



Worthwise®

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myWorth®

“I'm constantly **learning**, and that is the

GREATEST *gift of life* IN MY OPINION

to always be learning and growing”

— Kristen Chenoweth

They say “you should learn something new every day.”

And in fact, education is one of the most important things we can give—to our children, to ourselves, and to our communities. When we're young, education helps to teach us the skills we need to live and work. When we're older, it helps us discover more about life, the world, and ourselves (and can give us entrée into a new life or career). And though sometimes we are learning the things we HAVE to learn, there are often opportunities to learn the things we WANT to learn—especially when we make those opportunities ourselves.

Of course, education beyond high school takes planning. And whether you are saving for a child's education, going back to school to get a degree, or simply want to continue learning for the sake of

learning, it can be challenging to fit it in to your budget or your schedule—or both.

However, in addition to the many ways there are to get an education—in the classroom, online, life experience, mentors and more—there are also many ways to save for it, reduce the costs of it, and fit it into your life. So keep reading to discover how you can reach your education goals.





MY PLAN

SAVING FOR EDUCATION



Whether you are planning to send your kids or grandchildren to school, helping a sibling or other relative, or are going back to school yourself, saving and paying for a college education can be quite daunting. In fact, according to the College Board, the average annual tuition and fees for 2015-2016 was \$9,410 for an in-state public school, \$23,893 for an out-of-state public school, and \$32,405 for a non-profit private school.* So, it's no wonder if you are overwhelmed.

But you may not need to be. There are several options today that make it easier to save and pay for a college education—including some you may not have considered.

THE OLD TIMER

You have heard of UGMA/UTMA (Uniform Gift to Minor's Act and Uniform Transfer to Minor's Act) accounts—the first accounts to enable minors to own investments and property. With these accounts, parents can contribute up to \$28,000 (combined) per year. It's important to note that these gifts are permanent and earnings growth exceeding \$2,000 per year may be taxed at the parents' rate. Plus, because they are seen as property of the student, UGMA/UTMAs can significantly impact financial aid.

Investing involves risk, including loss of principal. When redeemed, an investment may be worth more or less than the original investment amount.

THE NOT-SO-NEW KID ON THE BLOCK

It may be unsurprising then, that UGMA/UTMAs have been widely replaced by Section 529 plans. Although contributions to these tax-advantaged accounts are made with after-tax dollars, the earnings growth and withdrawals are tax free—if used for qualified

educational expenses, like tuition and books. Typically, 529s enable you to contribute a total of at least \$200,000. And some states even provide tax deductions for your contributions. Additionally, 529s allow you to change the account beneficiary at any time, and, although 529s are considered parental assets on the FAFSA (free application for federal student aid), they reduce aid by less than 6%.

Before you invest in a Section 529 plan, request the plan's official statement from your qualified advisor and read it carefully. The official statement contains more complete information, including investment objectives, charges, expenses and risks of investing in the 529 plan, which you should consider carefully before investing. You should also consider whether your home state or your beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's 529 plan. Section 529 plans are not guaranteed by any state or federal agency.

THE ADVANCED STRATEGY

There's also a relatively simple strategy that enables you to use life insurance to help pay for college. First, when your child is young, you buy a permanent life insurance policy, like whole life, that builds cash value. Then, when it's time for college, you "borrow" against the accrued "cash value" on a tax-free basis.** Life insurance policies are not considered in financial aid equations (unless you cash out the policy entirely, which would also impact taxes). And, the best part is that you never need to pay back this loan.

When it comes to college savings, the key is to start early. Contact your financial advisor today to determine the right strategy for you and get started.

*SOURCE: The College Board, Annual Survey of Colleges.
<http://trends.collegeboard.org/college-pricing/figures-tables/average-published-undergraduate-charges-sector-2015-16>

**Accessing cash values may result in surrender fees and charges, may require additional premium payments to maintain coverage, and will reduce the death benefit and policy values. Policy must not be a modified endowment contract (MEC) and withdrawals must not exceed cost basis.

Where the Jobs Are

While for some people education can be a life-long career in and of itself, the goal of education for most people is often to help get a good job or pursue a new career. But with many industries shrinking or changing in the new global marketplace, where are the jobs today? One area to consider is STEM. These science, technology, engineering and mathematics jobs are not only in demand, but also tend to have lower unemployment numbers than other careers. And, some of these jobs may be far more rewarding than you expect. In fact, the top 10 STEM jobs are: computer systems analyst, software developer, statistician, web developer, accountant, biomedical engineer, IT manager, information security analyst, mathematician, and financial advisor.*



Advisor's Corner

Explore every option

Before getting too stressed about saving for college, remember that you may not have to fund it entirely. In fact, as of 2012, about 2/3rds of full time, undergraduate students received grants that helped reduce the price of college.*

Scholarships and grants

There are countless scholarships and grants available for almost anything you can imagine. Are you the first in the family to go to college, or are you committed to anti-bullying causes? There are scholarships for these categories and many others. In fact, whether you are passionate about the environment or interested in STEM, an aspiring writer or an Elvis fan, a great student or an average one—there are scholarships out there for you. Some great places to start looking include: www.scholarships.com, www.salliemae.com, and www.studentaid.ed.gov.

