

# TUITION TIPS: HOW TO CUT YOUR EDUCATIONAL COSTS AND SAVE MONEY/



Earning your degree is an important achievement. Being able to make sense of tuition and financial aid will put you ahead of the class. Whether you are interested in an associate, bachelor, master, or doctoral degree, you can reduce your tuition costs with a few tips and step-by-step instructions found in this ebook.

# TABLE OF CONTENTS/

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## *Apply for Federal Financial Aid*

Step 1. Complete the Free Application for Federal Student Aid (FAFSA)	3
Step 2. Review Your Student Aid Report (SAR)	4
Step 3: Review Your Financial Aid Award Letter	4

## *Find and Apply for Scholarships*

Step 1. Research Scholarship Programs	6
Step 2. Collect Applications	7
Step 3. Fill Out Your Applications	7
Step 4. Show Your Appreciation	8

## *Seek Out Savings*

Tip #1. Look Out for Local Tuition Breaks	9
Tip #2. Claim Your Tax Credits and Deductions	9
Tip #3. Research Public Grants	9
Tip #4. Tuition Reimbursement	10
Tip #5. Test Out of Your Classes	10

# APPLY FOR FEDERAL FINANCIAL AID/

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## 1 *Complete the Free Application for Federal Student Aid (FAFSA)*

Submitting a completed FAFSA application is the first step of the financial aid process at any college or university able to accept government, or Title IV, funds. The FAFSA application is a series of questions about your annual earnings, savings, and household size. The U.S. Department of Education collaborates with schools to determine your eligibility for federal grant, loan, and employment programs. Your application can be submitted via postal mail or directly on the official website at [www.fafsa.ed.gov/](http://www.fafsa.ed.gov/).

Here's a list of what you'll need to complete the form:

- Your social security number
  - or your alien registration or permanent resident card (if you are not a U.S. citizen)
- Your driver's license number (this may not apply if you don't drive)
- Your most recent W-2 forms and other records of earnings from the same year (e.g. 1099-R forms)
- Your (and your spouse's, if you are married) federal income tax return
  - IRS 1040, 1040A, 1040 EZ
  - Foreign Tax Return, or
  - Tax Return for Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federal States of Micronesia, or Palau
- Your untaxed income records
- Your current bank statements
- Your current business and investment mortgage information, business and farm records, stock, bond and other investment records

The information supplied in the FAFSA application is used to generate a Student Aid Report (SAR). Your SAR is sent to you via email or postal mail within seven to 10 days.

Note: If you have used federal financial aid to fund previous college study, that will limit the amount of aid you are eligible to receive in the future.

# APPLY FOR FEDERAL FINANCIAL AID/

## 2 Review Your Student Aid Report (SAR)

Your SAR includes an estimated dollar referred to as your Expected Family Contribution, or EFC. Your EFC is the dollar amount that you should reasonably be able to contribute to your education, based on your family income and household expenses. The schools use the EFC to determine your financial need – the difference between the cost of attendance and your EFC.

*Cost of Attendance - Expected Family Contribution = Financial Need*

You will then receive a financial aid award letter from the school. This letter details the financial aid package or the total amount of aid – grants, scholarships, loans, and work-study – for which you are eligible.

## 3 Review Your Financial Aid Award Letter

The U.S. Department of Education shares your Student Aid Report and Expected Family Contribution with the schools to which you are applying. The schools review the information and send a letter to you outlining the types and amounts of financial aid you are eligible to receive. Additionally, a financial aid officer at the schools to which you are applying will help you understand your financial aid package – i.e. the various awards you are eligible to receive.



### *Federal Grants*

**Grants** from the federal government are typically awarded based on need. They are funds that are paid directly to your school. A grant is different than a loan; you don't have to pay the money back. The following grants are currently available to students from the Department of Education:

- Federal Pell Grant, \$5,500/year maximum
- Federal Supplemental Educational Opportunity Grant (FSEOG), between \$100 - \$4,000/year
- Iraq & Afghanistan Service Grant, \$5,500/year maximum

# APPLY FOR FEDERAL FINANCIAL AID/

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## 3 *Review Your Financial Aid Award Letter (cont.)*

### *Federal Work-Study*

Federal Work-Study (FWS) is a form of financial aid, funded by the U.S. government, and administered by certain colleges, not-for-profit organizations, and public agencies. If you qualify for work-study, you can work in part-time roles that assist the colleges or local communities. (Occasionally FWS recipients may work for for-profit employers.)

The exact terms of federal work study – including hourly wages, weekly schedule, job selection, and other details – can vary from one FWS recipient to the next. It's important to note that you can't earn more FWS money than the amount you are awarded in your financial aid package. So you can't volunteer for overtime or pick up extra hours, in an attempt to exceed your pre-determined benefit.

If you are interested in FWS, you should discuss program options with your college's financial aid office.

