

You're in Boone in college. Your tuition and expenses are substantial. So, how can you pay for college and graduate debt free? I see three options.

1-Your parents may be paying for all of your expenses. Sounds good unless they are doing this to the detriment of their retirement plans. Before they jump into saving or paying for college for you, they need to set up *their* future for success. And no, it isn't selfish—it's smart. There's a 100% chance they'll have to retire one day—so they need to follow and trust the Financial Peace [7 Baby Steps](#). Before they begin to save or pay for your college education, they need to;

- Save \$1,000 for their [starter emergency fund](#).
- Pay off all debt (except the house).
- Save 3–6 months of expenses in a fully funded emergency fund.
- Invest 15% of your household income in retirement.
- THEN Save or pay for your college fund.
- Followed by paying off their house
- Giving and living like no one else.

If this sounds like your parents, **you might need to step up some.**

2-Your parents have stated they can help some. **The rest is up to you. Kinda scary, right?**

3-For some of you, if it's to be, it's up to me. **Reality hits!**

What do you do? What can you do?

- Worry?
- Give up and dropout?
- Rely on future crushing student loan debt that sticks around until your kids go to college?
- Get productive?
- Commit this effort to God. Seek His will, counsel and help?

I'll suggest you go with the last two. Here are eight to-dos for you.

Say no to student loans.

If or when you complete the FAFSA, you'll start getting offers from banks that will be *more* than happy to “help” you pay for college. In fact, some financial advisors actually tell their clients to count on paying for part of their college expenses with [student loans](#). Listen, it's this advice that has led Americans to carrying around \$1.57 trillion in federal student loan debt. That's more than all credit card debt in USA!

Let's look at the real costs of that so-called student loan help. In 2022, the average student loan borrower carried about \$39,487 in student debt.

So, what will paying off that debt look like?

Assuming you have a 10-year payment plan and an interest rate of 6%, you'd be paying just over \$400 a month. And throughout those 10 years, you'd pay around \$15,000 in interest. So, that “help” in the form of a nearly \$40,000 loan cost you almost \$55,000.

If you do the 20-year payment plan, you'd pay only \$278 a month, but you'd end up paying close to \$30,000 in interest—almost the original loan amount! Paying nearly double for a degree? No, thank you!

You've got to take student loans, or more loans, completely off the table. They may seem like a quick fix, but they're actually a nightmare that sends you, a college graduate, out into the world anchored in debt.

If you and/or your parents can't pay cash when tuition is due, then you need to decide what has to change. Should you transfer schools? Take a semester off to work and save more money? It may not be ideal—but student loan debt is worse.

Apply for scholarships.

Scholarships are *free* money for college. Apply for any scholarship you are eligible for. In fact, make it almost a part-time job where you apply for several scholarships every single week. And don't ignore the small scholarship awards—they add up fast! Look for obscure scholarships. You typically have a better chance of getting scholarships that have fewer applicants.

Financial aid comes in a few forms. In addition to federal scholarships and grants, don't forget about applying for all the private scholarships you can. These are scholarships funded by companies and nonprofit organizations that reward academic achievement, extracurricular experiences, hobbies, skills and even personal traits, like being tall (and the eligibility isn't need based, so award amounts don't usually depend on your family's income).

In today's digital age, websites like [Fastweb](#) and [CareerOneStop](#) make finding and applying for scholarships much easier.

Apply for aid.

Everyone who wants to go to college should fill out the [Free Application for Federal Student Aid](#) (FAFSA). It's a form schools use to figure out how much money they can offer the student. The FAFSA allows you to get [federal grants](#), work-study programs, state aid and school aid—all versions of free money! **But beware: The FAFSA also shows how much student loans you can borrow, which is a terrible idea.** So, when the award letter arrives, **read the fine print to make sure it's a scholarship or grant—not a student loan.**

The FAFSA is used to figure out how much you can get in federal grants (such as the [Pell Grant](#)) and state grants. Even if you think you make too much money, do it anyway. Many colleges, foundations and corporations use it to award scholarships.

Filling out the FAFSA probably isn't how you'd like to spend a rainy afternoon, but if you don't fill it out, you might be leaving cash on the table. One third of undergrad students don't file the FAFSA, and of those, 2 million would have qualified for grant! Spending an hour filling out these forms sounds worth it now, doesn't it?

Get a job.

Whether they take on a full-time gig during the summer (like mowing lawns, walking dogs, or lifeguarding at the local Y) or a [part-time job](#) during the school year, you will be able to save money for college and gain work experience to put on your resumé.

Do work-study as a student.

Instead of taking out loans and sacrificing your financial future, take advantage of work-study programs instead. Federal work-study gives students part-time jobs while they work on their undergrad and graduate degrees. This means they can earn money to pay for school by working as a student—as long as the job is relevant to the degree program or based on-campus. This is a great way to get professional experience for your [resumé](#) and take care of school expenses.

Open a savings account.

Immediately put a portion of the money you get into your savings account, so you aren't tempted to spend it. Maybe your folks agree to match savings dollar for dollar to get you to save even more. You will need a safe place to keep all your earnings from part-time jobs. Most banks offer a [student checking account](#) that includes a debit card and a savings account. Plus, there's usually no monthly maintenance fees or minimum balance requirements. If you are under 18, one of your parents will need to be the joint account holder, but this is a great way to get used to saving, spending and [budgeting](#).

Look for tuition reimbursement at work.

Some companies offer tuition reimbursement for their college student employees. If you are applying for part-time jobs, filter your job search to include companies that offer a tuition reimbursement benefit. Any little bit helps, plus you'll get professional experience to add to your resumé.

Budget for the present and the future.

Budgeting is one of the best practices a financially smart individual can do. Budgeting under Ramsey's solutions can be broken down into three categories: giving, saving, and spending. Every dollar needs to be given a name by breaking it down even further into smaller categories. Ramsey Solutions has created a budgeting app called [EveryDollar](#) that helps break down the information for you, but an old-fashioned [paper or Excel budget](#) works just as well. Maybe YNAB (You Need A Budget or Quicken. Students who start budgeting early in college

have the advantage of being able to start saving for long-term goals like buying a house or paying for graduate school.

Closing

College is one of the biggest purchases you and/or your parents will ever make. You don't want to get a degree that doesn't apply to your future career. Evaluate your major, job aspirations and desired lifestyle. Determine what your chosen career may pay once you graduate. "Don't spend \$250,000 getting a degree in something that makes you \$50,000 a year — if you used a student loan, you'll be in debt the rest of your life,"

If you're still not convinced about these foundations, think about your goals in life and how much achieving them will cost. Ten years from now, do you want to regret making decisions that made you financially unstable? You can achieve financial peace in college and beyond with a little introspection and a lot of smart planning.

I want you to;

- Make confident financial decisions (no second-guessing!)
- Take control of your financial future (instead of it controlling you)
- Discover the excitement in financial learning (yes, it's possible!)