

COLLEGE PLANNING: IT’S NOT JUST AN ACADEMIC EXERCISE

Sending a child off to college represents one of life’s exciting transition points. While its generally understood that hitting the books in high school can set one up for subsequent academic success, and that higher education savings plans ought to implemented long before matriculation, we encourage clients and their families to also think through a broader set of related financial matters.

WHAT FACTORS SHOULD I CONSIDER?

<p>529 Educational Savings Plans</p>	<ul style="list-style-type: none"> • Earnings are tax-free if used for qualified educational purposes • Offer high funding limits and no income restrictions • Plans can be front-loaded with 5 years of annual gifts of up to \$15,000 • Many offer a state income tax advantage when participating in your home state’s sponsored plan • Up to \$10,000 annually of 529 Plan assets can be used for secondary or elementary public, private or religious school expenses • Flexibility to change beneficiaries • Account owners retain control of 529 Plan assets, not the beneficiaries • Funding 529 plans for future generations can help reduce estate tax exposure
<p>Student loans</p>	<ul style="list-style-type: none"> • Explore potential eligibility for student loans and, if applicable, get ahead of the application process. • If borrowing, is there clarity within your family as to the student’s future loan responsibilities?
<p>Personal Financial Responsibility</p>	<ul style="list-style-type: none"> • Do you need to reinforce the importance of budgeting and spending discipline? • Encourage your child or grandchild to responsibly take on the obligations associated with credit, as building a strong credit profile now can be helpful as they develop their careers.
<p>Insurance coverage</p>	<ul style="list-style-type: none"> • Have you thought through health insurance, automobile insurance and renter’s insurance needs?
<p>Healthcare</p>	<ul style="list-style-type: none"> • College students reaching the age of majority should also begin contemplating their own healthcare and estate planning needs. We recommend families consider putting the following precautionary documents in place: <ul style="list-style-type: none"> • Health Care Proxy and HIPPA Authorization; • Durable Power of Attorney; • Living Will; and • Last Will & Testament

OUR RECOMMENDATIONS

Plan ahead and communicate. Helping your children or grandchildren successfully navigate their college years demands more than just academic preparation. We also urge families to take a close look at educational savings and borrowing options, insurance and healthcare coverage needs, as well as engaging in discussions concerning personal financial responsibilities.

How can we help you? Please contact:
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