### *Federal Student Loans*

Like federal grants and federal work study, federal student loans are another form of financial aid offered by the U.S. government. Unlike grants and work study programs, federal loans do need to be repaid when you finish your college program. The terms and conditions for repayment vary, depending on which type of loan(s) you receive and which [repayment plan](#) you choose.

There are 4 main types of federal student loans:

- [Federal Perkins Loans](#)
- [Direct Subsidized Loans](#) (Stafford Subsidized Loans)
- [Direct Unsubsidized Loans](#) (Stafford Unsubsidized Loans)
- [Direct PLUS Loans](#) (for graduate students, professional students, and parents of dependent students)

Review your financial aid award letter carefully and don't be shy about posing questions to your school's financial aid department.

# FIND AND APPLY FOR SCHOLARSHIPS/

If you haven't searched for scholarships before, you may be missing out on a valuable opportunity. Scholarships are merit or need-based awards for academic achievement that typically include a monetary gift. A "full-ride" scholarship, for example, covers the entire cost of your tuition as well as any additional fees required by the college or university. Other scholarships will reward you with a single-payment amount that can be used toward any school-related cost, such as \$1,000 for books. What's another benefit of scholarship programs? They never require application fees!

## 1 *Research Scholarship Programs*

Scholarships are available from a variety of sources. As you start your search, you'll find that some scholarships are open to the general public, whereas others are limited to select groups. Companies, local governments, clubs, organizations, private individuals or foundations may fund a scholarship to promote a certain value or mission; or to reward those of a certain profession, military branch, religious affiliation, gender, age group, orientation, ethnic background, victims of tragedy, and so on.

The financial aid office of the school you attend, or plan to attend, should have a comprehensive list of available scholarships. The eLearners website offers a free scholarship search tool at [www.elearners.com/scholarships/](http://www.elearners.com/scholarships/).

Consider your personal interests and affiliations. Are you part of a religious group that offers scholarships? How about hobby or social club? Did you, your spouse, or your parents serve in the military? The connections you have may help you find scholarship programs.



# FIND AND APPLY FOR SCHOLARSHIPS/

## 2 Collect Applications

Scholarship applications typically request that applicants submit essays, photographs, and/or letters of recommendation. Collect applications from as many relevant scholarship programs as you can. Make sure to note details such as:

- *Deadlines* – If the deadline has already passed, see whether you can apply again the following year.
- *Submission Requirements* – Certain scholarship programs only allow applicants to submit their completed applications online, to a specific email or postal address.
- *Essay Format* – You may have to type your essay using a specific format, such as double-spaced paragraphs.

You may find that a number of scholarships pose similar essay questions. Spend time writing a master essay to use for multiple applications.

## 3 Fill Out Your Applications

Work through each scholarship application one at a time. Multi-tasking leaves room for error and may leave you feeling frustrated or overwhelmed. Below are some tips for working through each step:



### *Essay*

The most substantial portion of a scholarship application is the essay. Find a space where you can focus on writing your response to the questions. Having trouble starting? Avoid worrying about creating the perfect first sentence. Instead, write what comes to your mind and know that you can always make revisions afterward.

Consider asking a trusted colleague, friend, or former instructor to review your essays. A fresh perspective can offer insight as to how your essays read and if there are any grammatical mistakes you may have overlooked.

# FIND AND APPLY FOR SCHOLARSHIPS/

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## 3 *Fill Out Your Applications (cont.)*

### *Letters of Recommendation*

If you are required to provide letters of recommendation, it's a good idea to start thinking about them early. Of all the elements in a scholarship application, letters can take the longest to gather and submit. You should allow at least two months from any deadline. Your referees will appreciate the generous timeline.

If you've been out of high school for 10 years, your old football coach might have trouble writing a letter on your behalf. Help your referees by providing a bit of background information about where you're applying to school, why you're applying, and what you've been up to in recent years. You should also try to supply a good range of references. For example, if your high school football coach knew you 10 years ago, you might also seek a letter from a more recent contact — like a current colleague or a client.

### *Mailing*

Preparing your materials for mailing may seem simple, but a few steps can prevent a lot of heartache. Rather than just sliding stuffed envelopes into a general letter box, you may want to consider purchasing the additional delivery confirmation service to track your applications' progress. When you purchase delivery confirmation, you'll be provided a unique number that allows you to know exactly when your application has been received.

## 4 *Show Your Appreciation*

Did anyone write you a recommendation or help you proofread your essays? When all is said and done, take a few minutes to compose a handwritten thank you. Thank-you notes are a nice way to acknowledge any favor, and people appreciate them more than informal emails. Your thank you also serves as a professional courtesy. That referee will be more inclined to write a recommendation for the next student or employee he encounters if his experience with you was positive.



# SEEK OUT SAVINGS/

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## 1 *Look Out for Local Tuition Breaks*

Interested in attending a public university in your state? Choosing a school in your state could save you, in some cases, over 50 percent of your tuition fees. Most states set aside a portion of their annual budgets to subsidize the public universities and community colleges in their state. Benefit from all that your community and state have to offer and check out your local schools.

