCKET NET PRICE	LOANS	GRANTS	WORK-STUDY
PUBLIC TWO-YEAR	\$9,900	\$1,400	\$3,400	\$100
PUBLIC FOUR-YEAR	\$11,800	\$4,500	\$5,200	\$200
PRIVATE NONPROFIT FOUR-YEAR	\$18,100	\$6,200	\$15,600	\$700
PRIVATE FOR-PROFIT	\$15,000	\$8,100	\$4,100	\$100

WHAT WILL PARTICULAR SCHOOLS COST STUDENTS?

Net price can vary widely from school to school. Each college or university has a net price calculator on its website, which will estimate how much you'll pay based on your financial profile.

You can expect to cover the net price with out-of-pocket funds or student loans — and remember, it's only for one year, so multiply that number by four to see the minimum total cost. Graduating on time will keep students from having to borrow more; only 59% of full-time students in four-year bachelor's degree programs graduated within six years in 2013.

Additional tools can help you compare net prices among colleges. [College Abacus](#) aggregates net price calculators from participating schools and lets you compare the results after answering a series of personalized questions. The U.S. Department of Education's [College Scorecard](#) includes links to schools' net price calculators and has data on average annual cost, graduation rate and typical monthly student loan payment.

HOW SHOULD STUDENTS PAY FOR COLLEGE?

Completing the FAFSA is the first step toward making college more affordable. And now is the time to prepare for the 2017-18 school year, since the FAFSA will be available on October 1st, 2016.

Exhaust grants and scholarships from the federal government, your state and the college before turning to student loans — and even then, max out federal student loan options before turning to private student loans. There are several [benefits to federal student loans](#), including the ability to borrow without credit history and access to flexible payback options.



BONUS: To learn more about paying for college, check out NerdWallet's additional articles:

- [How Colleges Award Financial Aid — and How to Estimate Yours](#)
- [Understanding Your FAFSA Financial Aid Options](#)
- [Applying for Student Loans: Federal and Private](#)
- [How to Read Between the Lines of a Financial Aid Award Letter](#)



Brianna McGurran is a staff writer at NerdWallet, a personal finance website.

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WHEN AND HOW TO APPEAL A FINANCIAL AID AWARD

By Devon Delfino

Your latest financial aid award letter arrives, and you tear it open, eager to find out how much money you're getting — but you're met with disappointment.

Maybe the offer's less generous than the ones you've received from other colleges. Maybe it has way too many loans and not enough grants and scholarships. Maybe it prevents you from attending that particular school. But what if that school is your first choice, or your FAFSA no longer tells your whole financial story? Then the appeals process comes into play.

That's right: you can ask for more "gift aid" — that's money that doesn't have to be paid back, unlike student loans.

The process varies from school to school, and there's no guarantee that your appeal will be approved, but there are steps you can take to improve your chances.

Here's what you should know about appealing your financial aid award:



WHEN TO APPEAL YOUR FINANCIAL AID AWARD

The appeals process isn't for everyone. "Saying, 'We didn't save enough money, can you please give us more' just isn't a compelling enough reason," notes Zena Taylor, founder of College Select, a service that helps students find and apply to schools.

Here are the main reasons to appeal your award:

- **Your financial circumstances have changed.**

If your family has experienced a life event that impacts its finances and isn't reflected on your FAFSA, you're probably a good candidate for an appeal. These changes can include a birth or death, unemployment, disability, divorce, lowered income, moving, selling a house, or having another child enter college.

Most colleges will help you find additional need-based aid — but you have to back up your claims. Supplying supporting documents, such as medical bills, helps.

- **Your top school offered less aid than another.**

Some schools will work with you to match or beat another school's offer if it means locking in your

acceptance — especially if you're an exceptional candidate.

"At many schools, it's a buyer's market," explains Lynn O'Shaughnessy, author of "The College Solution," a book aimed at helping students find the right school at the right price. "You're going to be more likely to succeed [in getting more financial aid] if you're looking at a private school than at a public school. They're more eager to fill their spots."

Stephanie Goldberg-Mauro, founder of consulting company College Planning 101, suggests researching the SAT and ACT score ranges of the college's previous freshman class using the National Center for Education Statistics' [College Navigator](#) tool. If your scores are in the 75th percentile or higher, you may be able to leverage them to secure more merit-based aid.

