

Objective Steps to “Paying for College”

1. Determine “where you are financially” by writing down your:
 - a. Total family cash flow (income – spending);
 - b. “Net worth” (Assets – Debts);
 - c. Prioritized financial goals for short (1 year), medium (2-5 years) and long term (10 years and more). Discuss wants vs. needs vs. priorities.
 - d. Know the tradeoffs or opportunity costs of paying for college vs. retirement.
2. Use this calculator to estimate the cost of college: http://apps.collegeboard.com/fincalc/college_cost.jsp to see how much college will cost by the time you child or children enroll. If you have a particular college in mind, you can project from actual costs. If you don't, just use the average costs provided.
3. Use the FINRA College Savings calculator to estimate how much you need to invest: <http://apps.finra.org/Calcs/1/CollegeSavings> to determine the amount you must invest each year to have enough money to cover all college costs. You also may want to read FINRA’s publication providing information and guidance about [college savings plan options](#), including 529 plans.
4. Determine how much you can afford to invest for college in light of other your other financial priorities. Set a dollar limit on how much you can afford to pay; explore scholarships, grants, loans.
5. Search for scholarships, loans etc. on the website: www.finaid.org (The Smart Student Guide to Financial Aid) FinAid was established in 1994 as a public service. This award-winning site has grown into the most comprehensive source of student financial aid information, advice and tools -- on or off the web. Access to FinAid is free for all users and there is no charge to link to the site.
6. In January of the first academic year for college starting fill out the Free Application for Federal Student Aid (known as the FAFSA) is a form that can be prepared annually by current and prospective college students (undergraduate and graduate) in the United States to determine their eligibility for student financial aid (including the Pell grants, and work-study programs). You can follow

each section all of the way through for a comprehensive set of instructions at the website: <http://www.fafsa.ed.gov/>