

College Bound

ISSUES & TRENDS FOR THE COLLEGE ADMISSIONS ADVISOR

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Financial Matters in the New Year

Amherst's Endowment. Amherst C. in Massachusetts has boosted its endowment to \$2 billion. That means the highly-rated college will be able to continue to provide grants to all eligible students. Since 2008, Amherst has offered a no-loan, need-blind financial aid program for both domestic and international students. "This means we can have among the most generous admissions policies out there," Kevin Weinman, Amherst's chief financial officer, told gazettenet.com.

Finding Underserved Students. ACT has launched new initiatives to help underrepresented students. "Get Your Name in the

Game" offers colleges and scholarship agencies access to ACT's list of the names of underserved students.

"Many underserved students wait until their senior year to take the ACT," said James Larimore, an ACT official. "As a result, they miss out on important opportunities to connect with colleges, which tend to focus their recruitment efforts and budgets on 11th graders. Get Your Name in the Game will help those students and colleges find each other."

ACT's "Dialing for Scholars" project seeks to increase college access by reaching out to underserved students via phone, text or e-mail
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Scholarship Scoops

Epilepsy Help. Jason Hennessey, a cofounder of EverSpark Interactive, a digital marketing agency, is sponsoring a \$1,000 scholarship for one high-achieving student with epilepsy residing anywhere in the United States, in honor of his son J. J. Hennessey. Find details at www.everspark.com/honorary-epilepsy-scholarship/

Muhlenberg's New \$40,000 Scholarship. Muhlenberg C. in Allentown, Pennsylvania, announced a new \$40,000 scholarship named after the patriarch of the Lutheran Church in the American Colonies, the Henry Melchior Muhlenberg Scholarship. With a total value over four years of \$160,000, the new scholarship will be awarded on the basis of superlative academic performance, extracurricular commitments and positive character and citizenship. Five of these new scholarships will be awarded to members of the class entering in fall 2015.

Microscholarships. Raise.me, founded in 2012, helps high school students earn microscholarships for doing well in class. High school students who log on to Raise.me see a list of goals and tasks admired by different colleges. Students then enter their various achievements, from varsity sports to volunteering to AP courses, and their earnings are instantly displayed in their portfolio.

When students are ready for college, they redeem the microscholarships they've earned over the previous four years. Colleges and
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Admissions Watch

CB has compiled stats on early apps from a variety of sources. Here are a few of the early returns.

Early Updates. Early applications poured into admissions offices across the nation at record rates again this fall.

Bowdoin C. attracted 662 Early Decision I applications, up 10.7 percent over last year. But at *Brown U.*, Early Decision applications fell by about 2 percent to 3,043 applications, 17 percent of them coming from international students. *Colorado C.* saw a 9 percent increase in ED and EA applications. *Dartmouth C.* fielded 10 percent more ED applications, 1,859. *DePaul U.* received 7 percent more Early Action applications than last year.

Duke U. landed 3,180 Early Decision apps, slightly fewer than last year when it filled 47 percent of its class with ED applicants. It admitted 815 students or about 26 percent. Early Decision applications to *Emory U.* grew by 9 percent, while applications to *Emory's*

Oxford C. soared by 25 percent. *Georgetown U.* attracted 6,840 Restricted Early Action applications. About 13 percent of its new Class of 2019 will be admitted early. *Georgia Institute of Technology* totaled about 11,000 Early Action apps.

Harvard C. admitted 977 EAs, from a pool of 5,919 early applicants, up from 4,692 last year. That translates into a 16.5 percent admit rate, says *The Harvard Crimson*. Of those admitted, 22.7 percent are Asian-Americans, 10.3 percent are African Americans, 11.4 percent are Latinos, 1.2 percent are Native Americans. *Johns Hopkins U.* attracted 1,865 Early Decision applicants and admitted 539. However, by mistake, it sent out "welcome" letters to all applicants, before the "unacceptable error" was rectified.

