

Free and Unfettered

How to Graduate from College Debt Free

By Bill Spaniel

When you receive your college diploma, the last thing you want to think about is the debt you accumulated to get that degree. Unfortunately, too many college students are crushed with significant debt that may take years, or even decades, to pay off. A Federal Reserve Bank study finds that \$43 billion is still owed by Americans over the age of 60 on their student loans.

According to the College Board, the average student loan debt for college students is \$26,600. The amount could be several thousand dollars more if you graduate from a private institution.

So, what can you do to minimize debt and start your post-college life in the black and not the red? Plenty. Here are ways to keep costs low and still have a great education.



Consider Community College

Even if you plan to graduate from a four-year institution, it's financially wise to take your first and second year at a community college. The average tuition and fees for one year at a community college is \$3,131, says the College Board. It's \$8,655 at an in-state public school and \$29,056 at a private, nonprofit university. Furthermore, class size at community colleges is usually smaller than at the larger schools, so your instructor likely will pay more attention to you. That's better value for your bucks.

Accounting student Francis Sameon completed 69 credit units comprising all his prerequisites and general education courses at a community college. Then he transferred to Golden Gate University. "Although the price per unit varied from when I started to the time I transferred, I saved at least \$25,000 in tuition costs alone," he says. "That is money I did not have to pay out of pocket or take out loans for."

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Telescope Your Education

The longer you stay in school, the greater the cost to you. A 2011 National Center for Education Statistics study found that "the median time it took for 2008 bachelor's degree recipients to earn their degree was 52 months."

"If I could start all over, I would take a few extra units during regular school sessions because at times I was taking only 12 quarter units," says Cal Poly Pomona student David Curtis. "An extra class per quarter would have saved me a summer and, potentially, an academic school quarter in tuition fees."



Sign Up with Uncle Sam

Military service qualifies you for the G.I. Bill. That can cover up to 100 percent of your tuition and fees as well as provide a stipend for housing and book costs.

You also can get a scholarship through the Reserve Officer Training Corps. Murrieta CPA Grace Clark is proud her son joined the ROTC. “His scholarship paid for tuition, room and board, a book allowance and a living stipend,” she says. “After college, he served as an officer in the Army for five years—a small price to pay to allow him to graduate from college debt free.”



Apply for Scholarships and Grants

Besides the ROTC, many other organizations offer scholarships. Chapman University student Bryan Luciano finances part of his education through scholarships. He advises those seeking such funds to be active in extracurricular activities and discuss their community involvement in their applications. “Scholarship committees look for individuals who are well-rounded,” he notes. “If you’re able to keep up your grades while being involved in organizations and taking on leadership roles, you’ll have a competitive edge when applying for scholarships.”

Also, seek out grants. Grants are based on financial need, whereas scholarships primarily are based on merit. Government, schools and various private and nonprofit organizations—including employers—offer grants that may cover part or all of your education expenses. As with scholarships, grants usually don’t have to be repaid—as long as you fulfill all conditions. For example, if the grant stipulates that you must take at least a certain number of credit hours each semester or quarter, and you don’t, the grant may turn into a loan that you will have to repay with interest.



Find a Job

Of course, a good way to pay for your education is to work. “When I was in college, I got a job at a local mall working security,” says Redlands-based CPA Alex Lemos. “I not only made enough money to pay for all of my courses and books, but also had time at work for studying.”

Some students and their parents may feel that working, whether on campus or off, may negatively affect a student’s grades. But studies have shown that in most situations, working for up to 20 hours a week does little harm to an individual’s grades and may actually have positive effects, such as helping students learn how to better budget their time.



Cut Down on Living Expenses

Better budgeting of living expenses also will help lower your education costs. When she was in college, CPA Emma Swain, CEO of Napa’s St. Supery Vineyards & Winery, economized by moving off campus with roommates and furnishing her apartment with castoffs as well as kitchen items provided by her boss at the clothing store where she worked. She also cooked most of her own meals.

“My roommates and I would pool together to make pots of vegetarian chili, soups and spaghetti sauce,” she recalls. “We would often feed our friends, who would then reciprocate.”

Your college experience should be one of the most enjoyable periods of your life. But if you graduate deeply in debt, you may regret getting that diploma. By following the above advice, you can complete your education without being overwhelmed with loan payments.

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