

Financing College 101

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High school graduate Benjamin Gongora is in a pickle: His family has no idea how it will pay for him to start college this year. Unsure of his plans, the 18-year-old waited until after graduating from Destiny Christian Schools in May to decide to enroll in a four-year college, but by then most universities had awarded all their scholarships and other aid to earlier applicants. **Many University of Texas schools had run out of grants by the end of February.**

"We had trouble getting money to help (older brother) John go to the University of North Texas in a couple of weeks," said mother Alma Gongora. "We're hoping Benjamin gets more help." Benjamin was accepted at Campbell University in North Carolina last week, but was offered only a grant that covered one-fourth of its \$17,000 annual cost.

Funding college is one of the largest expenses for many families. Even students who apply early for financial aid often are still scrambling to find enough money to cover college expenses. U.S. families will need \$36 billion, after using financial aid awards and personal savings, to fund college costs this year, according to SimpleTuition Inc. which tracks private student loan rates.

Financial aid experts say that even at this late date there are ways for the Gongora family to find enough money for Benjamin to start college. For instance, **nearly \$100 million in private scholarship money goes unclaimed each year**, according to a study by the Institute for Higher Education Policy. Students can find unclaimed scholarships now by calling local donors, service groups and associations, said Deborah Fox, founder of Fox College Funding in San Diego. She helps families plan for college.

Fox said she found nearly \$1,500 recently for a student who played guitar just by calling local music stores and guitar manufacturers.

"The most desirable scholarships to apply for are local and regional scholarships because there is less competition for the dollars," she said.

Low- to moderate-income families can still get federal Pell Grants, which don't have to be repaid, by completing the Free Application for Federal Student Aid (FAFSA). It's available at most colleges and online.

"The Pell Grant is always there because it is an entitlement," said Alisa LeSueur, a certified college planning specialist with ICS College Funding in San Antonio. A parent with one child in college can earn as much as \$15,000 and leave the student eligible for a full Pell Grant.

And family incomes under \$40,000 "generally will qualify (a student) for some Pell Grant aid," said Mark Kantrowitz, publisher of **FinAid.org, a financial aid Web site.**

Most colleges and universities base aid offers on a family's gross income, investments and savings, family size, parents' ages, and the number of children in college.

Students can save about half the cost of tuition by attending a community college in the same state where they plan to attend a four-year public university, Kantrowitz said. Plus, many two-year colleges still have grant money because their application deadlines are later, according to Lamar Duarte, director of Student Financial Aid Services at Palo Alto College in San Antonio. "We will be awarding scholarships and financial aid until September," Duarte said.

Many universities offer some scholarships only to enrolled students. New **students should begin looking for scholarships offered by major and department as soon as they enroll**, said Kimberly Thornton, associate director of financial assistance at St. Mary's University. St. Mary's departments offer scholarships of between \$500 and \$2,000 a year to enrolled students.

The Gongoras decided to have Benjamin start college in spring 2007, and this fall Benjamin plans to continue working part time at Hollister Co. to stockpile college spending money. LeSueur helped Benjamin pare down the list of schools that offer the two majors he wants to pursue to go after less well-known universities, as they are more likely to have financial aid remaining. So he also applied to Texas A&M University-Commerce. "I've added the schools to my financial aid forms and hope to get more money so I'll have fewer loans," he said.

LAST MINUTE TIPS

- Don't try to fund all expenses up front.
- **Tap home equity**, which is tax-deductible, before borrowing from retirement accounts.
- Crunch budget to cut entertainment and other non-basic expenses, including insurance premiums, to free up income.
- **Have students work** on or near campus, where salaries tend to be higher, to cover some costs.
- Check for employee tuition assistance programs.
- **Set up a monthly payment plan** at the university.
- **Start at a community college**, which typically charges half the tuition of a four-year public institution.

SUORCES: Alisa LeSueur, www.FinAid.org and Lamar Duarte