

# How to Make College More Affordable for Families

College costs can feel insurmountable. The good news is there are many resources available that can make higher education more accessible for families.

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For families with college-bound children, the statistics are sobering, if not downright discouraging.

Over the three decades leading up to the 2021-2022 academic year, annual tuition at public four-year colleges soared from \$4,160 to \$10,740, [according to the College Board](#), a non-profit organization. During the same 30-year time frame, private school tuition increased from \$19,360 to \$38,070—figures which have been adjusted for inflation in both cases.

Separate [data from the Federal Reserve](#) reveals that student debt in this country stands at more than \$1.7 trillion. That's a figure so immense it can be hard to understand what it really means on an individual level for actual borrowers—students who leave school with hopes and dreams that are burdened by debt.

To put that mountain of national student debt into perspective, it can be helpful to consider what it means for the typical student. As of 2021 (the most recent year with data available from the [Education Data Initiative](#)), the average borrower has \$37,338 in federal student loan debt. For those who opted to use private student loans, the average debt is \$54,921.

"On the whole, and at face value, tuition has been outpacing inflation by 3 percent to 4 percent each year. That's an increase on top of the high inflation we're now experiencing," says Adam Nguyen, a former academic advisor at

Harvard who founded the company [Ivy Link](#), which specializes in helping families navigate the admissions and financial aid process.

"Inflation is in the news a lot now because we're experiencing it for the first time in a decade in the broader market," continues Nguyen. "But in the college tuition space, costs have been outpacing inflation for a decade or more. Tuition and fees were 3.5 percent above inflation for the last decade at public four-year colleges. For private schools, it was 2.5 percent above inflation. And that was before the high inflationary environment we're finding ourselves in after the Covid-19 pandemic."

While college costs can feel insurmountable for families, finding and securing financial assistance can seem equally challenging.

The good news is there are many resources available in the form of [grants and scholarships](#) that can make tuition cheaper than a school's advertised sticker price. Here are some resources that may help college students and their families ease the burden.

## Identify and Apply for Resources Early

Ideally, a family's efforts to begin squirreling away money for college should begin when children are still in diapers—or better yet, even before a child is born. One of the best ways to do this is the tried-and-true [529 plan](#), a tax-advantaged investment account.

"You can contribute up to \$5,000 a year, the money is completely tax-deductible, and it grows tax-free," says Nguyen. "Every state will have a 529 program. That's the first step. Put money away."

As your child progresses through middle school—or at the latest when they're starting high school—it's time to begin actively identifying scholarships that can help defray the cost of college. At this point, families should look for merit-based and need-based scholarship sources. Nguyen suggests contacting the guidance counselor at your child's school for help identifying such opportunities.

"There are creative writing contests that will award \$500 or \$1000, essay contests, novel analysis contests for kids who are good with language arts, and history contests," Nguyen says, rattling off just a few examples. "You're accomplishing two things when you do apply for these. Number one, you win scholarship money, and number two, you're building up your student's profile."

By senior year of high school, it's time to complete the [Free Application for Federal Student Aid](#) (FAFSA). This application is available through the [U.S. Department of Education website](#), and it opens the doors to a range of financial options, including scholarships, grants, and subsidized loans. Each year the office of Federal Student Aid awards about [\\$112 billion](#) based on FAFSA applications in order to help students pay for higher education.

[Is Paying for College Advising Worth the Cost?](#)

## Understand the Sticker Price Versus the Actual Price

Yet another important reality for families to understand is that the advertised sticker price for a school's tuition may not be the *actual* price your child pays. In fact, most people do not pay sticker price, says Ron Lieber, a reporter for The New York Times who writes the "Your Money" column and is the author of [The Price You Pay for College](#).

"If you look at the trends over time, not just in the last two years, but over the last 20 years, the list price has gone up a lot, but the net price has not gone up at the rate of inflation because so many schools have been forced to compete more in the marketplace," explains Lieber.

The net price Lieber is referring to is the actual cost students end up paying to attend a particular school after receiving financial awards of one type or another from the college or university. Often these financial assistance packages from schools are designed to entice students to attend, and the aid may be need-based, merit-based, or a combination of both.

Some of the wealthiest of colleges and universities, for instance, offer substantial financial assistance to prospective students based on a family's annual income. At Harvard University, where the sticker price of tuition may indeed be shocking, the reality is that 20 percent of families pay nothing for

their students to attend. As of the 2023-2024 academic year, families with annual incomes of up to \$85,000 are not expected to contribute a dime to the cost of their child's education at Harvard, [the school's website explains](#).

