

# Saving Early = Saving Smart!

## *Watch Your Money Grow With Your Child*

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### WHY

It's **never** too early to start saving money for college. Here are a few reasons to start saving now:

#### Rising College Costs

Be prepared to handle rising college costs by saving early and consistently! Visit [www.finaid.org/calculators](http://www.finaid.org/calculators) to get an estimate of what college will cost by the time your child is ready to attend.

#### Benefit of Savings

No matter how little you save, every cent makes a difference in affording your child's higher education. Develop realistic savings goals and save regularly by placing aside a set amount at a set time. For example, if you save \$14 per week (two dollars a day) in an account that earns 1% interest, you will accrue more than \$12,400 at the end of 17 years.

#### Less Debt, More Investment

Many families have to rely on student loans to cover college costs. Saving for college now can reduce your need for a loan in the future. Earn interest by opening a savings account today versus paying interest on a loan later. The best graduation gift you can give your child is to help him or her leave college debt-free!

### HOW

#### Choosing the Right Savings Plan

Prepaid tuition and college savings plans (known as 529 plans) offer tax-free withdrawals for college expenses. To learn more about these plans and decide which one is right for you, visit [www.collegesavings.org](http://www.collegesavings.org).

#### Determining Your Child's Eligibility for Federal Student Aid

The U.S. Department of Education's office of Federal Student Aid provides more than \$150 billion in federal aid in the form of grants, work-study programs, and loans to students who qualify. Visit [StudentAid.gov/eligibility](http://StudentAid.gov/eligibility) to learn about eligibility for federal student aid, and [StudentAid.gov/fafsa/estimate](http://StudentAid.gov/fafsa/estimate) to estimate the total amount of aid your child could receive if he or she applied to college today.

For more information about federal aid for college, visit [StudentAid.gov](http://StudentAid.gov).