

DETROIT

How to plan for college expenses

NATIVE SUN

Are your college savings on track?



(StatePoint) Each year, a majority of American parents of college students are confronted with higher-than-expected costs for tuition and room and board, according to a College Ave survey. The same survey finds that the price tag on other college-related expenses, such as books, activity fees and transportation, also catch large portions of parents by surprise.

"Making a concrete plan to pay for college can help you overcome that initial sticker shock and navigate these important years with less financial stress," says Dan Kennedy, chief marketing officer, College Ave.

Kennedy recommends taking the following steps to create your plan for paying for college:

Seek aid each year: Don't forget to submit the FAFSA (Free Application for Federal Student Aid) each year your child is in school. This is the only way to receive need-based grants, loans and work-study offers from the federal government.

Read and compare financial aid award letters carefully: Use each school's financial aid letter, delivered in the spring, to get an apples-to-apples comparison of costs. Calculate the net direct cost of each school by subtracting offered scholarships and grants from the total cost of attendance. If applicable, you can subtract work-study aid too. You should also factor in expected year-to-year increases in tuition, room, board and other fees. This analysis can help you narrow down schools within financial reach for your family.

Consider appealing: While an award package can seem like it's set in stone, you may be able to appeal for more aid

from the school of your choice. Don't be afraid to ask for more aid if your financial situation has changed.

Look for outside assistance: Scholarships are typically based on merit or talents and can provide substantial assistance. Colleges and universities themselves award scholarships, as do national and local organizations. One of the easiest scholarships to apply for is the College Ave \$1,000 scholarship sweepstakes. The submission process does not even require an essay and you can apply every month. Encourage your student to continue applying for scholarships year-round, as every little bit helps.

Explore private student loans: The College Board reported that the average amount of aid that undergraduate students received in grants, federal loans, tax credits and work-study programs was \$16,360 for the 2023-2024 academic year. Considering that the average total cost of attendance for a public four-year school that same year was \$24,920 for in-state students, you might need more aid than your college initially offers. Private student loans are a great option to help supplement your financial needs. Shop around for a great rate and loan terms you can work with. Use College Ave's student loan calculator to ensure you know the cost of borrowing and what your monthly payment might look like. It can be found at: collegeave.com/calculators.

For a private student loan, and for additional tips and resources for college-bound families, visit collegeave.com.

"With a clear financial plan, your family can stress less and enjoy the excitement that comes with sending your child to college," says Kennedy.



(StatePoint) If you're like many Americans, college savings may be taking a back seat to other financial priorities right now. Financial advisors want you to know that there are options to maximize education savings that you may not be taking advantage of.

New research from Edward Jones, a leading North American financial services firm, and Morning Consult found that 52% of Americans don't know what 529 plans are, and only 14% note they have or intend to use one as part of their education savings strategy.

"As a parent myself and as a financial advisor, I've seen the impact that 529 plans have had for my family's and my clients' education savings," said Andy Esser, a financial advisor at Edward Jones. "With education costs and borrowing costs on the rise, it's more important than ever for Americans to understand the savings options available to them."

To help you get your education-specific and broader financial goals on track, Edward Jones is sharing these fast facts about 529 plans:

529 plans, defined: A 529 plan is an education savings investment account that offers federal and state tax benefits. Earnings grow tax free and distributions are tax free, when used for qualified education expenses, and many states plans offer state income tax deductions for contributions.

Distributions are flexible: While 529 plans offer a variety of options for how beneficiaries use the funds, this fact is widely misunderstood. In fact, the majority of surveyed Americans are not aware that 529 funds can be used for qualified apprenticeships (72%), K-12 expenses (65%), or possibly even for rollover funds to a Roth IRA (81%), among other options.

Account management offers options: If your family has multiple children, you may choose to open just one 529 account, or different accounts for each child. Either way, if a named beneficiary decides not to attend school, the account owner can change the beneficiary to another eligible family member.

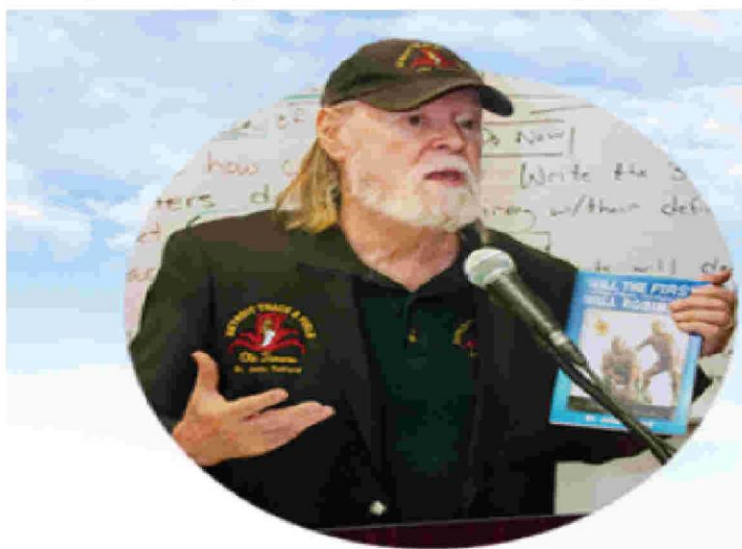
Contributions are easy: 529 plans accept contributions from anyone, regardless of whether they are account holders, making it easy for loved ones—from grandparents to family friends—to contribute to tax-advantaged education savings.

Savings are falling short: Only 38% of Americans feel like they are saving enough to reach their education savings goals, meaning most families will likely need to lean on student loans to meet costs. A 529 plan can offset what your family might need to borrow, helping position you for a debt-free future.

Financial advisors can help: The majority of respondents (78%) do not typically consult a financial advisor before making decisions related to education savings, but 21% say that working with a financial advisor would help them feel better about covering the costs of future education expenses. Financial advisors can act as impartial third-party experts to develop tailored strategies to meet your savings goals within the context of your big-picture financial goals.

To learn more about 529 plans, visit www.edwardjones.com.

"Amid inflation and high interest rates, a growing number of young people are considering skipping higher education altogether. Understanding the many savings options available can help them make an informed decision about whether college is within reach," says Esser.



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