PRAIRIEFIRE
WEALTH PLANNING

Top 5 Secrets to Successful College Planning

Questions Every Family Needs to Ask

- What is my expected family contribution (EFC)?
- I get a pre-approval when purchasing a home, so given the similar cost, how can I calculate my college pre-approval amount?
- What types of scholarships or grants are available from my student's desired schools?
- What will my out of pocket cost for each school be?
- What is each school going to cost on an annual and four year basis and how will that effect my student post-graduation?

We have five steps that will answer each of these questions to make sure your student can attend a Bloomingdale college for a Walmart price!

Step 1: Understand Your Expected Family Contribution (EFC)

Your EFC is the amount of money that schools think you can afford. It typically does not represent the amount that is actually affordable.

In order to combat this, you need to be strategic about how you fill out the FAFSA, CSS and institutional forms if need be.

For example, when filling out the FAFSA, do not include retirement accounts, home equity or business assets (100 employee limit).

It is also important to know the ins and outs of your states 529 plan.

If done correctly, you will come away with a lower EFC and higher pre-approval amount.

Step 2:
Calculate Your Pre-Approval Amount

Your EFC is what colleges think you can afford, but your pre-approval amount is what you can actually afford.

Given that the cost of college is similar to purchasing a home, we believe it only makes sense to approach college planning the same way.

At PrairieFire, we use a software that calculates your pre-approval amount for you so you can shop schools with confidence.

Every college is expensive, but it does not have to be. It is important to do a deep dive into your financial overview so you can find hidden ways to help pay for college.

You need to analyze all of your financial information in order to make sure your pre-approval amount matches up with your student's dream college.

Step 3: Understand How Scholarships Work at Your Top Universities

There are three ways in which a student can receive financial aid: need based financial aid, merit based financial aid, and finally, loans.

Need based financial aid has to do with a student's financial situation and the college's generosity or lack thereof.

Merit based financial aid is a discount given by a college based on the student's credentials. For example, their GPA, test scores, extracurriculars, etc. Some schools do not give merit based scholarships.

Step 4: Create a Plan to Pay Your Out of Pocket Costs

Your out of pocket cost is your bottom line. This is the amount that schools expect you to pay each semester once scholarships and loans have been deducted.

The good news is, this number is negotiable. You can do this by looking at your EFC and the percentage of total need met for each college. Then, compare those numbers to your bottom line and decide if the college is giving you a fair offer.

Once you have your final offer, you need to create a plan to pay your out of pocket costs as well as any future loans.

The goal is to stay away from loans as much as possible. It is important to carefully analyze each university and how they operate within all three areas to maximize financial aid.

