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By **CONRAD DE AENLLE** | September 14, 2010

How to Choose the Right University

It's hard to get what you pay for when you're buying something as expensive and important as higher education and the price keeps increasing at a furious clip. Specialists in education financing nevertheless say that many opportunities exist to extract better value from universities and colleges.

Picking a school is like picking a bottle of wine, if not as much fun. In both endeavors, going for one that's expensive or has a fancy label isn't necessarily the right move.

"I don't think overextending a family's finances to get a brand-name college in any way serves a child's needs," said Mark Sklarow, executive director of the Independent Educational Consultants Association, an organization whose members help American families select a university based on cost, among other criteria. "Choosing a college that's a little less well known—a regional leader versus a national one—seems to be a smart financial decision. The student is more likely to be successful, and he's more likely to be offered aid."

The financial sense of going to a particular university tends to rise the more it makes sense in other ways, Mr. Sklarow said. Attending institutions that conform to students' academic goals and personalities increases the likelihood that they will get their degrees and have more fulfilling experiences along the way.

"To me it's about finding a great match," he said. "With so many kids either transferring or dropping out, that's where the economic issues come in."

Getting the most for the least is a matter of finger work and legwork. Mr. Sklarow advised "getting online, doing research, visiting campuses." Prospective students should not just consider course offerings but should ask themselves whether "socially, politically it fits your personality."

The best way to determine that is on a visit that is stealthy and solitary. "Don't just take the organized tour," he said. "Leave Mom and Dad behind and

sit in the dining hall. That will give you a little bit more insight into what the campus is like."

Mr. Sklarow added that it could be far less expensive and ultimately less time-consuming to delay making a decision than to make the wrong one and regret it.

"An awful lot of kids would be better off taking a gap year—traveling, working, figuring out what to do," he said. "You just don't know where the world's going to take you."

Some universities are thought to be poor value because they offer too much of a good thing. A recent study by the American Council of Trustees and Alumni took many big-name schools to task for what they saw as excessively extensive and exotic course lists. The study noted, for instance, that students at Emory University in Atlanta can fulfill their history requirement with "Gynecology in the Ancient World."

"It's ludicrous to take an 18-year-old and give them hundreds of choices when they don't have any basis for making a decision," Anne D. Neal, ACTA's president, said on the organization's Web site.

ACTA gave high marks to the more affordable universities that it said had more comprehensive ranges of courses in core fields like history, literature, mathematics and science than far more expensive schools. It did not make any comparisons about the quality of teaching, however.

Cutting the cost of education is ideal. Sharing the cost with someone else is pretty good, too. Tax breaks, some especially designed with college in mind, exist in many countries and amount to a partnership between families and governments.

Coverdell accounts and 529 plans offer tax advantages for Americans saving for a range of education expenses, including tuition, room and board, books and equipment like computers.

Britain has something that can achieve the same results, although it is not aimed specifically at educa-

tion. Christopher Shaw, group head of wealth planning at the private bank SG Hambros, noted that life insurance policies held for at least 10 years could be cashed in with no tax on accrued gains as long as contributions are made for at least seven years.

Saving for your children's education "sooner rather than later makes a lot of sense," Mr. Shaw said. "You can get your investment to grow over time; the longer you have, the bigger the growth will be, and it will be free of tax."

Many European Union countries provide tax relief related to education, according to the European Center for the Development of Vocational Training, an E.U. organization. Write-offs of higher-education expenses exist in Austria, France, Estonia and Lithuania, for instance. Concessions in Ireland cover tuition in certain fields only, like information technology and foreign languages, and Greek parents can deduct part of the rent of dependent children attending school.

Even if the financial burden can be eased, does going to college make more financial sense than doing something else for those four years?

John Challenger, chief executive of Challenger, Gray & Christmas, an employment consulting firm, cited statistics showing that higher education paid off in the long run. He noted that the jobless rate for U.S. college graduates was typically half what it was for workers who completed high school only.

"Having a college degree gives you an ability to find your way through life with fewer job changes, fewer periods of prolonged unemployment," Mr. Challenger said. "That's one of the reasons lifetime earnings are higher for grads."

He cautioned, though, that if tuition and other costs kept rising, the equation might change. Although he didn't suggest an appropriate figure, Mr. Challenger said that "at some point they could charge so much that it wouldn't be good value."