Join the crowd

You can also try to find others to help you pay for college. Consider that your job may offer scholarships or grants for your children, or tuition assistance for you—some will even invest in you by covering the entire cost for your advanced degree. And if you are a veteran, a teacher, or the child of a state or college employee, you might be eligible for a tuition waiver.* Plus, you can try crowdfunding. Through programs like GradSave and GiveCollege, anyone can make contributions toward your education (or that of your child/grandchild/niece/nephew, etc.).

Get social

Check with your financial advisor and your social and business networks. Your religious organization may offer scholarships and so might your professional affiliated groups or local businesses. Sometimes all you have to do is ask.

2 years may be better than 4 (to start)

There's also a growing trend of people starting at 2-year schools and then transferring to 4-year colleges. This strategy can have numerous advantages:

1. First, 2-year colleges cost far less—in fact, the average for a 2-year, in district school is \$3,435 per year.*
2. Second, it is often easier to get into a 4-year school as a transfer student.
3. Third, your degree still comes from the 4-year school and is worth every bit as much as one earned by a student who attended all four years.

The bottom line is that when it comes to preparing for college, you do not have to do it alone. There are numerous ways to potentially defray and manage the costs of college. We have only just scratched the surface here but your financial advisor can help you to dig deep and explore every possible option.

*Source: The College Board, Annual Survey of Colleges. <http://trends.collegeboard.org/college-pricing/figures-tables/average-published-undergraduate-charges-sector-2015-16>

Mother OF Invention

Golden Opportunity

Debbie Sterling, Founder and CEO of GoldieBlox, did not get introduced to engineering until high school. A Stanford graduate with a degree in Mechanical Engineering/Product Design—and one of very few women in her program (only 14% of engineers worldwide are women*)—Debbie is determined that other girls should learn about the joys of engineering at a young age. GoldieBlox aims to “get girls building” and to “level the playing field in every sense of the phrase.”

Although construction toys help inspire an early interest in engineering, they have traditionally been considered “boys’ toys.” Debbie and her team believe that they can inspire a future generation of female engineers by making cool, relatable role models, smart stories, and fun construction sets. We believe that they can too. Check out their amazing toys at

www.goldieblox.com.

In Your Corner

Find a mentor—or become one

As you have no doubt discovered over time, learning is not limited to the classroom. Some things are better learned through hands-on practice or through one-on-one guidance. Becoming a mentee—or a mentor—enables you to take part in a mutually beneficial relationship. Both older and younger generations can provide insight, knowledge, and skills that can enhance your own. This can be a great way to determine what you need to get to the next level, enhance your own skillset, or even to try a new path.

To get started:

- Find someone you think would be able to teach you something or someone who has a job you want
- Ask them to mentor you
- Don't be afraid to ask questions—that's how you learn



Money Muse

Maintaining your balance

As humans, we have the ability to be constantly learning. But if you're trying to add education onto an already full plate, it can be challenging to find the time.

Remember, education can be a full time job in its own right, and so can raising a family or taking care of a loved one. Add a career to that mix and you may already be stretched too thin. So, when you want or need to continue learning, it's important to find the right balance.

Getting a full degree, for example, takes four years when you're going full time. If you are trying to do this on top of other things, don't set a specific timeframe right away. Instead, add in one class at a time and see how it goes. This same advice works if you are going for an advanced degree. Don't get discouraged about timing—remember that you have a goal and it's better to set realistic expectations and not to overload yourself. Of course, once you get your new schedule established, you can start to see that your goal is within reach.

Educate yourself

If your job requires you to take continuing education, find out if the courses are offered online. This way you have the ability to fit the classes into your schedule somewhere between your work and home responsibilities and can complete them at your own pace.

And if you just want to take a class here and there, find something that interests you. If you can't make it work quite the way you want, be flexible. Can't fit in that 8-week pottery class? Try a one-day workshop, a paint your own pottery place, or one of those one-night painting classes (currently a trendy and fun way to both paint and spend time with friends). Interested in learning a language? Rosetta Stone lets you learn on your computer or mobile device at your own convenience.

Whatever your reasons for getting further education, what's important is to find the balance that works for you—one that will keep you motivated and on track to reach your goals.

Yours,

The Money Muse