## 2 *Claim Your Tax Credits and Deductions*

File taxes each year? Take a closer look at your tax forms. If you take out a loan to pay for your tuition, the amount you pay in interest is tax deductible.

Additionally, the American Opportunity, Hope, and Lifetime Learning Credits are tax incentives that are available to most taxpayers.\* The Hope and Lifetime Learning Credits allow you to receive a tax credit for any fees paid to your school as it relates to enrollment. According to the IRS, “Student-activity fees and expenses for course-related books, supplies, and equipment are included in qualified education expenses only if the fees and expenses must be paid to the institution as a condition of enrollment or attendance.” In contrast, the American Opportunity Credit considers tuition as well as course materials as eligible expenses: “books, supplies and equipment needed for a course of study whether or not the materials are purchased from the educational institution as a condition of enrollment or attendance.”

\* Who is a taxpayer? A taxpayer is not necessarily a citizen or resident of the United States of America. A taxpayer is an individual who earns enough U.S. source income that requires the filing of federal taxes to report income to the IRS. Nonresident aliens are not able to take the Hope Credit or the Lifetime Learning Credit.

## 3 *Research Public Grants*

Interested in pursuing work to serve the general public? A number of contractual federal public grants are available to U.S. citizens who are entering professions such as healthcare administration, social work, teaching, and law. The grants are used to pay for existing student loans and recipients are required to work for a specific number of years in a low-income community.

# SEEK OUT SAVINGS/

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## 4 *Tuition Reimbursement*

If you are currently working, talk to a member of your human resources team to find out if your company offers tuition reimbursement or tuition assistance to its employees. The benefits can vary from company to company, and even within various divisions of the same company.

Your employer may require you to:

1. Enroll in a course of study that is job-related
2. Pay the tuition yourself and await reimbursement after the successful completion of the course
3. Pay any tuition that exceeds an annual cap of \$5,250 or less
4. Earn a letter grade of “C” average or better
5. Pay back the tuition if you leave the company at-will within a certain time frame (such as two years)

Make sure to inquire at the colleges where you are applying to see if they have policies in place to assist in using tuition reimbursement.

## 5 *Test Out of Your Classes*

Want to accelerate your progress in a degree program? You can take [exams](#) to demonstrate how much you already know. (An entrepreneur with 15+ years of business experience probably doesn't need to take the “Business 101” course!) Some schools have processes of their own, often called “Prior Learning Assessment;” look for this on their websites. A number of examinations also exist to help students move toward graduation sooner:

### *College Level Examination Program (CLEP)*

CLEP is perhaps the best known and most widely accepted of the credit by examination programs. Administered by the College Board, the same people who run the SAT and other scholastic tests, CLEP tests can be taken at nearly 1,400 testing centers, including convenient locations like community colleges, and are accepted as the equivalent of transfer credit by nearly three thousand colleges and universities. There are 33 different CLEP tests in a variety of different subjects, most range from three to six lower division credits, but the three foreign language CLEP tests can be worth up to twelve credits each for a sufficiently high score.

# SEEK OUT SAVINGS/

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## 5 Test Out of Your Classes (cont.)

### *DANTES Subject Standardized Tests (DSST)*

DSST exams were originally developed by the U.S. military to help active duty personnel get credit for what they already knew, but since then it has also been made available to civilians. With two thousand colleges and universities offering credit for DSST exams, it is almost as widely accepted as CLEP, and unlike CLEP some of its tests offer upper division credit.

### *Excelsior College Examinations (ECE)*

The ECE program is overseen by Excelsior College in Albany, New York. It differs from CLEP and DSST in a number of ways. Rather than be made available through testing centers at colleges and universities, students schedule to take ECEs at Pearson VUE Testing Centers. There are many more upper division ECEs than there are DSST exams. There are ECEs that cover a great deal of Nursing, a field not offered for credit by examination elsewhere. On the other hand, ECEs are accepted by fewer other schools, and they are more expensive than CLEP or DSST – although still much less expensive than taking the equivalent college course!

### *Thomas Edison State College Examination Program*

This program, usually called TECEP, is overseen by Thomas Edison State College in New Jersey. It is similar to Excelsior College Exams, except that it offers different examination subjects. It is among the most expensive of the credit by examination programs, although, like ECE, it is still far more reasonable than a typical college course. It is also accepted by fewer institutions. TECEP is usually recommended primarily to those who attend a college that liberally accepts credit by examination when they have upper division credits to fill that cannot easily be met in another way. More information about TECEP is available on their website.

### *Foreign Language Achievement Testing Service (FLATS)*

FLATS is a service of Brigham Young University in Utah. It offers correspondence-based tests of a student's written ability in a particular language, with up to twelve credits offered for a successful score. FLATS is not as widely accepted as CLEP. However, while CLEP only offers French, German, and Spanish, FLATS offers a staggering fifty-eight different languages, ranging from Afrikaans to Welsh.

Now that you have the resources to make your education more affordable, take the next step. Find the right program from an accredited school. [Get started today!](#)