You can also use the [College Board's search tool](#) to learn about the average financial aid package awarded by each school you're considering. This will help you decide if appealing is the right move.



SAYING, ‘WE DIDN’T SAVE ENOUGH MONEY, CAN YOU PLEASE GIVE US MORE’ JUST ISN’T A COMPELLING ENOUGH REASON.

HOW TO APPEAL YOUR FINANCIAL AID AWARD

Email — don’t call — the school’s financial aid office to find out its appeals guidelines.

“Have you tried calling a college lately?” Goldberg-Mauro asks. “You can’t get through. You can call and call and call; they are so slammed with requests — but they’re going to check their email.”

The response you receive should tell you whom to contact, how to get in touch with him or her, and any special requirements you must meet.

Once you have this information, figure out exactly how much you want, why you want it, and how to put it in writing. The more specific you are, the more likely it is that the school will approve your appeal.

Another useful tip: Speak their language.

“I wouldn’t use the word ‘negotiate’; they don’t like that. And don’t just appeal to a school emotionally. They’re not going to relate to that,” O’Shaughnessy says.

Instead, Taylor suggests saying, “You’re my first choice,” or asking if there’s anything the school can do to enable you to attend.

If you document your situation, ask for a specific sum, show that you’re willing to work for the extra aid and sprinkle in a bit of flattery, you’ll have a good shot at approval. But it’s important to go in with realistic expectations, Goldberg-Mauro says. She advises students to expect nothing, but hope for the best.

“We might get another \$500, or we’ve had one offer go from \$8,000 into a \$30,000 award. So there’s a huge range,” she says.

IF YOUR FINANCIAL AID AWARD APPEAL IS REJECTED

If your appeal isn’t successful, you might still be able to close the gap. For example, you can ask to have the cost of attendance adjusted for your circumstances, covering your commuting costs, for example, or the costs of required items, such as a laptop or textbooks. This might qualify you for more aid. If that doesn’t work, it might be time to consider a less expensive alternative.

“Don’t go to a school that costs too much money,” O’Shaughnessy says. “Do not go into huge debt because you think this degree is going to be magical.”



Devon Delfino is a staff writer at NerdWallet, a personal finance website.

This article originally appeared on [NerdWallet](#).

8 STRATEGIES FOR MANAGING YOUR TEEN'S 'GAP YEAR' EXPERIENCE

By Jeff Matheson

An increasing number of U.S. students are participating in a “gap year,” in which they take a break from their studies to explore the world, often right after graduating from high school. The benefits for students can include personal growth, increased maturity and a stronger sense of what their interests are.

What students do during this one-year break from school can vary widely; it can include taking part in highly organized programs targeting student interests such as art history or wilderness exploration, or it can involve loosely structured programs or foreign travel.

Managing a gap year can be stressful for parents, however, financially and otherwise. Whatever the specifics of a student’s experience, it’s a time when a teen is not in school but not in the “real world” — and therefore still dependent on parents for support.

Here are some practical tips on how parents and students can best manage the needs of “gappers” at home and abroad.



1 PAY ATTENTION TO CURRENCY EXCHANGE FEES

Access to money and currency exchange are crucial considerations for young people traveling abroad. Most banks and credit unions offer poor exchange rates and charge various hidden fees, so consider shopping around for an international money transfer specialist to save money. Many firms also offer the opportunity to lock in favorable exchange rates, which can protect users from adverse currency movements.

2 RESEARCH OVERSEAS EMPLOYMENT OPPORTUNITIES

For those on a gap year who feel they need more money during their time abroad — or who want to enrich their experience by learning what it’s like to be a working person in a foreign country — having a job can be fulfilling.

But it’s important to do plenty of research first, because every country has different rules about foreign workers and some jobs may require special training. Teaching English in a foreign country, for example, might require taking a course and getting certification from a recognized organization.

