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Welcome to the weblog of Sacha Millstone, where you'll find wide-ranging and well-reasoned considerations for your financial life – and life in general.

November 12, 2014

Part 6: Paying for College - Build a College List that Works for Your Student and Your Family

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It's easy to make a list of top colleges, but it is a lot harder to build a good college list that fits your student and your financial circumstances.

What Does “Fit” Mean for Your Student?

If you want to be an engineer, then you probably want to go to a college that offers engineering as a major. If you love to write and learn best in small, discussion oriented environments, then universities with huge lecture-oriented classes might not be right. If you thrive on sunshine, the perpetually overcast skies in the Pacific Northwest might be depressing, and if you're interested in journalism you might find that some of the very best programs are at large public universities you might not have considered.

“Fit” also refers to what Fits your Pocketbook

Simple rule: if you run the numbers and see that your family isn't likely to get much in the way of financial aid, you need to find some colleges that either give big scholarships to students like your student, or that are inexpensive enough that you can afford them without derailing your financial plan or taking on excessive debt.

This is a good time to give you another one of my rules: planning for your retirement must take priority over planning for kids' college educations. There are many ways to finance a college degree, and there are choices that can vastly lower the cost of a college degree. Sure you have some control over what you will spend in retirement, but unless you can live on your social security, you must save to finance your retirement. Financial advisors have told me that parents who sacrifice their own retirement savings for their kids' education expenses have often put themselves in a bind that is difficult to get out of as regards retirement goals. Nobody gives scholarships for retirement.

“Fit” also has to work from the College's Perspective

You may think MIT is the absolute, hands-down best possible place you could go to study engineering, but are you a plausible fit from their perspective? Do your grades, test scores, accomplishments and recommendations put you in the middle of the class for students they admit? If not, and you don't have a special circumstance, you're very unlikely to get in. Yes, students with lower grades, test scores and accomplishments get in, but very often those are students who come from challenging socio-economic situations, or who are members of under-represented groups, or at some schools (though not MIT) children of alumni.

Reaches, Matches, and Likely (Safety) Schools - You Need Some of Each

Reaches are schools that might admit you, but where you aren't likely to get in. Ivy League colleges, Stanford, Caltech and MIT are in this category no matter how good a student you are. Aside from these schools, a reach for one student might be a match or even a likely school for another. Include as many reaches as you like on your list, but don't count on them.

Don't stint on the core of your list: the Matches. Match schools are where students with your stats frequently get in. Call it a 60% chance. Every student needs at least four match schools on the list. If you need financial aid or merit scholarships, most of these should be schools where you are likely to receive adequate financial aid or merit scholarships.

Likely (or Safety) schools are ones that admit almost everyone with stats like yours. This might also include lesser-known schools with generous scholarships guaranteed for students with your stats. Students should have at least two schools in this category on the list.

Make sure you run the Net Price Calculator for each of these schools before you finalize your list.

Look Beyond the Name

Want to be an Aerospace Engineer? CU Boulder has a very highly ranked program with many NASA connections. Is journalism your calling? U. of Missouri, Columbia has the best journalism school in the country. Whatever your interest, investigate the colleges that are particularly good in that subject. For almost any subject, you'll find some less expensive colleges that have surprisingly strong programs in that field.

Community College can provide a very inexpensive route for completing the first two years of college, and can also give a student who is unsure of his path time to explore different options without spending a lot

Building a strong college list takes time and effort, but the payoff is tremendous.

We'll Answer Your Questions

Send us any questions that come up and we'll be sure to answer them in the next blog.

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