

PAYING FOR COLLEGE

Whether you're planning a career change or shopping for your high school graduation outfit, you're likely facing some kind of cost barrier when considering [college](#). You're probably aware that college costs continue to rise. In fact, in-state tuition has increased [212 percent](#) in the last 20 years.

This huge increase in tuition is not mirrored in U.S. wages, as the [minimum wage](#) has increased twice in the last 23 years, from \$5.15 to \$7.25 an hour — where it's sat for the last 11 years. Average wages as a whole have only increased by [56 percent](#) in the same time, leaving students to rely on federal and private loans to cover the costs. That doesn't mean there aren't ways to pay for college without loans.

While some debt may be unavoidable, you're better off getting as much of your tuition covered through other means. This way you have fewer payments after college, you can maintain a healthier [budget](#), and you can save thousands. Even when taking on student debt, it's important to understand the difference between [loan subsidies](#), federal and private options, and repayment and [forgiveness opportunities](#).

Ditch the debt to keep your [credit in check](#) and your financial future bright. Here are 16 ways you can pay for college with little to no debt.

1. Follow Your Own Timeline

One of the easiest ways to prepare for school expenses is to delay your education for a few years and begin to save. There are several [college savings](#) services available to help you get started and maximize your contributions.

In addition to saving, waiting to enroll in college gives you time to nail down your career goals and find the best way to reach them. You may decide your career path doesn't require a bachelor's degree. Alternately, you may find you need a graduate degree that your first choice doesn't offer. Detailed plans can help you save time and money in the long run.

2. Search for Scholarships

Most of us associate scholarships with valedictorians and honor society presidents, but there truly are scholarships out there for everyone. The tricky thing about scholarships is that they're often time-consuming to find and apply to.

While this discourages many, those hours upfront can save you big when it comes time to pay back your loans with interest. It would take the [average entry-level](#) position over a week to earn the \$1,000 a couple of hours on a scholarship application could have earned you.

How to Find Scholarships

Finding scholarships you're eligible for can be frustrating, but it's not impossible and well worth the effort. Here are some places to start looking:

- Your **guidance counselor** will have the most information on local and well-known scholarships. They're a great resource if you need help applying, too.
- Visit the **financial aid office** for any schools you're interested in to learn what scholarships they have available.
- The **U.S. Department of Labor** has a free [scholarship search](#) tool.
- Check out **volunteer organizations** in your area. Not only will volunteer hours look great on your application, but many organizations offer scholarships, too.
- Similarly, many **hourly employers** offer tuition assistance programs for dedicated employees.
- **Explore sites** that match you with scholarships, like [Scholarships.com](#) and [Fastweb](#).

3. Apply for Federal Aid and Grants

If you've talked to anyone about going to college, then you're probably very familiar with the [FAFSA](#), the Free Application for Federal Student Aid. FAFSA provides federal and state student loans and grants using your financial need to determine eligibility.

What's the Difference Between Grants and Scholarships?		
	Grants	Scholarships
How are they awarded?	Based on financial need	Based on merit
Do they require repayment?	No	No, unless stated otherwise
Who awards these?	Federal and state governments	Schools and private institutions (e.g. philanthropists and non-profits)
Are these taxable?	No, unless used for non-degree expenses or awarded in exchange for work	No, unless used for non-degree expenses or awarded in exchange for work

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Source: <i>Saving for College and HR Block</i>		

If you're going to accept student loans, federal loans offer the best interest rates and flexibility. FAFSA also determines your eligibility for government grants like the [Pell Grant](#), which offers up to \$6,345 of assistance per academic year.

Grants can be provided by other public and private entities, too. They're typically awarded based on personal characteristics including minority groups, those with financial needs, soldiers, and more. Your chosen career can also play a role, so search for companies and industry associations you're interested in to see what opportunities are available.

4. Start Saving as Soon as Possible

The sooner you begin saving, the better — but it's never too late to start! [Open a savings account](#) as soon as you start thinking about college to maximize your investment. You may not be able to cover all of your expenses, but chipping away at your tuition early reduces your monthly repayment total and interest.

There are several resources and accounts to help you [save for college](#), which may make it intimidating to start. First, you should decide on an account that works for you, figure how much you can save from each paycheck, and set a goal. Set your account to automatically contribute to your college fund to stay on track and save the stress.

5. Consider Community College

Community colleges are great for your wallet and offer a variety of courses to choose from. Community colleges cost an average [\\$3,730](#) a year — a third of the cost of traditional four-year colleges. In two years you could save \$13,420 on your education and earn an associate's degree at the same time.

There are two routes to take when it comes to attending a community college — earn a degree or certificate, or transfer core credits to another institution. Many programs, like nursing and criminal justice, offer associate's degrees you can use to get an industry job and start your experience early.

If your program requires a bachelor's degree, then you can complete and transfer your core credits to the school you plan to graduate from. Just make sure you verify that your credits are transferable with advisors from both institutions.

