



ANDREWS LUCIA
WEALTH MANAGEMENT LLC

***InFocus* May 2017—Planning for Higher Education**

Intro: CAMPUS TUTORIAL: GETTING TO AND THROUGH COLLEGE

Mortarboards, commencement speeches and big dreams are filling the air. Graduation ceremonies and celebrations have been playing out this month on campuses, small and large, in every pocket of the country. This milestone transition is reason to cheer, but for many, the thought of sending someone to college is something that causes anxiety. Tuition and assorted student fees can be sky high at many institutions of higher learning, and subsequently, so are the numbers for overall student debt (estimated to be more than \$1.3 trillion) and outstanding student loans (more than 42 million). Paying for college isn't the only concern. Choosing the right college and actually applying for admission (and aid) can be a labyrinth-like adventure with stressors at every turn. To help, we have compiled a library of resources that can serve as a tutorial for those in the process of higher-education planning.

SAVE ON THIS DATE: 5/29 (OF COURSE)

529 plans are popular savings plans run by a state or educational institution that families can use to set aside money to help cover college costs. 529 plans offer federal/state tax benefits and flexibility -- great flexibility, in fact. You can live in Virginia, invest in Nevada's 529 plan and ultimately use the funds to send your child to a school in Michigan. You can also easily change beneficiaries if, say, your oldest child or an only child doesn't need college funding after all.

May 29 is National 529 College Savings Plan Day, but these plans are being showcased all month. States are offering incentives and contests to increase interest -- and participation -- in 529 plans. SavingForCollege.com has compiled a [state-by-state list](#) and also has an extensive [collection of resources](#) to help with your 529 homework.

COLLEGE EDUCATION IS INVALUABLE, BUT IT DOESN'T HAVE TO BE CRAZY EXPENSIVE

Going to college can aid a financial future. *Paying* for college, however, can stunt a financial future. According to the National Center of Education Statistics, for the 2014-15 academic year, the average annual price for undergraduate tuition, fees, room, and board was \$16,188 at public institutions and \$41,970 at private nonprofit institutions. These high costs often lead to students incurring long-term debt and parents taking out education loans at the expense of saving for retirement, which can offset the benefits of getting a college education in the first place.

Tim Maurer, director of personal finance for the BAM ALLIANCE, offers advice for both parents (take care of yourself before you take care of those who depend on you) and students (restrict your student loan debt to no more than what you expect to make in your first year's salary) [in this article](#).

FOLLOWING A GUIDE FOR STRATEGIC COLLEGE PLANNING

It's an understatement to say the process of funding a college education is complex. For starters, the cost of higher education is often a moving target, with few people paying the same price even at the same institution. You need to determine your eligibility for the myriad financial aid options at the countless number of institutions of higher learning across the country. You also have to decide when you should start saving, how much you should be saving, what savings plans are best for you, and how you plan to ultimately pay for the college experience.

The good news: You don't have to navigate all of this alone. A trusted advisor can help you save for college, increase aid eligibility, and generally make the process as affordable and comfortable as possible. A trusted advisor can help you:

- Understand the college-funding options available, including savings accounts, tax credits and deductions, federal loans, and grants.
- Identify the schools that are most generous with merit-based aid.
- Determine what you can afford and optimize the process for becoming eligible for aid.
- Develop a savings plan as early as possible.