

College Planning

Getting Prepared For Tuition Costs

(NAPSA)—Information can be a valuable asset when it comes to saving for college, and knowing just how much it will cost may motivate some parents to start saving early—when it can do the most good.

According to the recent Hopes and Dreams survey, 91 percent of parents say that paying for their child's college education is important to them, yet only 9 percent say they have actually saved as much for college as they had planned. Only 13 percent of parents say they are certain they will save enough for their child's college education in the next 10 years, while 9 percent of parents do not expect to pay for their child's college education at all.

"Not having the best information has led many families to believe saving for college is out of reach," says Rebecca Matthias, founder and president of Futuretrust, a college savings program. "There are many misconceptions that deter parents from preparing properly for the cost of higher education."

Some parents mistakenly believe that it is better not to save so that their child will receive more financial aid. Indeed, 63 percent of parents expect their children's tuition to be partly funded by scholarships and grants. "What many parents don't realize is that the availability of college grants has declined in recent years, and financial aid will most likely turn into a burdensome loan," says Matthias.

According to the survey, 48 percent of all parents do not know



Starting a savings plan early is key to having enough to cover college tuition.

what a tax-free 529 college savings plan is. "Considering how valuable a 529 plan can be, it's worrisome that nearly half of all parents are uninformed about them," says Matthias.

Savings Options

Programs such as Futuretrust, a MasterCard-linked college savings plan, are designed to help parents boost 529 savings with automatic rebates deposited directly into any 529 account every time they make a purchase. The key is to start early, even before your child is born. That's because no investment is too small when you have time on your side.

The Hopes and Dreams survey was conducted online within the United States for Futuretrust among 2,757 adult parents and expectant parents of children who are likely to attend college in the future. The sampling error is +/- 5 percentage points. For more information, visit www.futuretrust.com.