It’s junior year of high school for your child... and the word “college” is becoming an everyday piece of vocabulary around your house. Your student is meeting with guidance counselors to discuss options. Admissions brochures are starting to pile up in the mail. You’re beginning to Google the topic for some online resources. You attend the free “Financial Aid Information Night” at school... Pick up some pamphlets and talk to a few admissions officials. You think you’ve got a handle on this whole college thing. But when you and your student eventually sit down with the admissions forms and the Free Application for Federal Student Aid (FAFSA), a terrifying realization hits you. Despite all the work you thought you’d put into it... you’re not prepared for this. NOT AT ALL.

This scenario is playing out, right now, in millions of homes across America. In fact, it’s an epidemic. Thanks in part to the baby boom generation growing up all at once, more kids than ever are heading to college these days. In 1979, only 49% of high school graduates went on to attend a 2 or 4 year institution. That figure exploded to a new high of 70% by 2009. That means one thing – competition is stiff. For spots at the best schools, for student housing, for seats inside the most cutting edge programs... and most of all, for college financial aid. And many parents are finding themselves not only confused, but woefully behind the pack when it comes to not only helping their child achieve their college dreams but more importantly figuring out how to pay for it.

College: Who can afford it?

The sticker shock of college tuition prices is reaching new levels of absurdity. The very latest figures released by The College Board show that including tuition, fees, room and board, the average cost of a four-year public college in 2011-2012 jumped six percent to $17,131. Even worse, private institutions had an average price tag north of $35,500. Meanwhile the median U.S. household income sits at $50,502... down $642 from 2010's figure, while the cost of higher education, projected out to 2036 would go from 11% of the average family's budget to 24%... an absolutely crippling leap. It's no wonder the New York Times declared that very soon “college may become unaffordable for most in the U.S.” And Patrick M. Callen, President of the National Center for Public Policy and Education says that... "If we go on this way for another 25 years, we won't have an affordable system of higher education. We're really going to be in jeopardy, because the educational gap between our work force and the rest of the world will make it very hard to be competitive. Already, we're one of the few countries where 25- to 34-year-olds are less educated than older workers. The scenario has been that families that have a history of sending kids to college will do whatever it takes, even if that means a huge amount of debt.” That debt he's talking about could amount to as much as $100,000 per child for families sending their students to private colleges and shouldering most of the bill. But the real kicker is that figure only covers the traditional 4-year model of college. Forbes recently reported that the average college student take 5.6 years to graduate. While the U.S. Department of Education says that 40% of students spend as much as 6 full years attending school before receiving their degree. At $35,000 or more per year, those delays, often made necessary by a student's need for a part-time job just to get by or parents' inability to cover the high tuition costs, aren't just pricey, they’re downright painful. And they could affect a family's financial future for decades to come.
So, When Should You Hire A College Planning Specialist?

A Parents’ Guide to Navigating College Admissions, Financial Aid Forms, and How to Pay For It All…

Planning makes perfect…

It’s abundantly clear that with so much at stake these days, both educationally and financially, a simple online search, a few conversations with guidance counselors and a free info night at the high school gymnasium isn’t going to cut it anymore in this new landscape of higher learning. Families need a clear cut, sensible and effective plan for figuring out the right school for their kids and how to pay for it without sending themselves spiraling into a black hole of debt from which they’ll never recover.

Simply put – the payoff is in the planning. A 2012 study by Sallie Mae entitled “How America Pays for College” found that 43% of families who ended up not borrowing a single cent in student loans, had a well-defined plan for how to pay for school before their student ever enrolled. Meanwhile only 33% of families that did take out loans reported having any sort of plan prior to college starting.

And among those families that did borrow, the ones that reported having a college funding plan prior to enrollment ended up borrowing an average of $2,892, opposed to the average of $5,551 that families without a plan took on in loans.

That’s a 48% difference in the amount of debt a family is taking on – all thanks to some early financial planning.

The question remains then – where do these plans come from? For many parents it’s like trying to decipher what seems like a 10,000 piece jigsaw puzzle of college applications, admissions materials and financial aid forms. Which makes finding the best education and the best college fit for their student, at the best value possible seem like an absolute pipe dream.

Enter the world of College Planning Specialists. This cottage industry springing up across America in the last decade helps families learn how to send their children to the best schools at the best prices, without sacrificing their life savings or building up a Mount Everest worth of debt.

The Diemand family decided to use a Financial Advisor who works with the College Planning Network when it came time to send their daughter to college and it paid off in spades...

