

Getting Your Children Involved in Saving for College

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Most articles about college planning focus on advice for parents or other adults who expect to pay the cost for a younger person's education. But what about the beneficiary who plans to attend college?

Although most young people don't have the assets for college savings that their elders do, being part of the planning process can be educational, offering financial lessons for the future. Children can earn money, learn about sources of financial aid, research potential colleges, and take other steps that may relieve their parents of some of the responsibility of college planning. In addition, some experts believe that if children are actively involved in planning for their future, they may be more committed when entering college and ultimately have a more successful experience than they would have otherwise.

Starting Early

According to the U.S. Department of Education, the best time to introduce children to college planning is when they are in the sixth, seventh, or eighth grade. You may want to initiate discussions about college and explain the importance of developing good study habits and getting involved in extracurricular activities -- to instill the idea that your family supports higher education.

You may also want to encourage your children to begin thinking about the career they would like to pursue, which is likely to influence their choice of college, as well as to establish a savings account that could be earmarked for education expenses. In addition, you can teach basic lessons about compounding, investing, and other money management issues.

When students are in the latter part of middle school, they can also start planning to make the most of high school experiences with an eye toward college. Remind your budding scholar that success in high school depends on skills and attitudes that are developed in middle school or earlier. For example, time management skills developed in middle school may eventually help a high school student manage schoolwork, a job, sports, and other interests. And when the time comes to pick classes for the first year of high school, a good mix of college prep courses may be important.

Budgeting Basics

You can help your child plan for college by assisting him or her with developing a realistic budget. The chart below details enrollment-weighted averages and is intended to illustrate the costs that a student is likely to pay in various situations.¹

	Tuition and Fees	Books and Supplies	Room and Board	Transportation	Other Expenses	Total Expenses**
Two-Year Public						
Resident	\$2,713	\$1,133	\$7,259	*	\$1,989	\$13,094
Commuter	\$2,713	\$1,133	*	\$1,491	\$1,989	\$7,326
Four-Year Public						
In-State	\$7,605	\$1,137	\$8,535	\$1,073	\$1,989	\$20,339
Out-of-State	\$19,595	\$1,137	\$8,535	\$1,073	\$1,989	\$32,329
Four-Year Private						
Resident	\$27,293	\$1,181	\$9,700	*	\$1,440	\$39,614
Commuter	\$27,293	\$1,181	*	\$862	\$1,440	\$30,776

¹Source: *Trends in College Pricing Annual Survey*, the College Board, 2010-2011 academic year.

*Sample too small to provide meaningful information.

**Based on estimated average student expenses. Average total expenses include room and board costs for commuter students, which are average estimated living expenses for students living off-campus but not with parents.

A Higher Gear in High School

Many high school students are mature enough to plan for college at a deeper level. Appropriate planning may include the following:

Matching personal aptitudes with vocational interests -- High school guidance counselors can help students learn about careers that utilize skills in math, science, language arts, social studies, and other areas of interest, as well as postsecondary courses of study in these areas.

Maintaining high academic standards -- Colleges prefer applicants that have exceeded basic requirements and taken more challenging courses in language arts, math, science, social studies, foreign languages, and other areas. Many high schools permit qualified students to earn college credits by taking Advanced Placement courses. Excelling in these classes may demonstrate motivation and reduce the number of academic requirements after a student enters college.

Learning about college costs -- Students may gain a deeper appreciation of their family's financial sacrifices when they realize how expensive college is. They can learn about college costs from the College Board at www.collegeboard.com, the U.S. Department of Education at www.ed.gov, and high school guidance offices.

Researching scholarships -- There are numerous Web sites with information about sources of financial aid. For example, www.fastweb.com and www.finaid.org contain search engines with data about thousands of scholarships with varying eligibility criteria. In addition, www.fafsa.ed.gov provides an overview of federal student aid programs, including Pell Grants, campus-based aid programs, Stafford Loans, PLUS Loans, and others. Also, local libraries and high school guidance offices may have information about state-sponsored aid programs and scholarships sponsored by local organizations.

Earning money -- High school students can set aside a portion of their wages from part-time or summer jobs for higher education expenses. Also, students may be able to obtain jobs that build on career interests as a way of solidifying their future plans.

Getting organized -- College planning encompasses numerous details, including visiting institutions that a student may want to attend, applying for financial aid, obtaining transcripts and letters of recommendation, and meeting deadlines. A high school student can take responsibility for making sure that important matters are tended to ahead of time. For example, if a student has a school vacation coming up, he or she could help organize a family trip to visit colleges of interest or spend some time completing college applications.

You and your prospective student may be able to think of more ideas that could add value to your family's efforts to save for a college education. Getting your budding scholar involved in the process -- financially and otherwise -- could ultimately be a pivotal lesson in responsibility that impacts his or her later success in life.

A Family Affair

Young people can assume varying levels of responsibility for college planning depending on their age and interests. Consider the following if you are looking to get a middle or high school student involved.

6th - 8th Grades

- Continue good study habits
- Enhance computer and Internet skills
- Participate in arts activities or sports
- Start saving money

9th - 10th Grades

- Enroll in college-preparatory classes
- Establish high academic standards
- Research careers that match personal aptitudes
- Learn about college costs
- Identify prospective colleges
- Research financial aid
- Set aside money from babysitting, yard work, or other odd jobs for college expenses

11th - 12th Grades

- Get a part-time job and continue saving for college
- Visit colleges of potential interest
- Take the Scholastic Aptitude Test
- Enroll in Advanced Placement classes, if available
- Apply to colleges and for financial aid

Points to Remember

1. Although young people may not have access to the same level of assets that their parents do, there are many ways they can help their families plan for college -- maintain good study habits, take college preparatory classes, and set aside money from part-time jobs for college expenses.
2. Many experts recommend introducing children to college planning when they are in the sixth, seventh, or eighth grade, depending on the child's maturity level and interests. Children at this age can be encouraged to maintain good grades, enhance computer skills, and think about potential careers.
3. High school students can explore college planning at a deeper level, including using the Internet to research college costs and sources of financial aid. Web sites such as www.ed.gov, www.collegeboard.com, www.fastweb.com, www.finaid.org, and www.fafsa.ed.gov provide considerable information in these areas.
4. Since attending and financing college requires planning and attention to detail, high school students can help their parents develop a plan to make sure things get done on time. For example, the plan could encompass visiting prospective colleges, completing applications and other paperwork, applying for financial aid, and other tasks.
5. Parents and students can work together to develop a budget for college expenses. Average costs for various types of two-year and four-year colleges are available at www.collegeboard.com.

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