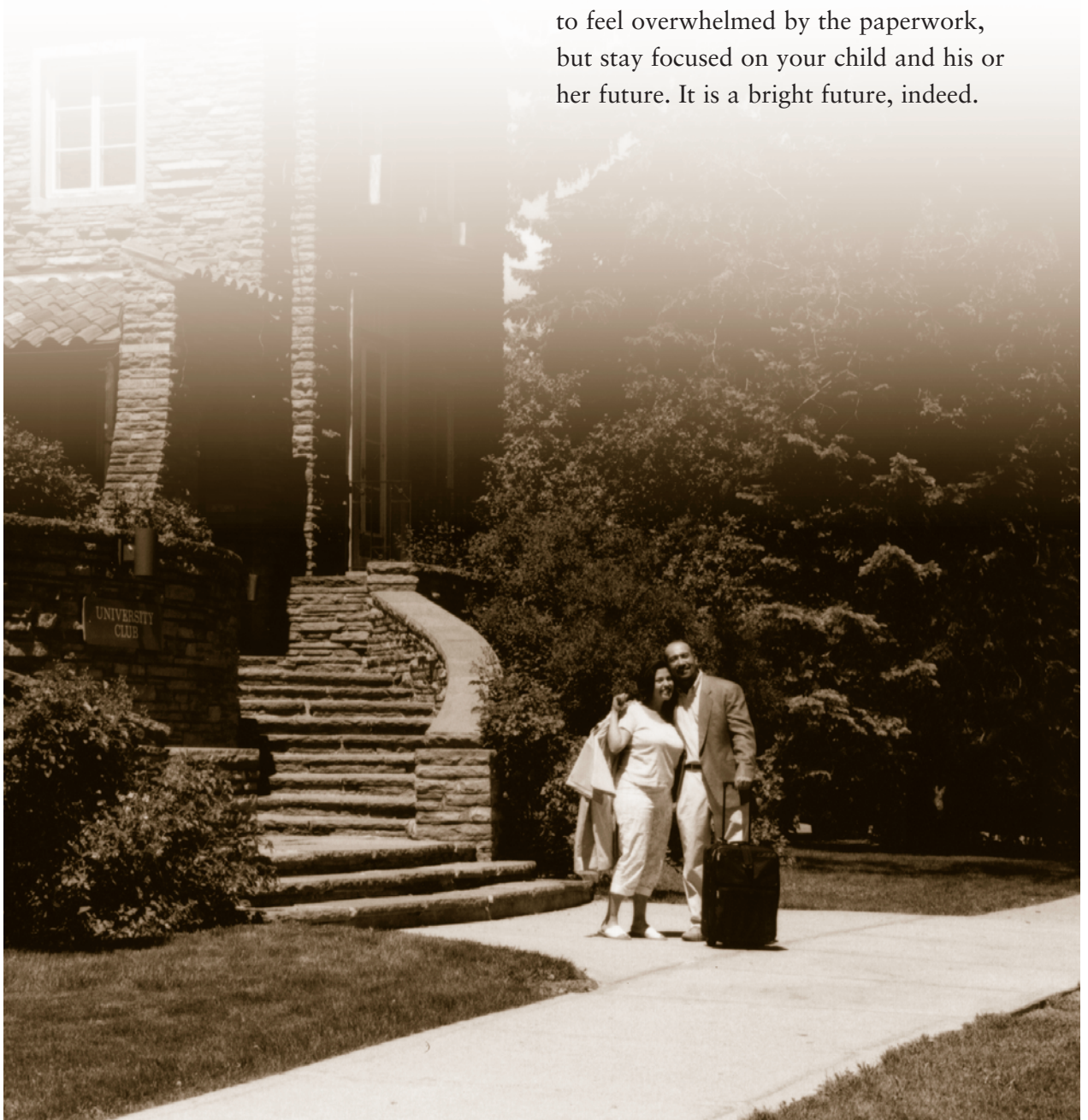


# The Family Foundation:

## A Special Note to Parents

Hispanic families foster strength, unity, and loyalty. In fact, 80 percent of HSF scholars name their families as a source of emotional support during college. (Source: Hispanic Scholarship Fund.)

If your child is the first in your family to attend college, the college planning may seem like a whole New World. The many forms, rules, and deadlines may be frustrating for you. We understand. Try not to feel overwhelmed by the paperwork, but stay focused on your child and his or her future. It is a bright future, indeed.





## The importance of college

The Hispanic population in the United States is growing, which means that Hispanics are becoming a major influence on American culture, economics, and political policies. Your child's college education can help position him or her to affect all of these areas. A college education also can open vast career opportunities for your child.

## The cost of college

A college education does require an investment of time, effort, and dollars. The cost of college (tuition and fees) increases, as do the costs of most things. Here is what college students currently pay each year for tuition:

Type of College	Average Tuition per Year
Four-year private institutions	\$17,123
Four-year public institutions	\$3,754
Two-year private institutions	\$7,953
Two-year public institutions	\$1,738

(Source: The College Board)

### The college payoff

College costs may seem scary, but the payoffs are big. By spending money on education now, your child can earn more money. Some 88 percent of HSF scholars earn more than the national per capita median income. In fact, 60 percent earn at least two times more than the Hispanic median income in the United States. Consider the chart below:

### The best way to help: emotional support and money

College students typically need two important elements from their families: emotional support and money. Both elements are important. Pursuing a college degree—especially if your child is the first in your family to do so—can be intimidating. Knowing that you are in his or her “corner” can help your child overcome doubts and fears.

Of course, money also helps. Saving money to help pay for your child’s education (or books, fees, or meals) can help make your

## Median Annual Household Income (by Educational Attainment of Householder, 1999)





child's dreams a reality. Plus, your contributions make the goal of education even more of a family pursuit.