“Our family’s EFC was dramatically reduced to less than $10,000 per year, resulting in a $13,000/year reduction of our daughter’s college expenses.”

- The Diemand Family

Their stated goal is simple: We’ll help you achieve your children’s college dreams without going broke in the process.

The controversy has erupted around the industry in recent months though. Thanks in no small part to the financial planning industry attempting to throw their hats into the college planning ring in order to increase their client rosters and product sales.

CPA’s, insurance agents and investment advisors have begun advertising their ability to assist families in planning for college. They’re selling parents on the idea that their products, be it mutual funds, 529 plans, cut rate insurance policies or others, can help them multiply their college funds quickly and easily. When in reality, the opposite is usually true.

In a landscape where confusion is often the name of the game, it’s easy for parents to get sucked in by these financial types posing as College Planning Specialists.
How to spot the real deal in College Planning…

So how can you ensure you’re working with a qualified College Planning Specialist? Someone who’s there to help you navigate the confusing ins and outs of the entire college admissions process… not just add you onto their financial planning client list?

Here’s a list of pertinent questions that should help you separate the contenders from pretenders…

1. How many families have utilized their services?
And do they have a portfolio of testimonials from those satisfied families they can show you? What’s their social media presence? Do they have positive comments and feedback on sites like Facebook or Yelp? What’s their Better Business Bureau rating? Any reputable College Planner who’s done his/her job should be able to provide you with all of this info straight away.

2. Do they work with a trained team of experts that can help you with all facets of the admissions game?
Or are they a one-stop shop? A jack of all trades for assisting you and your student with filling out your financial aid forms, negotiating appeals for more aid if necessary, helping you formulate an effective college funding plan that fits your lifestyle and finances, helping steer your student towards the school that’ll best fit his/her needs and wants.

A truly effective Specialist should have the talents of many other professionals at their disposal. If they try to convince you that they’re able to handle any and all of your needs, chances are they’re not affiliated with an accredited planning network and aren’t truly plugged into the admissions scene.

3. How much do they charge?
This may be counterintuitive but if a Planning Specialist is TOO cheap, then you may want to turn the other way. Super bargain basement college planning prices usually means that the “Planner” is just after your investment and financial planning and isn’t going to provide much at all in the way of financial aid and admissions navigation and assistance.

4. Do they guarantee you a certain amount of financial aid or a scholarship?
Any “Planner” who makes a promise like this is in all likelihood running a scam on you. No legitimate scholarship fund can guarantee you an award. It just doesn’t happen. Likewise, if they’re trying to get you to pay an “application” or “loan” fee in advance of receiving aid, then it’s time to look elsewhere. You should never pay more than the fee of a postage stamp to apply for a scholarship or financial aid. Ever.

5. Are their services recognized by an education body like the National Association for College Admission Counseling?
Or did they receive their certification from some 3-day online training course that they paid to take?

When you sit down with a trained College Planning Specialist you’ll soon realize that you’re dealing with the genuine article. A trained Specialist has an entire arsenal of tools at their disposal to assist you in your admissions process.

At the bare minimum a Specialist should offer you…

- A personalized student interview and assessment.
- SAT and ACT prep courses and materials.
- A personalized scholarship eligibility report.
- An admission application and essay review
- Personalized analysis on the chances of your student’s admission at multiple schools.
- “On call” interaction for questions during any time in the admission process.
- A personalized plan for reducing your families Expected Family Contribution (EFC) when applying for federal financial aid.
- A complete financial overview on college savings, cash flow and retirement and a plan to improve each area.
- Analysis on whether your financial aid offers are fair and assistance in appealing them if they’re not.
The Gulko family learned firsthand the value of having a network of College Planning Specialists working for them. They were referred to The College Planning Network based out of Beachwood, Ohio by their Financial Advisor to help them prepare to send all three of their children off to school...”They reduced our EFC by over $10,000 by completing the FAFSA correctly! In addition, they were able to simplify the complicated financial aid jargon and offer ways to pay for college while still maintaining our lifestyle. They are always available to address any questions or concerns and have assured us we will survive having three kids in college at the same time.”

Bottom line: If the Specialist you’re meeting with is more interested in funneling your money into an investment fund than discussing your student’s clear and present college admissions needs and how to safely and sensibly pay for them all… than head for the door immediately.

If they’re legit, your College Planning Specialist should be there for you in three simple phases of this process...

Saving... Funding... Recovery

College Planning Specialists are specifically there to help you get your child into the best college at the best price. But their services can reach out much further than that.