Step 5: Understand Net Cost and Create a Post Graduation Budget Plan

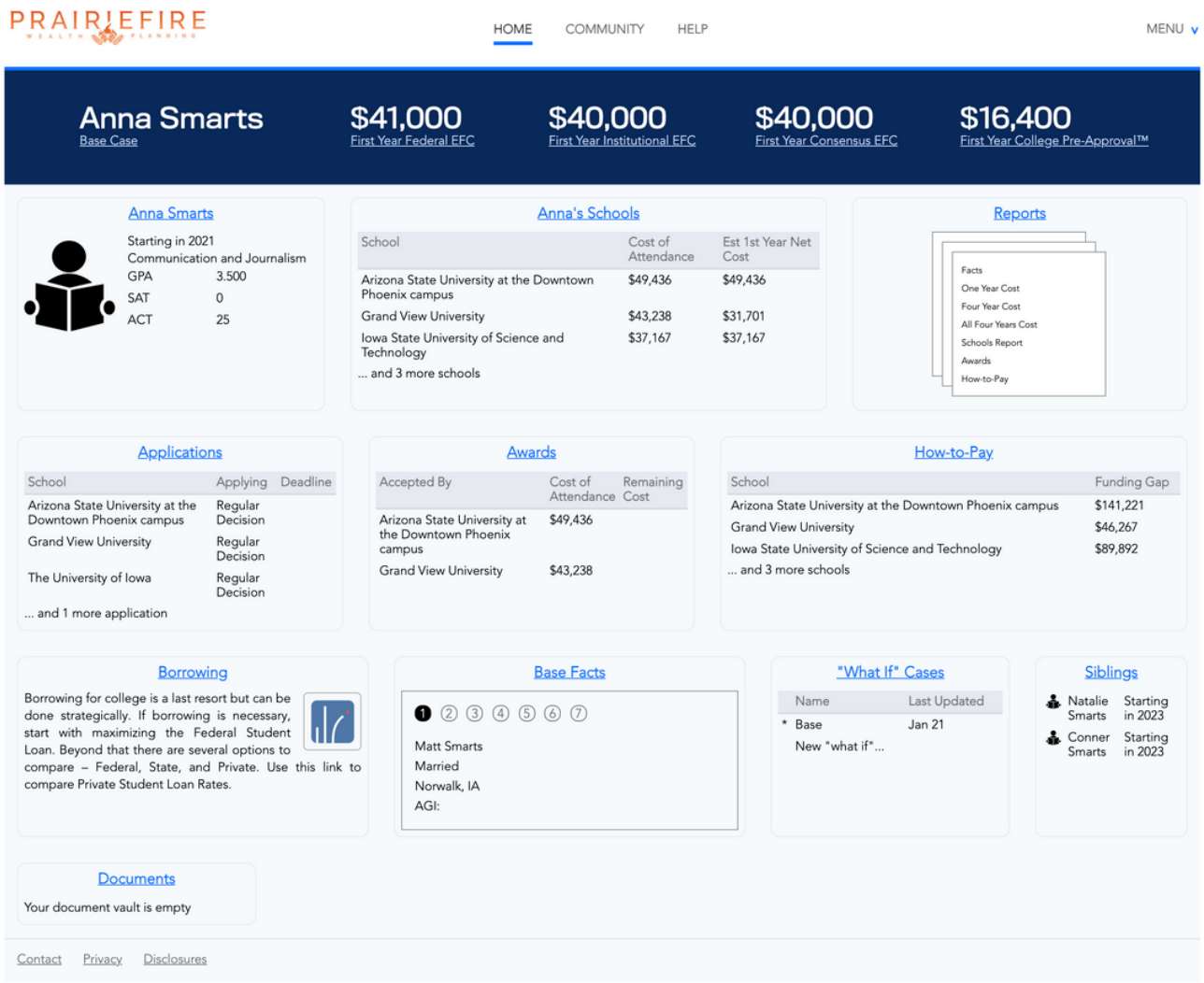
Using your budget and pre-approval numbers, you will know what each school is going to cost on a net cost basis out of pocket.

Most people only look at the out of pocket cost for the first year. This is a mistake given that college is a four year deal!

The solution? Create a financial plan. If you have to take out loans, then it is a good idea to compare the total amount of loans of each school and what the 10 year or 25 year repayment plan will look like.

When it comes to planning for post graduation, it is a good rule of thumb to use your future estimated monthly take home as a reference.

A Sneak Peek at PrairieFire's College Planning Software



Customized College Planning Program (CCPP)

Our Customized College Planning Program is an eye opening experience that brings the maximum return for your family's education dollars. Our two phases are:

- **Phase 1: College Money Report**
  - EFC
  - College Pre-Approval™
  - Need Based Grants Qualification
  - Merit Based Grants Qualification
  - 1 Year Out of Pocket
  - 4 Year Out of Pocket
  - Funding Gap Analysis
  - Advanced Search Tool
  - Need and Merit Based Ideas
  - Student Loan Projections

- **Phase 2: Reframing Education**
  - Creative College Savings Plan
  - Post-Graduation Business Plan
  - Student Loan Presentation
  - Balancing College and Retirement

Interested?

If you are interested, please use the link below to schedule a call with PrairieFire's Founder and CEO, Matt Meline, CFP®.

Click Here to Schedule a Call

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