MIT admitted 625 students or 9.6 percent of its Early Action applicants. This year, MIT Admissions introduced a new research-
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Enrollment Trends

Fall 2014 Enrollment. Postsecondary enrollment decreased by 1.3 percent in fall 2014 compared to fall 2013. Two-year public institution enrollment fell by 6.0 percent, while enrollment increased among four-year public institutions by 2.2 percent. At four-year private, non-profit institutions, enrollment rose 1.6 percent.

However, the researchers said the numbers for two-year public institutions were somewhat skewed because some of the schools have been reclassified as four-year institutions. Without these reclassifications, two-year public enrollments would have decreased 3.4 percent and the growth in the four-year public institutions only would have been 0.4 percent. Taken as a whole, however, public-sector enrollments declined by 1.5 percent in fall 2014.

Some of the states with the largest decreases: Arkansas, -6.5 percent; Colorado -4.2 percent; Louisiana -4.2 percent; Nebraska -4.1 percent; New Hampshire -6.1 percent; Ohio -4.0 percent and West Virginia -8.5 percent.

States with the largest gains: Idaho +2.7 percent; Utah +3.6 percent and South Dakota +5.3 percent.

Out-Of-State Problems. Out-of-state and international students now make up 43

percent of the freshman class at Indiana U. Bloomington and 44 percent of the undergraduate population at Purdue U. But that's causing problems in the state legislature. "I'm concerned," said State Sen. Luke Kenley, chair of the senate appropriations committee. "Both of these universities, since their inception, were started for the benefit of Indiana residents and Indiana students. So we need to be true to those missions." He hinted that the trend could lead to reduced state funding.

"The Bloomington campus is the flagship campus, the research one," said IU-Bloomington spokesperson Mark Land, "and we are trying to be as competitive as possible for good students both in-state and out-of-state." He noted that state funding of the IU-Bloomington budget has fallen to about 18 percent.

Oregon C.C.s. Overall, Oregon's 17 community colleges are educating 35 percent more students than they did in 2007. But, an improved economy has translated into fewer students enrolled this fall at Clatsop C. C. in Oregon, down by 8.5 percent, according to the *Daily Astorian*, which reports on the Colombia-Pacific region. ■

FINANCIAL MATTERS

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in the weeks before the scheduled national ACT test dates. The goal is to increase the test-taking rate for students, with fee waivers by 10 percent.

Hawaii Hilo Ups Aid. Students at the U. of Hawaii at Hilo received \$15 million in financial aid less than a decade ago, according to *The Hawaii Tribune-Herald*. But that has risen to \$46 million last year. In 2011, UH-Hilo increased the percentage of tuition used for financial aid from 15 to 20 percent. Tuition intake last year reached \$35 million. That meant up to \$7 million was reserved for need and merit-based aid for students. Some 75 percent of the \$46 million in financial aid came from state and federal grants and loans.

Hendrix's Arkansas Advantage. Hendrix C., a liberal arts and sciences school founded in 1876 and recently listed among the *40 Colleges That Change Lives*, will meet 100 percent demonstrated financial need for Arkansas high school graduates who post a 3.6 or higher GPA and who score 27 on the ACT or 1200 or above on the SAT.

State Aid for C.C.'s Declines. State assistance for community colleges has fallen below 10 percent in some states. For example, many Illinois C.C.s only received about 5 percent of their revenue from the state. Community

colleges rely upon tuition and local government for the rest of their budgets. In fact, 96 two-year colleges around the country receive less than 5 percent of their revenue from state governments, Stephen G. Katsinas, director of the Education Policy Center at the U. of Alabama, told *Inside Higher Ed*.

Michigan Facebook Page. The Student Financial Services Bureau of the Michigan Department of Treasury has launched a Facebook page to help Michigan students and parents with information on college finance, including scholarships, loans and grants.

Virginia Access. The Access College Foundation, based in Norfolk, Virginia, announced it will train 170 people to help seniors in Norfolk, Portsmouth, Virginia Beach, Chesapeake and Suffolk complete and file their FAFSA.