3 HONE BUDGETING SKILLS

A gap year offers parents a good opportunity to work with their children on their budgeting and personal finance skills. Janice Rossman, a nurse in New York, saw her daughter repeatedly go over their established budget during her year in Israel. They discovered that “hidden expenses” — things beyond the established costs of rent, utilities and food — were to blame for the budget-busting. “We discovered it was mostly ‘Ubering,’” she says, referring to the popular transportation app. This led to a productive discussion of ways to make use of other transportation options to keep costs in line.

4 LEARN FROM OTHER ‘GAPPERS’

Students who are going abroad and their parents should do significant research on each country in advance, not just online but by reaching out to other students who have lived there. Consult [gap-year message boards](#) that provide information on cultural, financial, legal and other issues.

5 BREAK THE YEAR INTO CHUNKS

For parents of students who are seeking a more free-form gap-year experience rather than a tightly planned program, the idea of an entire year of unstructured time can produce anxiety. Rather than trying to plan out the whole year with your child, consider taking it three months at a time and setting goals that fuel his or her interests but lead to achievements.

These goals can include finding a job, taking a few college or online courses, pursuing interests the child may not have time for as a full-time college student, or taking particular trips. By breaking the year down into manageable chunks and setting short-term goals, the gap year can feel more manageable and end up being more productive.

6 KEEP UP THE NETWORKING

Spending a gap year backpacking in a remote part of the world might be a wonderfully enriching experience, but it also could separate students from the types of social contacts that may be needed when they make their re-entry. To guard against that, students should take the time to network while out of school — setting up LinkedIn profiles and staying in touch via social media to grow and maintain contacts. If they are staying at home during their gap year, they should consider working or volunteering in their community to establish connections that may be helpful in the future.

7 WATCH OUT FOR REVERSE CULTURE SHOCK

After several months living abroad, many kids acculturate to their temporary home in terms of daily life, food and social norms, so they may experience culture shock when they return. Students returning to the U.S. may have trouble relating to the friends they once spent a lot of time with, or they may find that activities they used to engage in feel trivial. This may lead to symptoms of depression, anxiety, restlessness and even panic, according to Sara Haberman, founder of college counseling service AdmissionSense.

Parents should prepare to spot these symptoms and provide support during the adjustment. Once students are back in school, parents can urge them to establish a relationship with a counselor, teacher or other mentor to help ease the transition.

8 GO EASY DURING RE-ENTRY

A whopping 90% of American gap-year students continue on to college within six months to a year of their return. But for those who are still not ready to pursue higher education, parents should treat the break as an initial “cooling-off period” and provide a judgment-free zone to let kids re-examine their options. Though this might cause parents anxiety, some kids just need a little more time to decide on their path.

It's important, though, that post gap-year students are doing something productive if they're not going back to school right away, whether that's working or volunteering. It's also wise for families to commit to a time frame for this next phase and to explore options, which can range from vocational school to college.



Jeff Matheson is the managing director of foreign-exchange specialists HiFX North America.

This article originally appeared on [NerdWallet](#).

TALK WITH YOUR KIDS NOW TO CREATE INDEPENDENT ADULTS LATER

By Arielle O'Shea

If you're looking forward to the freedom of an empty nest, you don't want to see your eventual college grad struggle. About a quarter of young adults are currently living in their parents' homes, and the problems of rising rents and five and six figure student loan debt are likely to get worse, not better.

Want to help your kids have a choice in their post-college lifestyle? Lay a foundation now so they're prepared to be financially independent. That means having tough conversations about financial priorities, the potential costs of college and the importance of saving for retirement.

Here, five lessons you need to teach your kids before, during and after college to help them launch:



START BY LIMITING STUDENT DEBT

A good rule of thumb: hold total student loan borrowing to 50% to 100% of expected first-year salary.

To do that, college students should get a job rather than borrow to cover lifestyle expenses. Exhaust scholarship and grant opportunities before taking out loans. And the kicker: be careful with school choice, which has the biggest impact on debt levels.

“Do you want to go to a big school with a great football team and a huge campus or the state school that offers as good of an education for a third of the cost?” asks Mike Sander, a financial planner in Tarrytown, New York. “Our brains are wired to want the nice, shiny, trendy school, but when you start looking at the cost, it often doesn't make sense.”

And as your children get ready to graduate, make sure they educate themselves on all their [student loan repayment options](#), rather than let the government pick the default plan.