The years you spend saving money for college can be tough. You may have to scale back on vacations. Ensure that your car lasts longer than you might have previously. Put the plans of moving to a nicer house on hold. Tighten your belt around the holidays. But you’re saving. And that’s what’s most important. And most likely the bulk of all the money you’re saving is going straight into that college fund.

Then the big day arrives and your student sets off for freshman year. You get the tuition bill and all that money you saved begins to evaporate. Faster than you ever thought possible.

By the end of your student’s college career it’s all gone. And you’re left to start over. To begin saving once again for life’s next big milestone – retirement.

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“| The three stages of a family’s college planning experience.

The recovery part of that trio may seem like the most daunting to many parents. But a College Planning Specialist is trained to recognize that college funding isn’t just an issue that ends at graduation. The repercussions of paying for a college education can last the rest of your days, unless you know the proper ways to save and to plan far out beyond your child’s days at University.

Affording college, maintaining your current lifestyle AND still having enough money to ensure a comfortable, well deserved retirement... many parents think that’s practically impossible. But again – proper planning and assistance from a trained professional often surprises folks thinking there’s no way they can have it all.

But it’s important that these families know a key difference when putting together their funding plan...

Saving vs. Investing...

Recently the stock market has gone on an unprecedented run, hitting new highs as a bear market mentality takes over. That’s great right? Sure... for day traders and stock brokers.

For a family attempting to save for college, it’s meaningless at best and dangerous at worst.

In 2009, the stock market hit a new low as the recession took firm hold of the country. Here almost four years later, the market has recovered and is back flying high. But what about those families who had students graduating high school back in ’09 and had their college savings tied up in a 529 savings plan, a 401k or a prepaid tuition plan?

All of those “savings” vehicles are really INVESTMENTS. Your money is being taken by a bank or financial firm and is being invested for you, in the hopes that your end result is more than you contributed. Which means your college “savings” is constantly at risk.
Most families have a finite amount of time during which they’re able to save for their children’s college education… usually around 10 years. It’s practically an iron-clad lock that during that period the market will fluctuate up and down. Are you willing to chance it that when it comes time for you to pull that money out, that the market will be soaring and have increased your savings? Because there’s every chance that it won’t be and you very well could end up with far less than you even contributed in the first place.

This is the glaring difference between saving and investing. A trained College Planning Specialist can help you recognize the difference in almost every traditional avenue of college funding. But they can also help steer you towards methods you may not have considered or even known existed.

For instance…

A 150-year old savings vehicle that protects you from the market

While most of the mainstream financial press and banking institutions will sell you on the traditional methods of “saving” for college… 529 college savings plans, 401k’s and prepaid tuition plans (not to mention taking out student loans with them), remember each of these avenues are actually putting your money at risk on Wall Street.

When you invest…

>>> whether you just buy a stock outright or put your money in a 529, you’re not only taking on the chance that your money may NOT increase, but that you may lose a good chunk of that money you started with. A true savings plan should mean that your money accumulates a little more each day that it sits in there. In other words, your college savings should NEVER be at risk.

So yes, 529 plans and others like them are the “traditional” way of saving for college. Only problem is – they’re not really a savings account at all. Therefore to keep your money 100% safe, it pays to peek outside of tradition.

A small percentage of only the most highly trained College Planning Specialists know that one of college funding’s best kept secrets is that dividend paying whole life insurance is a highly effective savings tool for families looking to both protect and grow their nest egg.

Now College Planning Specialists aren’t insurance salesmen. And their primary goal is to help you get your child into the best college possible at the best price available to you. But they can offer information and guidance on the benefits of vehicles like whole life when it comes to college.

Benefits like…

>>> Guaranteed growth: As long as you live and continue to hold your insurance policy, that policy will grow in value every single year guaranteed. That’s regardless of what’s happening with the stock market, with the price of oil, housing prices… whatever. These policies are contractually obligated to go up annually. Consider that during The Great Depression when over 10,000 banks failed, 99.9% of people’s savings that were inside life insurance policies remained safe and didn’t lose a cent.

This is the stability and the confidence you want to be looking for these days with your money. 401k’s, 529 plans, mutual funds… are all slaves to Wall Street and the continuing ebbs and flows of share prices. Insurance policies aren’t. When you sign your name to a whole life policy, you’re being given a promise that you’ll make money as long as you continue to hold that policy. No company is ever going to do that when you buy their stock.
True savings and earnings:

>>> When people contribute to a 529 plan they usually feel like they’re saving for their college. Not true. You’re investing in hopes of making enough to afford your student’s education. When that 529 manager takes your contribution and invests it, your money is at risk and that risk extends to 100% of it. You could lose everything.

