

FACT SHEET EXPLAINS OPTIONS FOR SAVING FOR COLLEGE

COLUMBUS, Ohio -- Parents who are trying to save for their children's education but aren't sure where to start may find guidance in a four-page fact sheet, "College Savings Options," from Ohio State University Extension.

The fact sheet is free from county offices of OSU Extension and downloadable online at <http://ohioline.osu.edu> (search for the fact sheet title, or browse under "Home"). It offers general guidelines for choosing among the savings vehicles available and a chart to help families compare options based on eligibility, contribution rules, tax implications, how financial aid might be affected, and other factors.

"Some people know about one or two options to save money for college, but we wanted to give families a good starting point to learn about all of the options that are available," said Chris Olinsky, family and consumer sciences educator for OSU Extension in Montgomery County and one of the fact sheet's authors.

The fact sheet lists information on personal investment accounts; traditional Individual Retirement Accounts; Roth IRAs; 401(K) and 403(B) retirement plans; custodial accounts, such as a Uniform Gift to Minors; Coverdell Education Savings Accounts; 529 plans; and U.S. Savings Bonds.

"We think many parents and grandparents, who often contribute to college savings accounts for their grandchildren, would value this information," Olinsky said. Although only very basic information is included in the fact sheet, it at least introduces these options. If an option seems better than the others, families can investigate it further.

The fact sheet also points out that saving for retirement should always come first, over saving for a college education. "Retirement savings should be the first priority," Olinsky said. Funding a college education can always be supplemented with scholarships, grants, work-study opportunities and loans, but once a person retires, few options exist for additional sources of income.

"We always advise that people focus on saving for retirement first," Olinsky said. "But still, people want to know more about opportunities for college savings. That's why we put this fact sheet together." Olinsky wrote the fact sheet with Jean Clements, Extension educator emeritus in Greene County.

Preparing for college goes beyond the financial aspect. For other information, Ohio State University's Economic Access Initiative offers parents a wide range of ideas on how families can "make college happen" by doing some groundwork as early as when students are in grades 4 through 6. See guidelines at http://www.osu.edu/access/family_resources.php. The site includes a link to the national site, KnowHow2Go (<http://www.knowhow2go.org/>) giving tips to 8th through 10th graders for preparing for college, as well as other online sources of information.