Wisconsin HOPE Lab. Wisconsin HOPE Lab, a research project at the U. of Wisconsin-Madison, is designed to test the efficiency of various programs that aim to make college affordable for students and families. The project goes beyond the questions of access, said Julie Underwood, dean of the School of Education at UW-Madison, adding it looks at affordability, "what it means for students to leave universities with debt that is like a mortgage on their careers." For info, see, <http://www.wihopelab.com/>. ■

ADMISSIONS WATCH

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portfolio supplement as an optional part of the application, according to *MIT News*. "We have been working very hard to recruit top talent from diverse backgrounds to apply to MIT and the message that MIT is a welcoming campus community for people of all backgrounds is really taking hold," Quinton McArthur told the paper.

Northwestern U. admitted about 1,000 Early Decision students from a pool of 2,793. The ED admits will make up 49 percent of next fall's class, which is expected to total 2,025 students. *Princeton U.*'s Single-Choice Early Action applications held steady at 3,830.

Stanford U. received 7,297 Early Action applications, and admitted 743. It announced that it will reserve "the majority of spaces in its freshman class" for students who apply under the regular admission program. The *U. of Michigan* received more than last year's 23,000 EA applications.

The *U. of Pennsylvania* drew 5,489 Early Decision apps, an increase of 5 percent. Early Action applications to the *U. of Virginia* jumped by 7.5 percent from last year to 16,185. *Williams C.* admitted 244 Early Decision students from a pool of 593, for a 41 percent admit rate. *Yale U.* received slightly fewer Single-Choice Early Action applications than last year, 4,692, and admitted 753, or about 16 percent.

Meanwhile, Delaware Provides Application Help. Delaware's Dept. of Education is sending text messages to high school students to help guide them through steps of the college application process, reminding them of deadlines and helping them stay on track. For example, one text reminds them to fill out the Free Application for Federal Student Aid.

More than 4,000 Delaware high school students signed up for the alerts during the state's College Application Month. Others may sign up at Delawaregoestocollege.org.

The purpose of the texts is to prevent students from missing deadlines that could hinder them from enrolling, according to delawareonline.com. "We're trying to help with those things that trip up students who aren't as familiar with the process or don't have parents who have been through this before," said Shana Payne, director of the higher education office. "...We want to make sure they have the support they need to successfully start a college career." ■

SCHOLARSHIP SCOOPS

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other institutions, such as the Bill & Melinda Gates Foundation and Facebook, put up the money that students earn. Raise.me currently is partnering with 50 colleges across the nation. It is used by more than 21,000 high school students. ■

Mistakes Parents Make in Paying For College

AS TUITION COSTS continue to skyrocket, families cannot afford to make any mistakes when it comes to paying for college. Making mistakes can drive up the Expected Family Contribution (EFC) causing some families to pay thousands more for college than necessary. If they only knew the many rules that affect EFC, they could save money.

Here are the seven most common mistakes families can make:

1. Saving in a Student's Name. Not everyone knows that savings in a parent's name (that is, in excess of their asset protection allowance) is assessed at 5.64 percent in calculating the EFC. The asset protection allowance for a typical college family is around \$45,000.

Savings in a student's name, however, are assessed at 20 percent or 25 percent, depending on the methodology the school uses to calculate EFC. Accordingly, if Grandma gives a child \$30,000 to put in his or her own college savings account, she's just added at least \$6,000 to the Expected Family Contribution.

To make matters worse, the student does not have an asset protection allowance. So, never have assets in the student's name.

2. Paying for College with a Grandparent-owned 529. Some financial advisors actually recommend this strategy as a way to reduce college costs. Makes sense, right? If neither the parent nor child are holding the asset, what could possibly be the problem?

While it may be true that there is no assessment on either the parent or student's assets, there is still an assessment—and it's much worse. According to FAFSA rules, money paid out of the Grandparent's 529 is considered untaxed income to the student. And the assessment on student income is a whopping 50 percent.

While students don't have an asset protection allowance, they do have a small income protection allowance. Currently, the student's gross income protection allowance is about \$6,300. What this means, however, is that every dollar over the income protection allowance is assessed at fifty cents on the dollar. Accordingly, if Grandma sends \$16,300 dollars to the college for a student's first year's tuition, it will have raised the EFC by an additional \$5,000.

