



with joseph smith

**dropping your child** off at college can be both nostalgic and nerve-racking. Memories of taking your child to kindergarten or pre-school on their first day come floating back; while the lingering expense of college weighs heavy in the back of your mind. With the cost of college rising annually, many parents are asking the question – when should I start saving and how much will I need?

These may seem like questions that do not need to be addressed while your child is just beginning to walk or still in diapers. However, that is the perfect time to begin discussing a college savings plan with your financial advisor. You may be surprised at how many decisions you will be making. What will tuition be for a four-year college education in 18 years? How much of my child's college will I pay for? Will my child go to a graduate program or an Ivy-league school? While these are all questions to be considered when planning for your child's college education, there are other questions you need to ask yourself- What if something happens to me? What if I am disabled or pass away, what will happen? How will I be able to send my child to the college of their choice?

Saving for tuition through a Section 529 savings plan is a great idea for your child's education. A 529 plan is a tax-advantaged program designed to help people and families save for their children's future college education expenses. You can use the funds in a 529 to pay for higher education expenses such as tuition, required fees, books, supplies and in some instances even room and board. Moreover, a Section 529 plan is not just for parents! We all know it takes a 'village to raise a child', so even grandparents can open a Section 529 plan for their grandchildren. Like with many things subject to Internal Revenue Code, the specifics of the plan can be a little tricky for the average individual to maneuver, so it is best to rely on the advice of your financial advisor to help you determine what will work best for your specific situation.

A 529 plan is not the only way you need to protect your child's dream of going to college. If you were in an accident or suffered from a life threatening illness, how would you continue to contribute to the 529? Do you have adequate disability coverage in place to insure your income? What if one of these incidents actually took your life? Does your life insurance plan include the costs of sending your child or children to college? Most of us worry about the day-to-day expenses like the mortgage, car payments, food and clothing. But do we truly think far enough ahead to plan for our child's education in the tragic event of our death or disability?

Like choosing a college, there is never a "one-fit for all" solution to financing the expenses of higher education. It is best to sit down with your advisor and make sure you are considering all aspects.

For more information, please contact your trusted advisor at Swartzbaugh-Farber – 'Client Centered – Client Advocates™'.

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