YOUR PEAK WAGE GROWTH YEARS ARE COMING RIGHT UP

We often assume that the older we get, the more our salaries will increase. It's a good excuse to put off saving. But a recent analysis of Social Security Administration data by the New York Fed found that the bulk of earnings growth happens between ages 25 and 35.

How handy, then, that those early years are also when savers can make the most of compound interest, which has a huge impact on a retirement account balance. Those who manage to bank their salary increases when they're young will have a much easier time building retirement wealth. Which leads us to our next tip...

A RECENT ANALYSIS OF SOCIAL SECURITY
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THOSE EARLY YEARS ARE ALSO WHEN SAVERS CAN MAKE THE MOST OF COMPOUND INTEREST, WHICH HAS A HUGE IMPACT ON A RETIREMENT ACCOUNT BALANCE.

SAVING FOR RETIREMENT REQUIRES A PLAN

Plenty of online tools and advice will walk your kids through figuring out [how much to save for retirement](#). After that, you're ready to talk savings vehicles.

If a 401(k) with matching dollars is an option, this is a short conversation: That match is free money, so the 401(k) should be used first. And payroll deductions for a 401(k) are an easy and hassle-free way to get into the habit of saving.

Otherwise, the best choice is often a Roth IRA. And here's some good news: your kids can open a Roth IRA while in college (or, for the really ambitious, high school) as long as the student is earning income.

IF YOU DON'T WANT TO SPEND LESS, YOU HAVE TO EARN MORE

In this gig economy, there's no excuse not to have a side job if full-time work doesn't pay the bills.

The options are virtually unlimited, but you may need to nudge your college grads in the right direction.

A few suggestions to pass along: become a rideshare driver. Rent extra space in your home on Airbnb. Use Rover or DogVacay to find pet-sitting clients or Care.com to find baby-sitting ones. Rent out your belongings on Zilok, sign up to take on small jobs through TaskRabbit, become a freelance virtual assistant on Upwork or write or edit content for Scripted.

Part of this lesson involves some gentle reminders that this extra income should be used wisely: the idea isn't to pad an entertainment budget; it's to fund an IRA.

FINANCIAL BASICS WILL KEEP YOU ON TRACK

Aside from increasing income as noted above, two other things can significantly improve financial security: a budget and an emergency fund. Maintaining the former will make it easier to fund the latter, as well as to find money to save for retirement.

These days, a budget requires little effort, says Stephen Hart, a financial planner in Plano, Texas. "When you have online apps and you can log on to your bank statement at any time, it's easier than ever to track your spending," he says. "There's really no excuse for not doing so."



Arielle O'Shea is a staff writer at NerdWallet, a personal finance website.

This article originally appeared on [NerdWallet](#).

8 THINGS HIGH SCHOOL GRADS NEED TO DO BEFORE LEAVING FOR COLLEGE

Your last high school prom is over and for most of you, graduation has come and gone. Yes, freedom and plans for a fun-filled summer are just around the corner. Before you know it, you'll be loading up your belongings in the family minivan and heading off to college. You're so ready, right? Well, maybe not. Here are some tips for things to do this summer before you head off to college.

1 MAKE SURE YOUR SCHOOL HAS YOUR FINANCIAL AID READY FOR YOU

Early summer is a great time to check with the financial aid office at the school you plan to attend to make sure your financial aid and all paperwork is complete. This will help you avoid any unnecessary surprises or financial aid delays when you arrive on campus.

You'll also want to make sure you have enough money to cover any gaps between the cost of your school and the financial aid you've been offered. Here are [7 Options to Consider if You Didn't Receive Enough Financial Aid](#).

If you're using student loans to help you pay for college, make sure you're borrowing only what you need and [keeping track](#) of what you're borrowing.

2 FIND A PART-TIME JOB

If you're interested in working part-time while in school, it's best to start checking out those opportunities early, even before you get to campus or start classes. Working during school can teach you great money management skills and also help limit borrowing if you're able to put that money toward your tuition.