3. Using or Borrowing from a Retirement Fund. Many parents make the mistake of thinking they are getting a break from the government when they pay for college out of their IRA funds. After all, the government waives the 10 percent penalty for funds withdrawn that are used for college.

What parents forget, however, is they are adding to their income when they withdraw funds from an IRA and parent income is typically assessed at 47 percent. It's another bad move.

4. Missing Important Tax Deductions & Tax Credits. Parents sometimes make an error in paying their entire college costs out of their 529s only to find out that they can no longer claim the American Opportunity Tax credit.

Because parents have already received a tax benefit from the tax-



Jack Schacht

free distribution from their 529, the federal government considers that claiming a \$2,500 tax credit would be "double-dipping" and that is not allowed. So, parents should work with a tax advisor on this one. You don't want to miss \$2,500 in free money from the government.

5. Being Unacquainted with EFC Reduction Strategies. Before parents figure out how they are going to pay for college, they really should get a good book on the subject. One of the best books out there dealing with EFC reduction strategies is written by Kalman Chany called *Paying For College Without Going Broke*.

Knowing the material and implementing the strategies yourself, however, may not be a wise move for everyone.

Families are encouraged to seek the help of a college planning specialist. Just using a regular CPA can hinder the chances for financial aid.

6. Knowing the Different Methodologies for Calculating EFC. A parent recently followed his accountant's advice to cash out his \$150,000 in stock funds and pay down a mortgage. He was told it would save a bundle on college.

While it's true that this move *could* save him about \$7,500 a year in college costs, that's not how it worked out.

Under the Federal Methodology, which most all public universities and a majority of private colleges use, this move *could* have achieved that result. That's because under FAFSA rules, the equity in one's home is not used to determine the EFC.

This was not true, however, with all three schools their daughter was interested in attending. These particular schools used what is called the Institutional Methodology to determine the EFC. Under that method, home equity is assessed.

Not only did this move do little to bring down the EFC, but the stocks the man cashed out would have increased in value by about 25 percent if he'd held on to them during that two-year period!

7. Not Understanding How to Use the Appeals Process. Again, many people do not understand that there is still money that can be saved even after they receive their final award letters. Awards can be appealed. Obvious examples would be when there has been a change in family income or if the family was suddenly incurring some unexpected medical expenses.

What really is news to parents, however, is that an appeal can also be made because another college, which is not the student's first choice, made the student a better offer. Parents should not try playing one school against the other, however, unless the other college has a similar ranking to the college to which they are appealing.

Most importantly, parents should read up on how to write a good appeals letter before acting. If parents need advice, they should seek out a college coach or financial advisor who does this kind of work.

There is a lot to navigate when planning for college. Next to a home, college is likely to be the second largest investment in a lifetime. It pays to take the time to do it right! ■

Jack Schacht is founder of www.MyCollegePlanningTeam.com, an organization based in Wheaton, Illinois.

CURRICULUM CAPSULES

Entrepreneurship Minor. The U. of Michigan has launched a new minor in entrepreneurship. The 15-credit minor attempts to attract students from diverse areas of study. It adds to a number of entrepreneurship programs and activities already available to UM students, including entrepreneurship centers, startup accelerators, countless competitions and more than 18 entrepreneurial student groups. Approximately 200 students are expected to enroll once the program gets off the ground.

Middle Eastern and North African Studies. North Central C. in Illinois is creating a new Middle Eastern and North African (MENA) studies program, which will include language courses in Arabic. The new program is partially funded by a U.S. Dept. of Ed grant. Beginning in fall 2015, North Central will offer a minor in this field and introduce students

to cultural experiences in the Chicago area and abroad.

"North Central College is now ready to take another major step in the ongoing process of globalizing its campus," said John Shindler, North Central's director of international programs and a professor in English. He added that the new program is expanding "the international dimensions of student learning by adding a focus on the history, language, religion and culture of the MENA region."

Health Care Advocacy. The U. of Indianapolis is creating a new bachelor's degree in Health Care Consumer Advocacy, the first in Indiana. Health care consumer advocates work in settings such as hospitals, medical practices, insurance companies, long-term care facilities and public and nonprofit agencies.

