

# MONEYWISE

VALUING PEOPLE. VALUING MONEY.

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## THIS MONTH'S TOPIC: MAXIMIZING COLLEGE SAVINGS

College is an attractive choice for people who want to gain specialized knowledge and skills that can improve career prospects and personal growth. Many students rely on financial aid to help pay education-related expenses. Also, a combination of college savings and exploring ways to save before and after college can help with the overall cost.



### SAVING BEFORE COLLEGE

To go to a four-year public university in Kentucky, the average cost for tuition, fees, room, and board is around \$27,500 per student per year. Begin saving for college early. Kentucky has accounts like a KY Saves 529 plan (<https://www.kysaves.com/>). You can use these tax-advantaged accounts to save money that you can use for college expenses including books, computers and laptops, housing, tuition, and fees. You can use a 529 to pay for college, graduate school, trade and vocational school, and apprenticeship programs. 529 plan earnings and withdrawals are tax-free, making it a tax-advantaged option for college savings.

In addition to saving, you can help pay for school with scholarships. Scholarships are free money awarded for various reasons, including

needs-based, community-sponsored, major-specific, and merit-based scholarships. A merit-based scholarship, like the Kentucky Educational Excellence Scholarship (KEES) program, provides money to students who do well in high school to go toward college expenses. The Kentucky Higher Education Assistance Authority is dedicated to improving students' access to higher education. Visit <https://www.kheaa.com/web/scholarships-grants.faces> for more information about KEES and other state-specific scholarship opportunities.

Along with scholarships, check to see whether you qualify for other free money, including grants, by filling out the Free Application for Federal Student Aid (FAFSA). This will also help you decide if you need student loans to close the gap in affordability.

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## **MAKING COLLEGE AFFORDABLE TAKES PLANNING AND SAVVY USE OF AVAILABLE RESOURCES**



### **SAVING AFTER COLLEGE**

Many students practice responsible borrowing by repaying their student loans. If you borrow money to pay for college, make sure you update your physical address and email address so you receive important communication from your lender. If you are currently repaying student loans or will begin making payments soon, research all your repayment options. Different repayment plans may provide different advantages, including paying off loans at different speeds depending on financial needs and income.

Consider how your job or career choice may provide additional benefits, including Public Service Loan Forgiveness (PSLF). If you work in public education, nonprofit,

law enforcement, child and family service agencies, or the U.S. military, you may be eligible for PSLF.

Making college affordable takes planning and savvy use of available resources. No matter where you are in your educational journey, the U.S. Department of Education Federal Student Aid website is a good place to start. From completing the new FAFSA application, to exploring repayment plans and PSLF or forgiveness options, learn more at <https://studentaid.gov/>.

### **REFERENCE:**

Hanson, M. (2024.) "Average Cost of College & Tuition" EducationData.org, <https://educationdata.org/average-cost-of-college>

### ***Spotlight: Military Families in Kentucky***

Did you know that more than 80,000 service members and their families live in Kentucky? This includes more than 17,500 spouses and nearly 29,000 children. The Post-9/11 GI Bill can provide additional cost savings to service members and dependents to save on education expenses. Learn more at <https://www.va.gov/education/about-gi-bill-benefits/post-9-11/>.

If you're a professional who works with military families, visit <https://oneop.org/> to learn more about professional development available to you through a partnership with Cooperative Extension and the U.S. Department of Defense.

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