6. Work Through School

Working your way through school is an opportunity to stay prepared for a [rainy day](#) and begin paying towards your loans before they accumulate interest. You probably won't be able to pay off each semester, but you can build career experience and potentially your professional network this way.

Keep in mind that working while taking a full class load can be taxing. Most recommend you stay at or below 15 credit hours and work fewer than 30 hours a week. Try to [build a budget](#) that covers your bills and allows you to save and chip away at your debt. If you're having trouble finding a part-time job that's flexible and pays well, consider [freelancing](#) to build a professional portfolio.

7. Study Full-Time

At most colleges, courses are paid by the number of credit hours they complete. A typical class is three credit hours, and depending on how many credits you take, you may have to pay individually or by lump sum. Usually, once you hit full-time status (around 12 credit hours) you'll begin paying a standard rate instead of by individual credit.

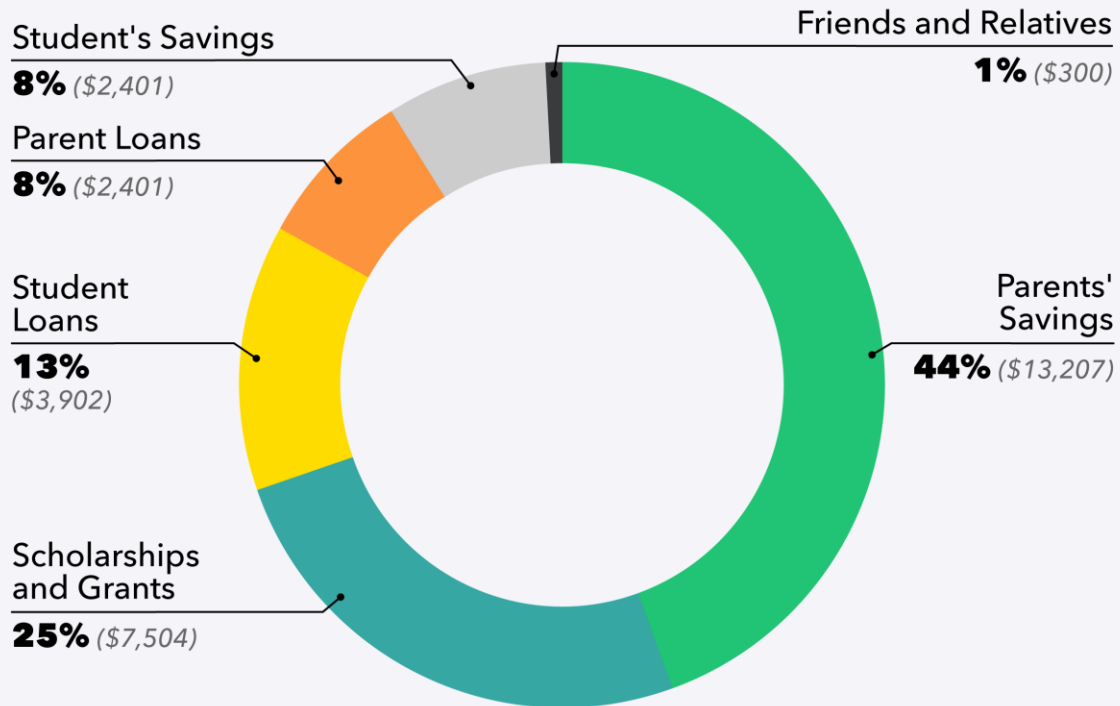
This means that the more classes you take per semester, the more you can save. By taking 18 credit hours a semester, you're paying the same as you would at 12 credit hours. Those extra six credits a semester can save you the cost of a third full-time course load within a year. Plus, you can save on tuition and other fees by graduating early.

While this is a great option for some, students who work part-time or are active in other organizations and clubs may have a hard time maintaining their grades on a full-time course load. Be realistic about your time and ability to perform well in so many classes back to back. Failing and retaking a course will just cost you more time and money.

8. Crowdfund Your College Tuition

How Are Americans Paying for College?

Yearly average cost: \$30,017*



Source: Sallie Mae

Monetary contributions represented in the chart are based on percentage estimates, that do not total 100%, therefore don't equal the average yearly cost listed.

If you don't have the savings but a huge network of friends, then you may be able to crowdfund your education. There are even crowdfunding sites dedicated to covering college costs. Since crowdfunding donations are essentially a gift, you won't have to pay back the costs and may not have to worry about taxes.

On the other hand, if your campaign isn't successful, you won't be able to keep any of the money donated. While the campaign is free to launch, it will require a significant amount of your time to promote it.

Make sure you have a few donors willing to contribute and share right off the bat to increase your chances of success. It's also a good idea to keep your goal small. You can always raise it later, but you don't want to fall short and lose your contributions.

