



# College Planning

## Tips On Paying For A Priceless Education

(NAPSA)—While the value of an education may be priceless, it is far from free. The good news is that there are a variety of ways in which you can make paying for school more manageable. Here's some advice:

- **Start a savings plan early**

Planning for an education means finding a school that fits your particular budget. The cost of housing and books alone adds up, and selecting a private school means an even higher tuition bill. For the 2009–2010 school year, the average cost of a four-year in-state public college was \$7,020, with four-year private institutions averaging \$26,273. The sooner you begin saving, the more options you'll have to choose from for the college of your choice.

Loretta Abrams, senior vice president, Community Investment, HSBC—North America, said, “The key to paying for a good education, as with any long-term savings goal, is to start early and save regularly—even if it's only a little. You'll soon be surprised at just how much you've put away.”

This can also be an excellent time to encourage your child to open a savings account and establish a regular savings pattern. You may want to help by agreeing to “match” all or a portion of the savings above a certain threshold amount.

- **Find the right route for you**

With the rising costs of college degrees and a potentially significant investment in student loans, consider what your postgraduate career earning potential might be. Some experts recommend taking on no more in student loans than the amount you'll be earning the first year after you enter the workforce.



**Experts say the key to paying for a good education is to start saving early and to save often.**

To help reduce the burden of saving for an education, there are popular tax-advantaged vehicles like 529 college savings plans, Coverdell education savings accounts (ESAs), 529 prepaid tuition plans and U.S. savings bonds. The rules are different for each plan, so research your options carefully to determine what will work best for your situation.

- **Explore your options**

Consider alternative savings options offered at the college of your choice. These typically revolve around:

Scholarships or grants, which do not have to be repaid.

Loans, which must be repaid, but usually not until after graduation. Working in certain jobs or locations can reduce the loan or postpone repayment.

Work/student grants, which colleges offer students. Sometimes earnings are deducted from tuition and other times the student earns a salary.

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