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YOUR MONEY MATTERS

Family Money

Early Remittance

We all know about the high cost of tuition. But the bills can start piling up well before your child applies.

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 Staff Reporter of THE WALL STREET JOURNAL
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Getting a teen college-ready is becoming a big -- and pricey -- business.

There's an array of products and services out there that promise to help students look their best before they send in that first college application. That help doesn't come cheap, however. From private counselors to SAT courses and private tutors to financial consultants, all the preparation can easily cost families thousands of dollars. Then there's the money spent touring potential schools.

THE JOURNAL REPORT



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There's no question that some of the services may well be worth the investment. With college tuitions rising far faster than the rate of inflation -- along with an increasingly competitive and complex admissions process -- more and more families want to give their kids an edge over other applicants.


But some businesses have cropped up in recent years that pander to anxious consumers without providing much of a worthwhile service. What's more, some of the offerings, like scholarship information, can be found online free of charge.

The number of complaints about scholarship and financial-aid outfits that overpromise jumped to 4,486 in 2004 from 670 in 2003, according to a May 2005 joint report to Congress from the Federal Trade Commission and the Education and Justice departments. And that's despite a 2000 law raising penalties for misleading claims. (Though the increase could be an indication of more fraud, the report says, the spike may also be the result of better reporting and greater consumer awareness).

Experts agree that planning for college should begin before a high-school student's senior year. But is there such a thing as starting too early?

Some students and parents start looking into colleges during the sophomore year of high school. Students might take a stab at the preliminary SAT, or PSAT. They might even want to visit a few

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college campuses. But experts say that while buying a practice SAT book or two can't hurt, visiting campuses at this stage is usually unnecessary. And flight, hotel and gas expenses quickly add up.

"It's a huge drain," says Adam Robinson, an education expert and author in New York. He recommends any visits should wait until "junior year -- if at all."



Mr. Robinson points out that high-school students often don't know what to look for anyway, and families might be wasting time visiting schools that students would never get admitted to or even end up applying to. "It makes more sense to find out where you're accepted," he says, "and then do the visits."

That being said, there are exceptions. For instance, if a nearby college recommends an interview, a student should show up for it. Students placed on a "waiting list" for admission should especially make a point of visiting the school if they want to be accepted. That's because admissions offices try to divine which wait-listed students will enroll if admitted, so a campus visit is one way applicants can show they are serious. Still, if a school is located far away, colleges will often arrange for applicants to schedule an interview with an alum who lives close by.

GUIDING THE WAY

When the time does come to apply to schools, many students and parents alike find the process overwhelming. So a growing number of private counselors are offering to facilitate the process and give advice -- for a price.

High schools already employ counselors to help students select their curriculum and assist in the college-application process. But often, students feel they need more attention than a school's counselor is able to give. Counselors in public high schools are saddled with average caseloads of 315 students, according to the National Association for College Admission Counseling, based in Alexandria, Va. That's three times what the association thinks the caseload should be.

For Sharon Kamm, a psychologist in West Long Branch, N.J., dissatisfaction with high-school counselors for her two older children was part of what led her to use a private counselor for her youngest son, Matthew. "There's so much out there," says Dr. Kamm, "that to organize it, and get him to the place where he could narrow it down, it was worth it to have someone on him other than his parents."

For about \$1,500, the Kamms got a year's worth of face-to-face meetings that started monthly and progressed to weekly as things heated up in the spring of Matthew's junior year. "It created a lot less tension at home," Dr. Kamm says.

Hiring a private counselor is becoming the norm among many middle-class and upper-middle-class families, particularly in suburbs on the East and West coasts, says Mark Sklarow, executive director of the Independent Educational Consultants Association, a professional association in Fairfax, Va. Consumers are typically students attending suburban public schools who feel they need the extra attention. Parents are often professionals comfortable seeking out additional expertise, and they view the cost of counseling as an investment in getting the most out of a much

larger, six-figure tuition looming ahead.

Membership in Mr. Sklarow's professional association has grown 30% in the past year to more than 500 counselors. That's more than twice the number of members it had in 2002.

