

# YOU CAN AFFORD COLLEGE

## A FINANCIAL FITNESS INITIATIVE

### The Reality of the Cost of College

- The average tuition, fees, room and board at a public, four-year, in-state institution come to \$18,943 per year. That doesn't include books, supplies, transportation and other costs.
- 70 percent of today's college students graduate with student loan debt. The average debt load per student is \$35,051.

Forty-five percent of parents plan to dip into their savings to pay for their child's college costs. The same percentage plan to rely on aid.

### How to Pay for College

If you're far enough out, **529 plans** are a good way to save for college because they offer tax-deferred growth. Virginia taxpayers can deduct up to \$4,000 in 529 contributions per account each year, and the money can be used in other states if you move. There are two types of 529 plans:

- Prepaid tuition plans let you prepay tuition expenses for future use
- College savings plans let you save money for college in an individual investment account.

Many students qualify for **financial aid**, which consists of:

- Grants: Primarily need-based financial aid that does not have to be repaid
- Loans: These may be subsidized (need-based) or unsubsidized (not need-based) and must be repaid with interest
- Work study: A need-based program through which students earn money to help pay for school

Always apply for financial aid to see what you qualify for – and apply early! (*scholarship resources are on the back of this page!*)

**Scholarships** are another way to help defray educational costs. These are student-specific and can be need-based, merit-based and career-specific.

### How to Save Money on College

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WITH THE RIGHT TOOLS AND PREP, A  
COLLEGE EDUCATION CAN BE AFFORDABLE!



Students can also save money on college by finding the best deal and saving money in other ways, such as:

- Attending an in-state public school
- Attending community college before moving on to a four-year college
- Earning college credit by taking Advanced Placement or International Baccalaureate classes in high school
- Attending a local school and living with their parents

**Other general tips:**

- Begin saving as soon as possible! Saving \$50 a month from birth to 18 at a 6 percent rate of return yields \$20,000.
- Take advantage of any tax breaks available to you, possibly including:
  - American Opportunity Credit (\$2,500 for the first four years of post-secondary education)
  - Lifetime Learning Credit (\$2,000)
  - Tuition and Fees Deduction (\$4,000 deduction)
  - Student Loan Interest Deduction (\$2,500 deduction)

**To access the You Can Afford College presentation and additional resources online visit [vscpa.com/College](http://vscpa.com/College)**

**Additional Resources:**

**GRASP:** Scholarships, In-school advising, College Success Program for Virginia students; [grasp4va.org](http://grasp4va.org)

**Virginia529 College Savings Plan:** College savings planning advice and savings accounts; [virginia529.com](http://virginia529.com)

**College Scorecard:** The U.S. Dept. of Education website that allows you to compare colleges; [collegescorecard.ed.gov](http://collegescorecard.ed.gov)

**FAFSA:** The Federal Student Aid Office; [fafsa.ed.gov](http://fafsa.ed.gov)

**Campus Explorer:** Find scholarships through an easy search process; [campusexplorer.com](http://campusexplorer.com)

