



# Saving for Education

## *Tips to Save for Education*

- Begin to save as soon as you can. The earlier the better. Every \$1 you save adds up to \$2 you won't have to borrow.
- Tell your children you are setting aside money for their education. This sends a powerful message about the importance of school.
- Starting small is the first step. Even a few dollars a month makes a difference. Have your kids help by setting aside their own money for college.
- Set aside a certain amount of the money they receive for gifts or holidays.
- Talk to your child about how saving for post high school education early will make it possible to achieve their dreams.
- Make a budget that includes saving for college.
- Read about different careers and types of jobs together.
- Look into a few different places to save your money and pick the best option for your family.

## *How to Pay for College*

Most families can't save the full amount needed for their child's education. Paying for college usually includes:

- Saving some money ahead of time.
- Paying some expenses out of current income.
- Both parent and child taking out student loans.
- Scholarships, gifts, or grants.

## *When I grow up...*

Doctor or plumber, singer or firefighter, astronaut or teacher? Young children have plenty of dreams about what they want to be when they grow up. Adults support those childhood dreams through conversations and setting aside some money for education.



Photo by Amina Filkins from Pexels

# Why Save for Education?

In 2019, the total cost for one year at a 4-year Wisconsin public university was between \$19,500 - \$24,500, including tuition, books, food, rent, etc. As your child gets older, these costs will continue to rise. Even a small amount saved will make it more likely that your child will pursue education after high school.

## Children with college savings accounts are:

- 4 times more likely to go to college,
  - 5 times more likely to graduate from college,
  - More involved in school, and
  - More likely to get higher grades.
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## College Savings Options

- Wisconsin 529 Plan - Money saved in a 529 investment account can be used to pay for expenses like tuition, books and technology at almost any technical college or university. You can open an account for \$25, and then with automatic deposits, the minimum monthly contribution is only \$25. Edvest accounts at [www.edvest.com](http://www.edvest.com).
- Coverdell Education Savings Account - Also known as an Education Savings Account (ESA) is an investment account that can pay for college expenses plus private school tuition at elementary or secondary school. <https://www.irs.gov/taxtopics/tc310>
- U.S. Savings Bond - You can buy a \$25 bond at [www.treasurydirect.gov](http://www.treasurydirect.gov) or a \$50 bond with your tax refund when you file your income taxes. Bonds can be used for college or other expenses.
- Savings Account - You can open an account at a bank or credit union. Different places require different deposit amounts to open an account, so shop around. You can withdraw your money at any time for any reason.



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