If you were awarded federal work-study, [here are eight things you need to know](#). For starters, being awarded work-study does not guarantee you a job. Some schools match students to jobs, but most schools require students to find, apply and interview for positions on their own, just like any other job. Contact your school's financial aid office to find out what positions are available and how to apply. The most sought after work-study jobs are often filled quickly, so get started now!



Which reminds me...

3 CRAFT A GOOD RESUME AND LEARN HOW TO NETWORK

Work experience can be just as important as good grades when looking for jobs after college graduation. Don't wait until you're approaching college graduation to write a cover letter and resume, you need one now. Having a compelling and professional resume and cover letter is vital to applying for part-time jobs and internships. Internships not only provide you with knowledgeable experiences in your field, but they also provide great networking opportunities. Don't settle in and nest; put yourself out there and go to as many networking events as possible.

TIP: Make sure you have an appropriate email address. Employers probably won't be impressed with an email address like JustHereToParty@xxmail.com



4 CREATE A BUDGET AND LEARN HOW TO MANAGE YOUR MONEY

Now that you're heading off to college, you'll need to learn how to manage your money.

Will you get a financial aid refund? How much can you expect to make weekly at your part-time job? What expenses are already covered (i.e. meal plan)? What do you still need to pay for (i.e. books)?

It's important to know how much you have coming in and what you can afford to spend. Sit down and [make a budget](#) for the semester or year. It will help you avoid unnecessary splurges. [Here are some tips.](#)

TIP: Consider opening a bank account that has locations near your campus. You'll save yourself money in ATM and other fees.

5 REGISTER FOR CLASSES AND PREPARE FOR A WHOLE NEW WORLD OF TIME MANAGEMENT

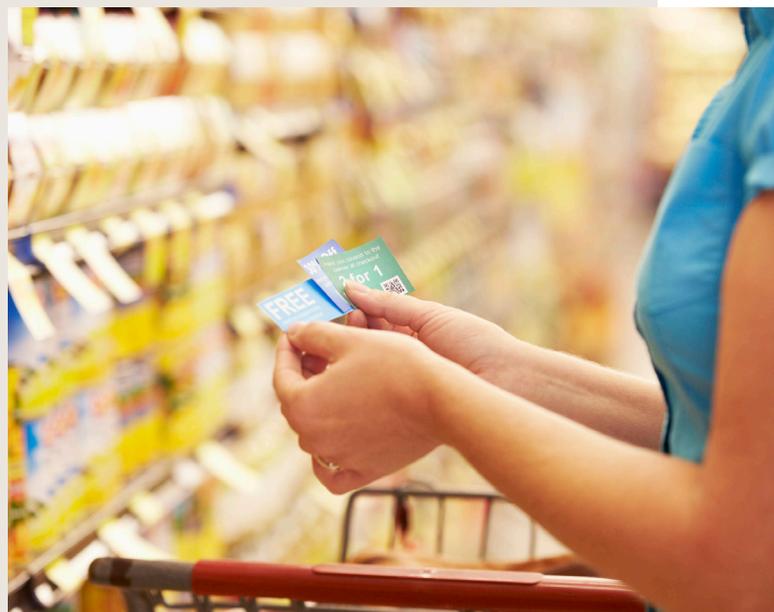
Make sure you are registered for classes and understand your class schedule. One of the biggest challenges for a lot of you will be time management. When you head off to college, you won't have somebody there to wake you up, make you breakfast and send you out the door in clean clothes with completed homework in hand. Set yourself up early with a class schedule (make a course syllabus your new best friend) and a system that works for you. You need to know deadlines for registration, papers, financial aid, coursework and everything in between. Your chance of succeeding academically will rapidly evaporate if you don't manage your time well. You're worth the investment—manage it well.

6 EMBRACE COUPONS AND MASTER THE ART OF A GOOD DEAL

Yes, I know it's all about YOLO but you need to embrace BOGO. Coupons aren't just for stay at home moms anymore. Scoring deals whether in newspapers, magazines or with online sites like Groupon and Living Social is easier than ever. But don't get so caught up in the deals that you buy vouchers for things you end up not using. That can cost rather than save you money.

Always ask about student discounts and if available, consider getting a student discount card.