Mr. Sklarow says about one-third of counselors charge by the hour, with a national average of around \$115 an hour. But the "package deal" is a more typical approach and usually involves some combination of phone calls, emailing and face-to-face visits, which carry over from 10th grade through the college-application season. That kind of arrangement will run families anywhere from \$2,700 to \$3,200 on average. Generally, "anything over \$5,000" Mr. Sklarow considers a "red flag."

Matthew Kamm is now a freshman at Brandeis University in Waltham, Mass. He says he hadn't even heard of Brandeis before his counselor had recommended it, after it became clear that he was looking for a midsize liberal-arts school near a city with an active Jewish community. Brandeis had everything he was looking for -- plus a full-tuition scholarship. The choice "was pretty obvious," he says, adding that his private counselor was instrumental in opening that door.

SAT SCHOOLING

SAT preparation is another area where families can easily spend hundreds or thousands of dollars.

SAT courses typically teach students how to decipher the test, offering strategies on guessing and how to pace the test. Kaplan Inc., a unit of Washington Post Co., offers a standard 36-hour course, which includes eight classes that teach how to take the test and four sessions where students take a practice SAT. The course costs \$899 in most parts of the country, \$999 in the New York area. **Princeton Review Inc.**, based in New York, offers a standard course of up to 35 hours of instruction plus four diagnostic test sessions spread over five or six weeks. The course costs \$900 to \$1,000, depending on location.

Both Princeton Review and Kaplan say they see average score increases of 60 to 80 points per section. (Each section is scored on a scale of 800).

The downside for many students is the schedule. Course times often conflict with after-school activities like sports. That's why private tutoring, where a trained teacher comes to a student's home, is catching on as an alternative.

But this one-on-one approach can get expensive. Kaplan, for instance, offers tutoring packages, which, depending on where a student lives, can range from \$1,899 for a 20-hour program to \$4,199 for a 32-hour program. Princeton Review's private tutoring can range from \$70 to \$300 an hour, depending on the tutor's experience. It also offers packages.

Princeton Review Chief Executive John Katzman says private tutoring has grown "explosively" over the past couple of years.

Some people, though, find a private tutor too costly and a traditional class too big. So next spring, Princeton Review is launching something of a middle ground in about a half-dozen large cities: semiprivate tutoring it's marketing as Review à Trois. For \$2,500, a student gets 30 sessions of one-on-three tutoring. The average size of a traditional class is 10 students.

But some test-prep experts think a course is still the best way to go for many kids, largely because a lot of what is taught may sound counterintuitive to even the brightest kids, so the group dynamic sometimes helps rally students in learning odd-sounding concepts. "Don't assume that tutoring is necessarily better than a course," says Mr. Robinson.

CURTAILING COSTS

For many families, picking a college is the easy part. The hard part is figuring out how to pay for it.

Enter accountants who specialize in helping families use tax strategies to save for college.

The National Institute of Certified College Planners trains and certifies accountants and financial planners who want to provide this type of college-planning service to clients. The services involve strategies such as maximizing your child's lower tax bracket by shifting income and assets to his or her name.

The big caveat: Families that think that they might get need-based aid may want to avoid using some of these strategies. Shifting income and assets to the child's name could backfire when colleges look at those forms to calculate aid. Money in the child's name is assessed at a far less favorable rate than money that belongs to parents. Families with annual income above \$150,000 generally won't be considered for need-based aid.

There also are a host of companies out there that offer to help families figure out their expected family contribution toward college, as well as their financial need. But this is something people can easily figure out on their own -- free of charge -- using online calculators.

[FinAid.org](#)³, a Web site owned by **Monster Worldwide Inc.**, a career-search and recruitment company based in New York, has links to such calculators, as well as free detailed information on things like tax-advantaged education savings plans.

In addition, beware of Web sites or services that charge money to search or apply for scholarships. They don't provide anything that isn't already available to the public free of charge, says FinAid publisher Mark Kantrowitz, who has studied and compared various databases.

Free sites include [FastWeb.com](#)⁴, [Scholarships.com](#)⁵, the College Board's Scholarship Search ([apps.collegeboard.com/cbsearch_ss/welcome.jsp](#)⁶), and [srnexpress.com](#)⁷.

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