The difference with filtering your money into an insurance policy is that your money is 100% safe. And also 100% liquid. It’s not being placed at play in the markets and you can access whenever you need or want to. That’s as opposed to a 401k or 529 which penalize you heavily if you try to withdraw before a specified date.

A 529 plan will penalize you 10% of your earnings if you make an unqualified withdrawal (ie: not for college), whereas there’s no penalty for any kind of withdrawal from a whole life policy.

So no matter if your roof collapses, a family member becomes ill or some other life altering event occurs you can get to that money when it’s needed without a ton of red tape and fees.

And in addition to their guaranteed annual growth, many policies will pay out additional earnings in the form of dividends on top of that.

Tax free access:

>>> Any monies saved inside a whole life policy AND any earnings made on top of that are not taxed as regular income. In a time when taxes cut more and more into a working family’s bottom line, this is without a doubt one the biggest advantages of using whole life as a savings vehicle for college.

Use your money for what you want:

>>> Just because you’re purchasing an insurance policy doesn’t mean you have to wait for something awful to happen to access the savings inside it. This is a huge misconception when it comes to whole life.

Whole life is the easier, safer and smarter college funding plan, retirement plan… or even savings account.

>>> An account that can be accessed practically tax and fee free when the time comes for your student to head off to school. Or further down the line when you’re ready to leave the work force and begin enjoying the good life.

This is money that can be used for anything…

The founder of The Pampered Chef kitchen tool company, Doris Christopher, launched her company with a life insurance loan. J.C. Penny saved his fleet of stores during the Great Depression doing the same thing. And John McCain launched his 2008 presidential campaign using his $3 million policy as collateral.

This money is here when you need it, no matter what the situation. You’re not pigeon-holed into only being able to access for one particular situation.

Even The Palm Beach Letter, one of the industry’s leading investment newsletter’s called whole life insurance “the world’s safest industry” and concluded: “It’s so safe, so easy, and such a versatile savings vehicle that we’re going to make it a central part of our wealth-building strategy.”

Now a word of warning – not all insurance plans are created equal and your Specialist should know that. They should know how to set up a whole life policy correctly and also to stay away from things like variable universal life insurance, which is tied to the stock market and gives your money none of the protection against volatility you’re looking for.

Always make sure your Specialist knows exactly what savings vehicle you’re looking for and don’t allow them to talk you into anything you’re not comfortable with.

Remember: Whatever avenue you choose when meeting with a trained College Planning Specialist however, their stated goal should always be to help you protect your savings, grow it safely and effectively, maximize your financial aid award and assist in finding your student the best college fit for them possible.
Don’t do it alone…

The most costly decision you can ever make when going through the college admissions process is trying to shoulder it all yourself. Without a proper plan in place, qualified advice and assistance and knowing all the options and avenues available to you, there’s a sad likelihood that you could end up…

- Paying too much money for college by not receiving all the financial aid available to you.
- Going into heavy debt by not planning an effective college funding strategy and getting stuck with thousands in loans and tuition bills that you simply can’t afford.
- Choosing an ill-fitted school for your student without knowing their specific needs and wants from the college experience.
- Causing yourself massive undue stress and confusion while trying to figure it all out on your own.

The Anderson family found themselves facing around $200,000 in college debt before turning to a Planning Specialist. That’s when they found their answers…

“I found myself saying “this sounds too good to be true. What’s the catch?” There was no “catch”, just a detailed total plan of lowering our Expected Family Contribution, providing us some tax advantages and staying within the agreed upon budget that we had established.”

- The Anderson family

College Planning Specialists can help. But only if you do the research and choose a reputable and trained professional. Don’t get scammed by a financial professional simply looking to invest your money. That won’t help you or your student get any closer to college than you were before.

Choosing the right college for your student is one of the most important decisions you’ll ever make. Choosing how to save and pay for it all is just as crucial. Don’t short change yourself or your family.

“The specialists… are experts in knowing how the financial award systems work” says the Pavisich family. “They can make suggestions specific to each situation which can definitely make dreams come true.”

There’s highly trained, highly successful help available for you out there.

Just as you’ll no doubt tell your child as you send them off for their freshman year… Do your homework. Take advantage of the resources available to you. Be smart about your decisions and there’s no doubt you’ll succeed.