

College Bound . . . Financially Strapped



College Bound = Financially Strapped

Parents *wish* a happy, successful life for their children. Many *hope* that their children will go to college as a step in the right direction, and they *think* about how they can guide their children toward that dream. However, few really *plan* for that day. So, when the time comes and the child is **college bound**, the parents are often feeling **financially strapped**.

However, planning for college is more than finances. In fact, you are planning for a life-altering event for your child and for you. It often means a change of location for the student, a change in friends, and a change in lifestyle...even a change in attitude. It's a whole new world, and good preparation will enhance your child's opportunity for success.

Where do you, as the parent, begin? What types of information do you need beyond visiting campuses, talking to guidance counselors, and comparing tuition fees?

Decisions, Decisions, Decisions

- ✓ What course of study will the student pursue?
- ✓ Is an Associate's, Bachelor's or Graduate degree required?
- ✓ Which college has the best program?
- ✓ Can the student get into the college of choice?
- ✓ Will the student live on campus or off campus?
- ✓ How will the parents and student pay for the tuition, books, living expenses and other miscellaneous costs?
- ✓ Will the student qualify for financial aid?
Complete the Free Application for Federal Student Aid (FAFSA). Apply for:
 - Federal Financial Aid
 - State Financial Aid
 - Financial Aid Programs offered by the specific college
 - Financial Aid for entering selected majors
 - Other programs

- ✓ Should student loans be considered?
- ✓ Are there any scholarships available?
- ✓ Should the family begin a 529 Plan?
- ✓ Will the student work or not?
- ✓ Must the family use other family assets . . .
a second mortgage, savings or even dip into the parents' retirement funds?

You can see that making these decisions can create a time-consuming exercise for which most parents are neither prepared nor have the time and experience to complete the necessary research.



continued . . .

There is Help! Loosen the Straps!

Of course the best plan to avoid the complications of financing college expenses is to get an early start and be vigilant. However, those early years are often when families can least afford to put large amounts of money away. So where should the family put what money they have to produce an effective outcome?

To answer this question, several factors must be evaluated. Are the funds potentially exempt from inclusion in the FAFSA assets? How will the funds affect the parents' income tax calculations? What is the plan if the parents should predecease the student?

If the student is a junior or senior in high school, what strategies are available to this family? Ideally, the goal would be to maximize financial aid and conserve family resources as much as possible. The strategy at this late date may involve a repositioning of the family assets.

Wherever you are in the planning process for your student, there are options. Security Mutual Life has options for you to consider. Talk to one of our representatives who has training in college planning and the necessary tools to evaluate your position and help you achieve your college-planning goals. We want to see your child college bound while loosening your financial straps.

The Security Advantage

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