

College Aid Planning: Sooner is Better

Transcript of a CLTV interview with Joe Orsolini, College Aid Planners
Bill Moller, host

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Edited slightly for clarity

Mr. Moller: Joe Orsolini, you are a college planning expert. Now, it's great when you have schools that are throwing financial aid offers at you. But it's a headache for a lot of parents. It's frightening, and often they're ill prepared to deal with it.

Mr. Orsolini: Yes. One of the things parents don't realize is that the financial aid process starts a lot sooner than they think. It actually starts junior year of high school. Most people don't even think about paying for college until freshman year of college. But what happens is, when they fill out a financial aid form, they are actually using the information from the tax year that occurred during the junior year of high school.

Mr. Moller: But they actually should have been planning for years before that?

Mr. Orsolini: Yes, definitely. The sooner you begin the planning process, the better off you're going to be. What people fail to realize is that it is not only your income, but also your net worth that factors into the financial aid formulas, to determine how much you are going to pay for college and how much financial aid you will receive.

Mr. Moller: I am going through this right now with a son who is a junior in high school. And it is rather daunting. What are some of the steps? Or what should parents be thinking about as they go through this process?

Mr. Orsolini: Parents should first become familiar with the aid application process and financial aid formulas. Be aware of how your earnings affect the formulas, how your net worth affects the formulas, and not only what you're assets are worth but what you own, what kinds of assets you have, that's going to affect the formula.

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Certain assets are not included when they compute the net worth figure, so you want to make sure that parents actually fill the forms out rather than the children. Nobody wants to let their kid do their taxes. In the same respect, you don't want to let your children fill the financial aid forms out without your help.

Mr. Moller: As you work with the colleges, should you assume that the school you apply to is necessarily on your side, or should you have all the facts and aggressively approach it?

Mr. Orsolini: You need to take control of the process. For example, you've got to fill out the standardized financial aid forms, but they may not be enough for your specific situation. You may have lost a job; you may have extreme medical expenses; there may be circumstances that affect your ability to pay tuition that do not show up on your financial aid forms. In that kind of a situation, once the schools have those forms, you should contact and talk to the financial aid offices, and let them know about those circumstances: "Hey, I think my situation is a little different from what you are seeing on form."

Mr. Moller: You shouldn't assume, then, that the school will take care of all of the paperwork and the problems. You've really got to be prepared.

Mr. Orsolini: You definitely need to be proactive in getting in touch with the financial aid offices and working with them.

Mr. Moller: All right. Joe Orsolini, thanks so much.

Mr. Orsolini: Thank you, Bill.

To learn more, visit Joe's website (www.notpayingforcollege.com) or contact Joe at 630-469-6776