"The primary source of health care used to be a hospital setting, and that is no longer the

case," said Norma Hall, director of graduate programs in UIndy's School of Nursing, who assisted in establishing the program. "It's difficult for patients, especially if they haven't had health insurance before. We need to help them understand how to make the best use of their coverage and find the best services in any medical setting."

The new degree program is offered in accelerated five-week evening courses by UIndy's School for Adult Learning. ■

International Affairs

Ontario Increases. Ontario is the first Canadian province to pledge to increase student aid to keep up with the rate of inflation. That means about a \$170 increase for 64,000 students who qualify for the maximum in September 2015. Also, Ontario is making it easier for 100,000 graduates who have defaulted on repaying their student debt to get back into good financial standing.

Global Rankings. *U.S. News & World Report* has published its new *Best Global Universities*. Of the top 500 institutions ranked, 134 are located in the United States, 42 in Germany, 38 in the United Kingdom and 27 in China.

The top 10? Harvard U., Massachusetts Institute of Technology, U. of California-Berkeley, Stanford U., U. of Oxford, U. of Cambridge, California Institute of Technology, U. of California-Los Angeles, U. of Chicago and Columbia U.

The best global universities in Asia? U. of Tokyo, Peking U., U. of Hong Kong, National U. of Singapore and Kyoto U. in Japan.

International SAT Takers. The number of international students who took the SAT has doubled over the past eight years. More than 300,000 international students from 175 nations took the test last year, according to the College Board. This growth corresponds with the increase in the number of international students studying in the United States. This year, nearly one-third of those students, 235,597, came from China. The top destinations for international students are New York, California and Texas.

And FYI. A new book looks at higher education in China. See, *China's Rising Research Universities: A New Era of Global Ambition* by Rhoades, Wang, Shi and Chang (Johns Hopkins University Press); ISBN: 9781421414539, \$39.95. ■

Happy New Year!

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NEWS YOU CAN USE

Counselor/Student Ratio. The ratio of counselors to students in U.S. high schools has remained the same for almost a decade; one counselor to 478 students. That is nearly twice the ratio recommended by the American School Counselor Association. What is worse, according to the federal Dept. of Education's Office for Civil Rights, one in five high schools in the country has no counselor at all.

According to a December 25 *New York Times* report, this means that many students can "easily stumble into making poor decisions..." such as only applying to familiar institutions for which they are overqualified, failing to understand the financial aid process and skipping over schools with high sticker prices even when they might be eligible for significant amounts of aid or not even applying to college at all, even when they have the skills to succeed.

Counselors Help. Yet, the addition of just one school counselor increased test scores and reduced the behavior problems among third to fifth graders in one county in Florida, according to research by Texas A&M U. economics professor Mark Hoekstra and Scott E. Carrell, U. of California Davis.

"We find that one counselor added to an elementary school increases boys' reading and math test scores by over one percentile point and reduces disciplinary infractions for both boys and girls by over 20 percent," said professor Hoekstra.

In 2010, the researchers found that adding one disruptive boy to a classroom of 20 students reduces other boys' reading and math test scores by nearly 2 percentage points and increases their disciplinary infractions by 40 percent.

Deep Springs. In September 2011, the board of trustees of Deep Springs C. voted to make the institution coeducational. But a lawsuit has delayed implementation of that plan. Now Deep Springs has announced that it will not accept applications from female applicants for the 2015 entering class.

Diversity Strategies. Recent Supreme Court decisions on affirmative action have led some diversity advocates to argue that colleges and universities must look for alternative ways to increase diversity on campus, because eventually affirmative action could be eliminated.

Currently, only about 4 percent of students at 193 selective colleges are African-American, and about 7 percent are Hispanic. To increase those numbers, some researchers suggest that using class-based admission and financial aid could be one way to address the issue. That approach has worked at UCLA's law school.

Smoke Free. SUNY Oswego opens the new year with a smoke-free policy which applies to students, faculty, staff and visitors. President Deborah F. Stanley said the college made the change to support its "educational mission." ■