

Parent Handbook: Benefits of Saving

With the average cost of attendance at state universities being more than \$20,000, saving for college is one of the best ways to help manage costs.

Whether it's you or your child doing the saving, every little bit saved helps reduce the amount you or your child may need to borrow, or savings can help cover small, unexpected costs.

Saving for college doesn't need to be complicated and you can start small with any amount of money you are comfortable with setting aside.

If you haven't saved for college before and want to find extra money to put aside, look into ways to cut back expenses, including items you may not need, and ways to save on things you do need, such as with coupons and discounts.

Savings can be put aside in something like a college savings 529 account specifically designed for college, or just simply in a jar at home. Choose the method you feel best fits your family. Remember that different financial products carry different benefits, like building interest income.

If you're comfortable setting aside a set amount each month, an automatic deposit is a great way to consistently save. If you have the savings in some form of an account, especially college savings plans like a 529, reevaluate the investments periodically to make sure they are working for you.

The longer you have funds earning interest, the more you will have to spend later. If your child can, working in high school is a great way they can contribute to college savings and may help them lessen their need to work during college.

No matter what pops up along the way, you'll be prepared for your college financing journey.

Learn other helpful tips in the Parent Handbook.