



ClevelandSavesWeek 2008

Education is the best provision for old age.
-Aristotle

Educational Funding

College expenses continue to rise at about 7% per year. Private universities can run upward of \$40,000/year and even public schools are often in excess of \$15,000/year.

The total cost of sending two children to a public university for 4 years each could cost as much as \$150,000 (including tuition, board, books, travel and incidentals).

Most parents will depend on scholarships, and loans for the bulk of these expenses. But they may still have to come up with money for books, travel, clothing, etc.

We all love our children and want the best for them. Going into great debt and sacrificing our retirement security is not a beneficial answer, since it may force us to go back to them in the future for financial help.

It is not the answer that enlightens, but the question
-Eugene Ionesco Decouvertes

There are three major ways to save for college expenses:

1. a **529 college savings Plan** – money accumulates tax-free and will be available tax-free if used for college expenses
2. a **Roth IRA** – not specifically designed for college expenses but principal can be withdrawn after 5 years free of penalties and taxes
3. a **Custodian account** – specifically designed for minor children but available to the child upon his/her 18th birthday to use as they wish

Today, most post-secondary institutions do not take retirement plans into consideration for Financial Aid. If you need to make a choice, you are better off making a greater contribution to your retirement plan than to a college savings account.

Commitment and Taking Action

Are you ready to see your financial future look brighter than it ever has?

Are you ready to make decisions that will make you and your family feel more peaceful, less stressed, more hopeful about the future?

Are you finally ready to make a commitment that will have real positive impact on your every day life and that of your family?

All aspects of Cleveland Saves Week have been designed to help you answer YES to each of these questions.

- Cleveland Saves is here to help you
- Local banks and credit unions are here to help you with new accounts, mortgages, etc.
- Financial Advisors are here to answer your questions and help address complicated problems



ClevelandSaves
www.ClevelandSaves.org

your starter kit:

How old are the children and how many years do you have before the first one enters college?

1. _____ 2. _____ 3. _____ 4. _____

Am I likely to qualify for Financial Aid? _____ Yes _____ No

How much can I afford to save for college without compromising my retirement savings? \$ _____

What Do I have to Start With: \$ _____

New Steps:

1. Do I want to use a 529 Plan? _____ Yes _____ No

2. Do I want to use a ROTH-IRA account _____ Yes _____ No

Whom do I need to speak with?

1. _____ 2. _____

Taking Action

Have I involved my spouse and family in these new directions? I will need their involvement and cooperation?

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Am I ready to finalize the strategies for each aspect of my plan this weekend? No more procrastinating!

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What is left to do before I can get started? (Collect information, contact appropriate people, etc.)

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Sources of
Help & Information

Cleveland Saves

Tel: 216-325-7126 • Web: www.clevelandsaves.org

Consumer Credit Counseling Services

800-355-2227 • Web: www.cccservices.com

Financial Planning Association

Tel: 800-322.4237 • Web: www.fpanet.org

Saving for College

Web: www.savingforcollege.com

529 College Savings Plans Sponsored by Ohio

Web: www.vanguard.com

www.putnaminvestors.com

Consumer Federation of America

Web: www.consumerfed.org

Go to Cleveland Saves
web site for
additional resources:
clevelandsaves.org