Another great way to save money is by buying used textbooks or renting them. Search sites like bigwords.com, Amazon, Chegg, and TextbookRush to name a few. If you sell textbooks back to the college bookstore at the end of the semester, check online sites first for what they're worth. College bookstore buy back rates are sometimes as low as 10% of what you paid for it new, so you may be better off selling them online.



7 LEARN HOW TO KEEP YOU AND YOUR THINGS SAFE

Yes, you need to remember to lock your dorm room and place that lock on your laptop. Losing your laptop can wreak havoc on your studies and a theft due to an unlocked door can also ruin your relationship with your roommate. Start practicing being more aware of your surroundings and keeping yourself safe.

Program your school's campus security number into your phone. You never know when you might need it.

Safety also applies to protecting your Social Security number, usernames and passwords. Your Social Security number is one of the main identifiers when checking on things like financial aid, grades, and registering for classes. Make sure all your passwords and important numbers are not on a post-it-note on your desk. Store them in a secure place. Not protecting your identity and important information can have lasting long-term effects on your ability to get a job and apply for credit.



Susan Thares is the Digital Engagement Lead for the U.S. Department of Education's office of Federal Student Aid.

This article originally appeared on the U.S. Department of Education's [Homerom Blog](#).

8 GET READY TO FILL OUT THE FAFSA AGAIN IN OCTOBER

Yes, you heard that right. Beginning this year, [the FAFSA will be available three months earlier, October 1, instead of January 1](#). If you want to maximize the amount of financial aid you receive next year, you'll want to fill out the FAFSA as soon as possible after October 1st.

Congratulations on a job well done and making the decision to advance your education!

MORE HELPFUL TIPS FROM YOUR FEDERAL STUDENT AID FRIENDS

We hope these articles have been helpful, but we know that we're just scratching the surface when it comes to financial aid! Luckily, the U.S. Department of Education has an abundance of information to help you and your student navigate the process. Here, we've included what we believe to be some of the most useful tidbits and frequently sought after information. And if there's anything we've missed, you can always visit studentaid.ed.gov for more help.

- [College Prep Checklist](#) – This checklist will tell you how to get ready for college—and how the government will help you pay for it.
- [Comparing Colleges](#) – As you navigate the college admissions process, the U.S. Department of Education provides tools for you and your family that make it easy to compare vital information such as college costs, average student loan debt and graduation rates across different institutions.
- [Comparing Federal and Private Student Loans](#) – A quick primer on the key differences between federal and private loans.
- [Federal Student Aid: Find the Information You Need](#) – Financial aid is a complicated topic, so finding your way through the process can be challenging. But we've got resources to help.
- [How Your Financial Aid Administrator Can Help You](#)
- [The FAFSA Process](#) – A colorful guide through the steps of the FAFSA process.
- [Who's My Parent When I Fill Out the FAFSA?](#) – A simple guide to clarify parent information used for the FAFSA.

