



Your Financial Health Saving for My Child's College Education

If you've spent a few nights worrying about how to pay for college you're not alone. The cost of college is a major concern for most families with good reason as it is increasing at a faster rate than inflation. Over the past 30 years the average cost of in-state tuition has risen by 146% for private four-year institutions, 150% for two-year colleges, and 225% for public four-year schools. Where your child will attend and the type of college, are the primary factors to consider in determining how much you'll need to save.

This said, a typical bachelor's degree recipient can expect to earn 68% more than a typical high school graduate.

You can get an idea of how much to save for based upon the current costs of college and increasing it by 5% each year between now and the time your child starts college. Each college publishes their "cost of attendance" to help preplan the expenses associated with attending that college. Remember, you don't have to save 100%. The more you can save the less likely you will need to rely on financial aid, scholarships, loans and other sources.

The average cost of college based on 2016 tuition rates in the Midwest is;

2 Year = \$10,800

4 Year Public = \$19,710

4 Year Private = \$42,370

Although saving for college might feel unattainable, like any major financial goal, it's much easier to potentially achieve over time. In fact, time is one of your most valuable assets when it comes to saving for college. The more you invest and the earlier you start, the more opportunity your money has to grow.

Don't despair – it's not too late to start. Remember, you don't need to go it alone. Think about the grandparents, aunts and uncles, and close friends who give your child gifts. Tell them you've opened a 529 college savings plan and ask if they would be willing to give the gift of an education by contributing to the account on holidays and birthdays.

Source: Trends in College Pricing & The College Board

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