

Most families (90%) expect their student to earn at least a bachelor's degree; according to results of the survey *How America Pays for College 2016*, by Sallie Mae. With college costs rising faster than the rate of inflation, how does this dream become a reality? Here are some ways families can make college affordable.

- Create a plan. Parents who plan save 46% more than non-planners and their students borrow 1/3 less (Sallie Mae). A plan should include setting savings goals, estimating costs, and identifying sources of funding.
- Start a savings fund. Students are three times more likely to attend college and more likely to graduate if there is savings fund, even if it's a small amount (Campaign for Every Kid's Future). Designate a separate savings account or open an Arkansas 529 (similar to an IRA except for college saving). Arkansas 529 is hosting a special promotion during the month of September – Coloring for College. One kindergarten student from each county will be selected to receive \$529 in an Arkansas 529 account. See details at arkansas529.org.
- Identify sources of funding. Grants and scholarships cover an average of 34% of college costs. Work to keep grades up and increase ACT scores. Check online and with college financial aid offices to find out about available scholarships and the requirements. Compare borrowing options and keep loans as minimal as possible. Students often qualify for more money than they actually need to get by. Beware of using student loans to finance a lifestyle. When shopping for a loan, federal loans are typically preferred to private. Student loans are preferred to parent loans.
- Find ways to cut costs. Smart spending decisions can significantly reduce college costs. Explore ways to limit spending. Compare college costs online at the Consumer Financial Protection Bureau website ([consumerfinance.gov/paying for college](http://consumerfinance.gov/paying-for-college)). Start at a community college. Stay in your home state. Take concurrent credit classes in high school. Live at home.

For more financial management tips visit the University of Arkansas Cooperative Extension Service website at <http://www.uaex.edu/health-living/personal-finance>.

Laura Hendrix, Ph.D.

Assistant Professor – Family and Consumer Economics

The Arkansas Cooperative Extension Service offers its programs to all eligible persons regardless of race, color, sex, gender identity, sexual orientation, national origin, religion, age, disability, marital or veteran status, genetic information, or any other legally protected status, and is an Affirmative Action/Equal Opportunity Employer.