

Should Your Kids Pay for College Themselves?

It is tempting for parents whose savings and earnings have been wiped out by the economic downturn to tell their teens: "We love you. We want you to go to college, but we can't afford to pay tuition right now. You're on your own."

The immediate cash savings are certainly tempting. But the long-term impact on the cut-off children could be devastating, a new survey says. Public Agenda surveyed hundreds of students, recent graduates, and dropouts. They found that 63 percent of those who graduated from college said they received some financial help from their family. Only 42 percent of those whose parents didn't help managed to graduate from college.

Some college financial aid officers say that finances alone might not explain that 21 percentage-point difference in graduation rates. Many parents cut off students who are already on their way to flunking out. David Gelinis, senior associate dean of admission and financial aid at Davidson College, says he's seen plenty of students come into his office and declare that their parents are cutting them off because they are partying, not studying.

But Jean Johnson, author of the new report, says that many of those who don't get help are spending so much time working to pay rent, utilities, and other basic living costs that they don't have enough time to devote to their studies, and end up having to drop out for scheduling or financial reasons.

Part of the problem, she says, is that today's parents may not realize how much things have changed. Parents may have been able to work their own way through college. But tuition prices have risen much faster than wages and financial aid in the past 20 years. Many states, in fact, are reducing the number and size of grants they hand out to students even as they raise tuition at public universities. And it is harder for students to find jobs in the midst of the worst economy since the Great Depression.

Secondly, parents may not realize that no matter how serious they are about cutting a student off financially, colleges and scholarship providers still expect parents to help pay tuition until the student qualifies as independent. Generally, the government and colleges expect parents to contribute to a student's education until the student turns 24, becomes a veteran, gets married, or becomes a parent. The Free Application for Federal Student Aid requires students who don't qualify as independent to provide the financial information of their parents. The federal government generally awards Pell grants, for example, to students whose entire family adjusted gross income as reported on the FAFSA is below about \$50,000. Children whose parents earn more than that, but are not willing or able to contribute to college costs, can get federal need-based grants only if they file a successful appeal with their college.

Many private colleges, however, have higher income cutoffs, and will award scholarships to students from families with incomes in the low six figures. And many states and colleges award scholarships to students based solely on grades, test scores, or other nonfinancial qualifications.

Still, the amount of financial aid isn't anywhere close to the amount students need. And that puts parents such as Helen Cuccaro, of Cary, N.C., in a bind. She and her husband have borrowed heavily to help their eldest daughter attend the University of New Hampshire. But they doubt they can take on similar debts for their younger two daughters. "We never went to college. We don't want them to be dealing with what we're dealing with," says Cuccaro, but she and her husband also don't want their children to be saddled with big debts.

"You try to teach your kids that if they work hard, it will pay off," but now so many families are in the same boat that gaining admission to the best lower-priced public colleges in North Carolina is extremely difficult. "What do you do?" Cuccaro asks.

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