



Thorley Wealth Management, Inc.
Elizabeth Thorley, MS, CFP®, CLU®, AIF®, AEP®
CEO & President
1478 Marsh Road
Pittsford, NY 14534
585-512-8453 x205
Fax: 585.625.0477
ethorley@thorleywm.com
www.thorleywm.com



Creative Solutions to Lower the Cost of College

Creative Solutions to Lower the Cost of College

What are creative solutions to help pay for college?

Saving money, borrowing money, and financial aid are the most obvious ways to pay for college. But none of these methods attempt to lower the actual cost of college. There are several creative ways to lower the cost of college, which, in turn, will lower your own costs.

Defer enrollment

Many colleges will accept your child for admission in the future — maybe in a year or two. Instead of heading straight to college after his or her high school graduation, your child can work full-time to earn money to apply to the future college bill.

Consider accelerated programs

If the college allows it, your child may be able to obtain a bachelor's degree in three years instead of four or a five year bachelor's-master's degree. This way, you'll save a year's worth of expenses. The drawback is that your child will have to take a heavier course load each semester and may have to forgo summer breaks.

Enroll in a community college, then transfer to a four-year institution

Many students live at home to attend a local two-year community college for basic level courses and then transfer to a four-year school for their final two years. In nearly all cases, the community college will be less expensive than the four-year college and can save you money for two years. The benefit is that your child receives a diploma from the four-year college that does not announce that your child spent the first two years at a community college. Of course, you should make sure that the four-year college will accept for credit the community college courses.

Take special academic exams

Your child may be able to earn college credits for basic courses before he or she even gets to college. This is accomplished by taking courses or tests designated as advanced placement (AP) or as college level exam program (CLEP). This saves money by cutting down on the required college course load. Make sure the college accepts the test before your child takes it.

Consider a co-op education

Some 900 colleges now allow students to alternate semesters of education with semesters of full-time work in a field related to their majors. A co-op degree usually takes about five years, a full year longer than the typical college education. However, not only will your child have a history of relevant work experience to present to potential employers after graduation, but also he or she will earn a paycheck while working.

Find part-time work

Part-time work can help your child defray some costs while in college, reducing the amount necessary to borrow. However, working during school can be both a physical and an emotional strain. One option might be for your child to focus on school for the freshman and sophomore years and to find a part-time job for the remaining years.

Live at home

This may not be every child's dream of the college experience, but living at home, even for a year or two, can save a significant amount of money on room and board expenses. However, depending on how far you live from the college, commuting costs may become a factor.

Buy real estate for child's housing

Rather than pay room and board to a college for four years, some parents may decide to purchase a condominium or small house for their child's living quarters during the college years (and possibly for graduate school). If the property has more than one

bedroom and the parents and child are comfortable with the idea, they may consider renting out the spare bedroom(s) and applying the rents to the monthly mortgage payment.

Of course, parents need extra cash up front to purchase such a property. In addition, they may be confronted with a sagging real estate market when and if they try to sell the property. Yet, oftentimes parents are able to recoup their purchase price, and some lucky parents may even be able to turn a profit. Moreover, while the property is held, parents may be eligible for certain tax deductions.

Enroll in government military programs

There are three different options for the military route:

- Your child can attend a service academy (e.g., Air Force Academy, Naval Academy). Not only is the education free, but your child will also earn a salary each year he or she is in school. Admissions standards at these service academies are among the most competitive in the country. Upon graduation your child must serve a minimum of five years of active duty.
- Your child can serve in the military first and then attend college under the Government Issue (GI) Bill. The GI Bill is a program designed for people who choose to enlist in one of the branches of the armed forces first and pursue a college degree later. To qualify for these educational benefits, your child must serve at least three continuous years of active duty or two years of active duty followed by four years in the reserves.
- Your child can train for the military while in school under the Reserve Officers' Training Corps (ROTC). This is a scholarship program that lets students go to college full-time and participate in a part-time or summer officer-training program. ROTC scholarships offer recipients free tuition, fees, and books in exchange for up to four years of active duty following graduation. Students also receive a salary in the last two years of school, a travel allowance, and paid summer training. Your child can apply for a ROTC scholarship at a military recruiting office during his or her junior or senior year of high school.

Have grandparents pay tuition directly to college or university

Another option for lowering the cost of college is for grandparents (or any other generous relative, for that matter) to pay college tuition directly to an educational institution. Such payments are not considered gifts for federal gift tax purposes. To qualify for this tax exclusion, however, the payment must be for tuition only and made directly to the college; grandparents cannot give the money directly to the student or to a trust on behalf of the student.

Consider a foreign university

Families after deals might want to look abroad, where universities generally cost less. The cultural difference can make life interesting for four years and U.S. employers often look positively on global experience.

Strengths

Reduce your out-of-pocket costs for college

When you attempt to cut college costs by implementing various creative solutions, you have the potential to lower the amount of savings or borrowing you will need to apply to college costs.

Possibly enjoy other incidental benefits

Some creative solutions can offer nonfinancial benefits that were unforeseeable at the time they were implemented. For example, your child may pursue a co-op education strictly for the monetary savings but then discover that working in his or her chosen field was not the experience he or she expected. Similarly, your child may choose part-time work solely for the income and then realize it gives him or her a welcome break from daily studies and dorm life.

Tradeoffs

Your child may not receive the typical four-year college experience

Many of the creative solutions to lower college costs put a spin on the typical four-year college experience. For example, by living at home, your daughter may find herself left out of many dorm-related events. Similarly, if your son participates in an accelerated program and graduates in three years, he may feel he's missed out on his senior year of college.

Your child may experience other unforeseen problems

Perhaps you encouraged your daughter to live at home, and now you can't stand it when she's out all night. Perhaps your son thought he could deal with a part-time job, but now he's too exhausted to study. Maybe your child started off at a local community college, planning to transfer, but the transfer application was just rejected by the college of his or her choice. In sum, simply selecting a creative solution doesn't mean it will work out to your liking.

Securities and advisory services offered through Commonwealth Financial Network member www.FINRA.org/www.SIPC.org , a Registered Investment Adviser. Fixed insurance products and services offered through CES Insurance Agency. This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Investors should consult a tax or legal professional regarding their individual situations.

This informational e-mail is an advertisement. To opt out of receiving future messages, follow the Unsubscribe instructions below



Thorley Wealth Management, Inc.
Elizabeth Thorley, MS, CFP®, CLU®,
AIF®, AEP®
CEO & President
1478 Marsh Road
Pittsford, NY 14534
585-512-8453 x205
Fax: 585.625.0477
ethorley@thorleywm.com
www.thorleywm.com