

# **Top Strategies to minimize Expected Family Contribution**

***These strategies will have the largest impact on need-based aid eligibility.***

1. Pay off consumer debt, such as credit card and auto loan balances with excess cash in your checking or savings, or accelerate necessary expenses such as if you need a new car or computer, buy it before you file the FAFSA.
2. Spend down the student's assets and income first. They are expected to contribute a much larger % of income and assets than parents are.
3. Accelerate necessary expenses, to reduce available cash. For example, if you need a new car or computer, buy it before you file the FAFSA.
4. If your family's financial circumstances have changed significantly in 2016 compared to 2015, or in 2017 compared to 2015, request and file a Special Circumstances Petition at the college you will be attending after filing your FAFSA. With adequate documentation the school may adjust your reported income to better reflect your recent financial situation using a process known as Professional Judgment.
5. Minimize capital gains to reduce your AGI.
6. Maximize contributions to your retirement fund to reduce your AGI.
7. Do not withdraw money from your retirement fund to pay for college, as distributions count as taxable income, reducing next year's financial aid eligibility. If you must use money from your retirement funds, borrow the money from the retirement fund instead of getting a distribution.
8. Ask grandparents to wait until the grandchild graduates (after the FAFSA is filed) before giving them money to help with their education.
9. Trust funds are generally ineffective at sheltering money from the need analysis process and can backfire on you. The value of Trust funds must be reported as the student's assets.
10. A section 529 college savings plan owned by a parent has minimal impact on financial aid, and one owned by a grandparent has no impact on financial aid.
11. Choose the date to submit the FAFSA carefully, as assets and marital status are specified as of the application date. Choose a date to submit that will provide a more favorable outcome for you!