



Fairhaven Whitepaper

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Tuition Intuition: Negotiating for College Costs

The euphoria of being accepted into college can frequently be replaced with the stark reality of how to pay for it all. Some studies say recent college grads carry nearly \$40,000 in student loan debt.

There are many ways that parents and potential students can shave some dollars off the overall cost of college, from on-campus jobs to creative scholarships. But a little-known method is simply asking for a better deal. It comes as a surprise to many that those financial aid offers that follow college acceptance letters are often negotiable.

It's true. College or university financial aid offices are certainly there to help students navigate the range of loan options and applications. However, they may not be quick to volunteer the fact that their first financial aid offer may not be their best.

Although schools' primary interest is educating, just like any other business they are also looking to generate revenue. Issuing an acceptance letter means they want your child to attend. Furthermore, schools are motivated to convert an "accepted" student to an "admitted" student. That conversion is sometimes referred to as a school's "Accepted Yield Rate" and all schools are sensitive to driving that number as high as possible.

Your maximum opportunity for negotiating a better financial aid package is likely right after you receive that acceptance letter.

At the Bargaining Table

In general, schools are looking for well-rounded students who can contribute to the overall campus community both in and outside the classroom. To help prepare for your negotiations,

here are some topics to consider focusing on to help tip the tables in your favor:

Extracurriculars

Athletics usually come to mind as a possible way to get a better financial aid package. However, there are many ways to distinguish yourself other than dunking a basketball or spiking a volleyball. Have you demonstrated leadership skills via student government? Do you have work or entrepreneurial experience? Have you developed fluency in a foreign language? Do you give back to your community by volunteering? Do you have theatrical or musical ability (I know someone that went to college for FREE on a bagpipng scholarship!)?

Geography

Part of creating a diverse college campus includes drawing students from different parts of the country or the world. So, for some schools, something as simple as your home address might be enough to give you an edge. A school on the east coast might be more motivated to sharpen the pencil for students from California or Oregon. Likewise, schools situated in suburban or rural areas might be more willing to work a little harder to draw students from city settings.

Mention Other Offers

There is nothing wrong with a little competition. Colleges and universities know their school is likely not the only school to which you have applied. If you are getting a better offer from one of their competitors, let them know about it. Financial aid offices might have flexibility to push around the numbers between special scholarships and grants. Asking, "What can be done to help take economics off the table as one of our decision points?" might be enough motivation for them to put a few more dollars into their deal. Especially, if it means converting an accepted student to an admitted student.

Special Circumstances

Are there special circumstances surrounding your student's enrollment? Does he or she have multiple brothers or sisters

in college simultaneously? Are you taking a couple of classes yourself? Are you a single parent stretching to make ends meet? If so, the financial aid office might be able to sweeten the deal. But you have to ask.

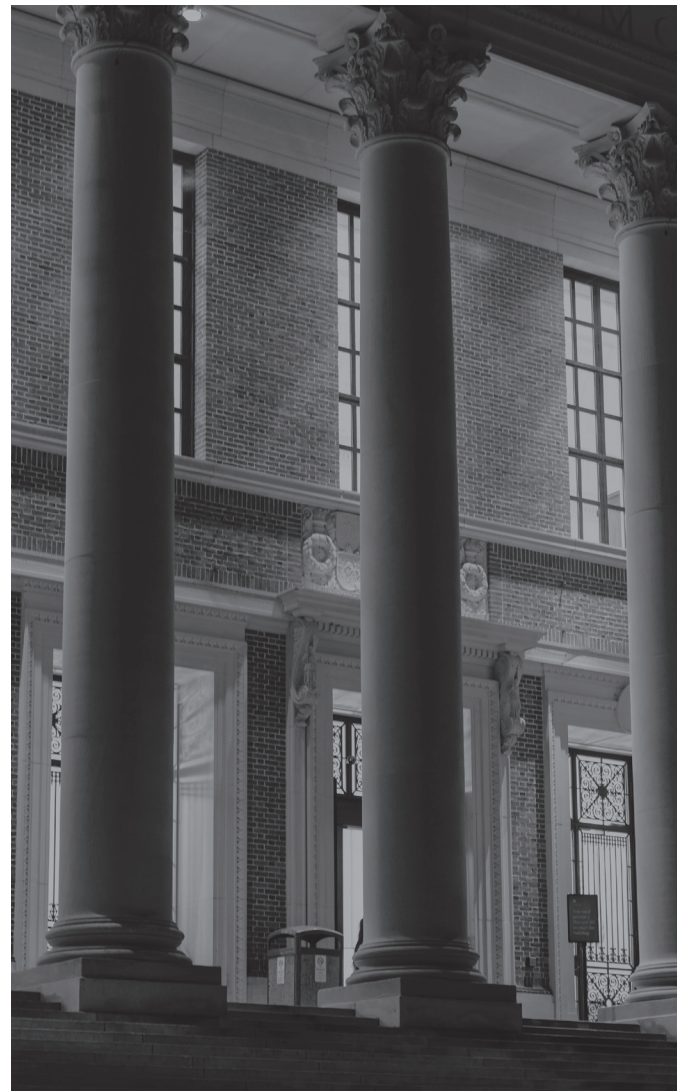
Be Reasonable

Your student is probably not going to the Ivy League with a D- grade point average, a 2 on the ACT and a record for consecutive hours on the Xbox. You have to come to the table with a legitimate case for how your student and their portfolio of skills will contribute to the college campus environment.

The college experience is also more than just money. The overall “fit” including available majors, urban/suburban location, distance from home, breadth of available extracurricular activities, strength of the alumni network or whatever is important to your student should all be included in the college selection process.

With a short-list of schools to which your student has both been accepted AND are good “fits”, take the time to negotiate in person. Schedule a campus visit. If you have already been to campus, schedule another visit specifically with the financial aid office. Being there in person will help demonstrate your seriousness in getting a deal done.

How much financial assistance can you expect to gain via negotiation? That will vary from school to school both according to a particular school’s resources and what the school thinks of the “fit” of your student (or, said another way, how badly they want them). Realize that almost all schools are open to some degree of bargaining. You do not need to be a Master Negotiator. It can be as simple as asking.



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