"Students from families at this income level get a full ride," explains Nguyen. "And beyond that, if you're from a family that makes \$100,000 annually, you're still not going to pay full tuition. You'll pay a reduced cost. I think many students and families self-select out of top tier colleges based on sticker price."

Harvard is not alone in offering free or low-cost tuition. On the west coast, a similar program exists at [Stanford University](#), and the [University of Southern California](#) and the [University of California](#) systems both offer a program in which students whose families earn less than \$80,000 a year attend tuition-free. Colleges in New York state began offering a no- or low-cost tuition program in 2017. As part of the [Excelsior Scholarship](#) and in combination with other student financial aid programs, students who are New York state residents and from families whose annual income is \$125,000 or less qualify to attend City University of New York (CUNY) or State University of New York (SUNY) colleges tuition-free.

The crucial takeaway here, say experts, is not to self-select out of opportunities. Do your research, and explore the options that may be available to make these universities more accessible to you.

### [10 Considerations Before Going Back to School as a Parent](#)

## Consider Community College

At a time when government grants have not kept pace with increases in college costs, more of the burden has been shifted to families, and many are being forced to either borrow more money or enroll in lower-cost colleges. One such lower-cost option is community colleges. But this choice should probably be approached with careful consideration.

"Community colleges are much less expensive. But if your goal is to obtain a Bachelor's degree, taking a detour through a community college may cause you to miss your destination," says Mark Kantrowitz, author of [How to Appeal](#)

[\*for More College Financial Aid\*](#). "Only about one-fifth of students who intend to obtain a Bachelor's degree, but who start at a community college, end up graduating with a Bachelor's degree within six years compared with two-thirds of students who start at a four-year public or private non-profit college."

On the other hand, if a student's goal is to get an Associate's degree or some type of professional certificate, a community college can be a great option, says Kantrowitz. "The average cost of a community college is two-thirds the cost of an in-state public college and one-third the cost of a private four-year college," he notes. For most students, that could mean thousands in savings, especially for those who will be relying on loans to cover costs.

[Trade School, College, or Military? How to Help Teens Choose What's Next](#)

## Resources Worth Exploring

Even accounting for factors like net cost versus sticker cost, at the end of the day, college remains a significant financial burden for most American families. And that burden is exacerbated by the fact that the cost of higher education—tuition, fees, room and board—have all increased significantly and outpaced wage growth for most families.

"Family income has mostly been flat for two decades. This makes it more difficult for families to cover college costs," says Kantrowitz.

But there are many financial resources out there, both need- and merit-based. Families should not get discouraged, say experts. By starting your pursuit of financial aid early in your child's life and doing ample research, it is possible to open doors to a variety of financial resources that make college more affordable. Here are some of the specific options to investigate.

**QuestBridge:** A non-profit organization, [QuestBridge](#) connects low-income students who are high achievers with top-tier universities and provides full four-year scholarships valued at more than \$200,000. The program accepts high school seniors who show outstanding academic ability despite financial challenges.

**Gates Millennium Scholars Program:** A program that provides scholarships

based on academic excellence, the [Gates Millennium Scholars \(GMS\) Program](#) (funded by the Bill & Melinda Gates Foundation) was established to offer support to outstanding African American, American Indian/Alaska Native, Asian Pacific Islander American, and Hispanic American students. Each year 1,000 scholarships are awarded. The average award is about \$12,785.

**National Merit Scholarship Corporation:** A national, annual academic competition based on PSAT scores, the [National Merit Scholarship Corporation](#) was designed to identify and honor academically talented U.S. high school students and encourage them to pursue college education. To be eligible, students simply need to take the PSAT in 11th grade. Each year, more than 1.5 million students compete for this scholarship. About 8,000 students receive assistance.

**Point Foundation:** The [Point Foundation](#) is the largest non-profit scholarship organization in the country for LGBTQIA+ students. It supports students pursuing undergraduate, graduate, and doctoral degrees in the U.S. Awards are based on need.

**Dell Scholars:** Five hundred [Dell Scholars](#) are selected annually to receive a \$20,000 scholarship. This award also includes a new laptop and Chegg credits of \$500 annually to purchase textbooks. To be eligible, applicants must participate in program-approved college readiness courses in grades 11 and 12 and demonstrate a need for financial assistance, among other criteria.