CHANGES TO THE FAFSA® PROCESS FOR 2017–18

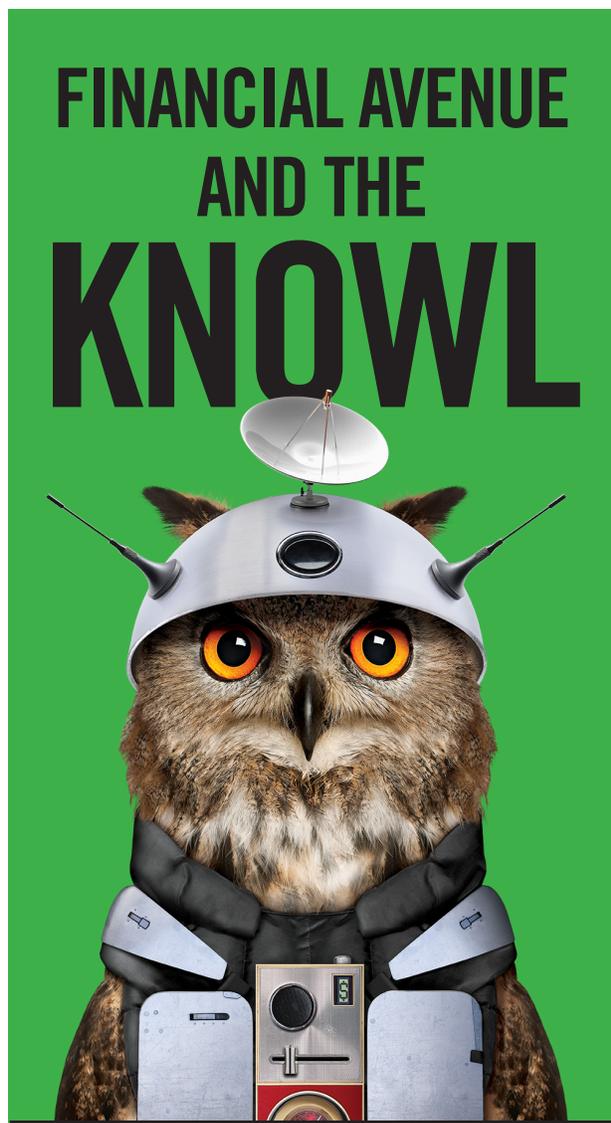
SUBMIT A FAFSA EARLIER: Students will be able to submit a 2017–18 FAFSA as early as Oct. 1, 2016, rather than beginning on Jan. 1, 2017. The earlier submission date will be a permanent change, enabling students to complete and submit their FAFSAs as early as October 1 every year. (There is NO CHANGE to the 2016–17 schedule. The 2016–17 FAFSA became available Jan. 1, 2016.)

USE EARLIER INCOME AND TAX INFORMATION: Beginning with the 2017–18 FAFSA, students will report income and tax information from an earlier tax year. For example, on the 2017–18 FAFSA, students (and parents, as appropriate) will report their 2015 income and tax information, rather than their 2016 income and tax information.

Here's a summary of key dates for submitting the FAFSA depending on when you plan to go to school:

IF YOU PLAN TO ATTEND COLLEGE FROM	YOU WILL SUBMIT THIS FAFSA	YOU CAN SUBMIT THE FAFSA FROM	USING INCOME AND TAX INFORMATION FROM
July 1, 2015–June 30, 2016	2015–16	January 1, 2015–June 30, 2016	2014
July 1, 2016–June 30, 2017	2016–17	January 1, 2016–June 30, 2017	2015
July 1, 2017–June 30, 2018	2017–18	October 1, 2016–June 30, 2018	2015
July 1, 2018–June 30, 2019	2018–19	October 1, 2017–June 30, 2019	2016

MASTERING YOUR MONEY JUST GOT A LOT EASIER



Inceptia can work with your student's school to provide a leg up on financial education with our online program, Financial Avenue. Financial Avenue offers smart resources to help demystify the world of personal finance. Trust us – getting a handle on your money doesn't have to feel overwhelming or restrictive. It's all about empowering students with smart basics, and planning from there.

With Inceptia's money mascot – the Knowl – as a trusty guide, students can choose from ten online courses that take on big financial topics without snore-inducing jargon. Using quizzes, videos, interactive tools, and easy-to-understand tips, the Knowl explains subjects such as paying for college, budgeting, credit and identity theft, career planning, managing student loans, understanding a paycheck, and even bigger concepts like the psychology of money, which helps you to understand your personal relationship with money, and why you spend the way you do.

Getting started is easy. Ask your student's teacher to visit FinancialAvenue.org to create an account and receive an access code to share with you. Before you know it, your teen will be so money-savvy that he or she may have some advice for you!

For more great articles and tips from NerdWallet, including help for filling out the FAFSA and understanding your student loan options, be sure to check out NerdWallet's [higher education website](#).



Inceptia, a division of National Student Loan Program (NSLP), is a nonprofit organization committed to offering effective and uncomplicated financial aid solutions in such key areas as default prevention, verification and financial education. Our mission is to support schools as they launch brilliant futures for students, armed with the knowledge to become financially responsible citizens. Since 1986, we have helped more than two million students at 5,500 schools reach their higher education dreams. Each year, we help more than 180,000 students learn how to pay for college, borrow wisely, resolve their delinquency issues and repay their student loan obligations. And with our default prevention and verification solutions, we help financial aid administrators maximize their resources, so they can spend more time focusing on students. More information at Inceptia.org



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