



Consumer Sense

Information from Credit Human and CFS* to help keep your financial life in balance

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Rising Cost of Education

According to the College Board, the average cost for tuition and fees at four-year public institutions has increase nearly 51% over the last 10 years (after adjusting for inflation), and these costs will almost certainly continue to rise. Saving for college can help with the increasing cost of a college education and help you be financially prepared when your children are ready for college. No matter how much you save, even a little can make a difference.

Savings Advantages

Saving for your child's college education is an investment in their future. The savings you make today pay off in increased earnings potential in the future.

Like any other major investment, the key to saving for college is to start early and save regularly. By saving a set amount at set times, your money can grow as your child does. And before you know it, you'll be just as ready for college as they are. Set your college savings goals realistically. You may not be able to save enough for all four years of tuition, room, and board, and other expenses – but you could save enough to give your child the right start.

529 Education Plan

In order to aid families in financing the cost of education, all states now sponsor a college savings plan. Assets in 529 plans grow tax-deferred and distributions to pay for qualified college expenses are generally not subject to federal taxation. Once the child reaches college age, funds can be withdrawn tax-free to cover expenses such as tuition, books, supplies, and room and board. One significant benefit of a state-sponsored college savings plan is that it can be used to fund education at any accredited college or university. Should your child decide not to attend college, you have a couple different options in terms of funds accumulated. The first option is to transfer the plan to another family member. Funds can be transferred to and used by siblings,

parents, grandparents and other relatives. The second would be to cash out the plan. Most states assess a penalty of 10 percent of the earnings on any withdrawal that is used for non-educational purposes.

Federal penalties and income tax on the growth of the account may also be imposed. Should the recipient of the 529 Plan die or become disabled, no penalties will be incurred.

Who Can Assist Me?

As you prepare to save for your child's education and review where you stand financially it may be helpful to consult with a financial professional who can assist in making those informed decisions. Planning carefully, investing wisely and spending thoughtfully will help increase the likelihood that you stay on track to a financially secure retirement.

To speak with a CFS financial advisor at Credit Human about a retirement strategy, schedule your complimentary consultation by calling toll free 800-234-7228, extension 1442.

Investment Services offered through CFS*

Have you read?

"Paying for College Without Going Broke, 2017 Edition," by Princeton Review and Kalman Chany

Please visit these sources for more information:

<https://www.wsj.com/articles/five-common-mistakes-people-make-when-paying-for-college-1496628841>

<https://bigfuture.collegeboard.org/pay-for-college/college-costs/quick-guide-college-costs>

http://www.savingforcollege.com/tutorial101/the_real_cost_of_higher_education.php#



At Credit Human, our CFS* investment representatives are committed to providing products and services that help you and your family build financial wellness.

Interested in Learning More? Call 800-234-7228 ext. 1442 or ext. 1071.