

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

Additional Resources:

GRASP: Scholarships, In-school advising, College Success Program for Virginia students; grasp4va.org

Virginia529 College Savings Plan: College savings planning advice and savings accounts; virginia529.com

College Scorecard: The U.S. Dept. of Education website that allows you to compare colleges; collegescorecard.ed.gov

FAFSA: The Federal Student Aid Office; fafsa.ed.gov

Campus Explorer: Find scholarships through an easy search process; campusexplorer.com