9. Stay In-State

While you may be dreaming of spending your next four years in California, far away from home, you can save thousands by staying in-state. For example, the University of Texas charges [\\$14,000](#) more for out of state students — almost triple the in-state tuition. That's not including the general costs of traveling, moving, and living between two states.

10. Hang Out at Home

While you're staying in your home state, you may consider enrolling at a college close enough to live at home. Depending on where you live, rent could run you anywhere from \$200 to \$1,000 a month. That's a huge chunk of change that could be covering your education. Beyond rent, you should factor in the recurring costs like [groceries](#), utilities, and laundry services that you may not have to pay for at home. If it's your first time moving out, you'll also have to save for furniture, cookware, and other living necessities.

11. Live Off-Campus

If living at home isn't an option, you may want to consider living off-campus. Depending on your location, it may be significantly cheaper to rent with roommates instead of paying for expensive dorm rooms.

The Benefits of Living On and Off Campus	
On-Campus	Off-Campus
Close to campus	More privacy
Furnished rooms	Extra space
No utility costs	More cost-effective
Ready-to-eat meals	Cook at home
Community and friends nearby	More independence

The Benefits of Living On and Off Campus	
On-Campus	Off-Campus
Campus security	Fewer restrictions

Research ahead of time to determine how much dorm living costs each semester compared to [rentals](#) in the area. Apartments and homes near campus tend to sign leases quickly, so try and search several months in advance. Don't forget to save for moving and furnishing costs ahead of time, and plan to pay a deposit and your first month's rent when signing your lease.

12. Negotiate Your Tuition

If you've crunched the numbers and your tuition seems impossible to cover, it may be time to talk to financial aid. You may be able to [negotiate your financial aid](#) and tuition by filing for an appeal.

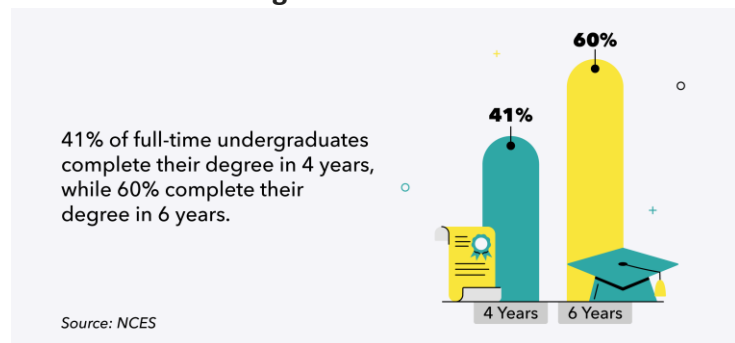
Your school likely has a financial aid office you can visit, but you should check the website for an official appeal process. Get started by calculating how much you can realistically afford now and how much you can pay following graduation (based on your career choice) to determine what you need from financial aid.

Preparing your case in advance can save you and the financial officer some time, and will boost your chances of success. Keep track of who you talk to and when, and look into what cases your university is willing to consider.

13. Try a Five-Year Master's Program

Some careers require a graduate degree to get started — which means more classes and more debt. Luckily, some universities will combine bachelor's and master's programs to fast-track your education. Completing all of your schooling in five years can save you tuition, course costs and fees, and application fees.

14. Finalize Your Degree Focus



Many students begin college without a clear plan for their career. If you're not sure what you want to do, it may be a good idea to take a [gap year](#). You may also want to try out a few courses at a community college to decide which studies you like best at a much cheaper rate. Once you know what you want to do, be sure that you keep your course schedule focused on your degree. While you may be tempted to study something like horror literature or screen printing, you'll want to shelve it if it won't help your career path. You may be able to fill some full-time semester gaps later in your studies with these classes.

15. Build a Budget

The best way to make sure you're saving and paying your loans efficiently is to build a detailed budget. This way you can see where you're overspending and divert some of that money towards your textbooks, loan interest, and more.

A typical budget follows the [50/30/20](#) rule, but if you're not paying rent or living in a dorm, you can adjust your budget to best meet your needs. Just make sure you're [contributing to savings](#) where you can and keeping your debt under control.

16. Avoid Textbook Costs

In addition to your college tuition and fees, you'll likely need to buy textbooks each semester. These can easily cost you [\\$1,200](#) a year. To save your money, consider renting or buying used textbooks. You'll want to contact your professors ahead of time, as some will require the newest editions or even digital books.

If you need a new book, see if you can split the costs with a classmate or borrow it from the library. The library should have any book you need, but you can also request it as an interlibrary loan. Be aware that you may not be able to borrow the book and instead will have to study at the library.

College costs are rising, and have been a huge financial burden on young adults for decades. While loans may be inevitable, cutting costs wherever you can is essential for a healthy financial future. Start saving early, apply for any aid programs available, and keep an [accurate budget](#) to save on school and avoid debt.

Sources: [Saving for College](#) | [HR Block](#) | [Sallie Mae](#) | [NCES](#)