As some people might say, "It's never too early." This applies to saving for a child's college education. There are various college savings plans, such as the state-administered 529 plans and prepaid college tuition plans that allow parents to save funds on a tax-deferred or tax-exempt basis.

Whether you start saving the day a baby is born or halfway through the child's freshman year at college, any amount of savings can put a student one step ahead. Remember, there are expenses beyond tuition that must be paid.

## Ways to save

You may say to yourself that finding money to save for your child's college education will be tough. Although it may take some changes, here are some ideas you can try:

- **Pay yourself first.** Think of saving for your child's college education as a "bill" you pay to yourself. Take some money from each paycheck (\$10, \$25, or \$50) and put it into a special savings account.
- **Save extra money.** This extra money might include tax refunds, job bonuses, overtime pay, or raises. You may have extra money after you pay off a bill. For example, say you pay off your car

# SHOULD YOU?

## Should you save in your child's name?

Parents often wonder if accounts set up to save for college should be kept in the parents' or child's name. Keep these points in mind when making your decision:

- Recent tax-law changes have reduced the tax advantage of saving in the child's name (called a custodial account).
- You give up control of the money if you save in the child's name. When the child reaches "the age of majority," he or she could decide to spend the money on a car instead of college.
- More money in a child's name could mean the child will qualify for less financial aid. When calculating the amount of financial aid a student may qualify for, schools expect students to contribute a larger percentage of their income and assets than parents. That is why some financial planners recommend that college savings be kept in the parents' name rather than in the child's name.

loan. You can take the money that went to your car payment and put it in the college fund instead.

- **Suggest gift ideas to relatives.** Many relatives never know what kind of birthday or holiday gift to give. Help them out and suggest a contribution to your child's college savings fund.
- **Spend less.** Find ways to cut back on spending and put what you save into the college fund.

### **Other college planning tips**

Here are some additional tips from the Hispanic Scholarship Fund on preparing for college on a shoestring budget.

#### **Talk to a guidance counselor**

When planning for your child's college years, don't do it alone. Ask for advice from an expert, such as a concerned high school counselor who is knowledgeable and can provide reassurance and guidance so that the right steps are taken.

#### **Apply for financial aid**

Before applying for financial aid, students must meet the following basic eligibility requirements:

- financial need (you and your child will need to disclose information about your income and savings)
- high school diploma or GED certificate
- valid Social Security number
- enrollment in an eligible degree program
- U.S. citizen or an eligible noncitizen
- a record of satisfactory academic progress once in school

Help your child assemble the important records and papers and then submit a Free Application for Federal Student Aid (FAFSA). (See page 26 for more information on the FAFSA.)





### **Look into Advanced Placement courses**

Encourage your child to take advanced placement (AP) courses in high school, when available. The extra work and studying will pay off if the student passes AP exams with a grade of 3.0 or higher. Students with high grades on AP exams in multiple subjects may be granted a full year of course credit in college. This saves both time and tuition.

### **Review your child's options**

A four-year college is not the only way to go. Sometimes students enjoy easing into the college experience by enrolling in a two-year college program. Local community colleges usually are the least expensive and often are located in an area where the student already lives. The student should check on what courses will count toward a bachelor's degree at the four-year college of choice.

### **Research other resources**

Help your child reduce college debt as much as possible by considering grants and scholarships from organizations to subsidize an education. Don't forget to explore what your own employer offers. Some businesses or unions offer scholarships or grants to children of employees or members. Grants are awarded on the basis of financial need, and scholarships are awarded based on criteria, such as

academic performance, leadership skills, athletic ability, and so on. Grants and scholarships do not need to be paid back.

### **Reapply for financial aid**

Financial aid paperwork is only good for one year, so parents and students must complete a new FAFSA each year to requalify for financial aid. Missing the deadline will put a serious damper on college plans and budgets.

### **Prepare to pay back student loans**

If your child receives financial aid in the form of student loans, he or she needs to be ready to pay the money back with interest after graduation. Before accepting a loan, parents should discuss with their child the cost of student loans.

### **A final thought**

The Hispanic Scholarship Fund and the National Endowment for Financial Education know that you want what's best for your child. You want your child to dream bigger and go farther than you ever imagined. We hope you will use the information in this manual to help make a college education a possibility for your child because the advancement of any one of us is the advancement of all of us.

# Acknowledgments

*The Money Manual: A Personal Financial Guide from the Hispanic Scholarship Fund* was written and produced for the Hispanic Scholarship Fund as a public service by the Denver-based National Endowment for Financial Education® (NEFE); William L. Anthes, Ph.D., *President and CEO*; Brent A. Neiser, CFP, *Director of Collaborative Programs*; and Jeannette Herreria, *Project Manager*.

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The Hispanic Scholarship Fund (HSF) is the nation's leading organization supporting Hispanic higher education. HSF was founded in 1975 with a vision to strengthen the country by advancing college education among Hispanic Americans, the fastest-growing segment of the U.S. population. In support of its mission to double the rate of Hispanics earning college degrees, HSF provides the Latino community more college scholarships and educational outreach support than any other organization in the country.

Headquartered in San Francisco, HSF has expanded its operations in Southern and Central California, the Northeast, Southeast, and Midwest. In addition, HSF launched the Washington, D.C.-based Hispanic Scholarship Fund Institute to generate public partnerships in support of its work. During its 27-year history, HSF has awarded more than 54,000 scholarships in excess of \$89 million to Latinos from all 50 states, Puerto Rico, and the U.S. Virgin Islands who have attended more than 1,300 colleges and universities. For more information about the Hispanic Scholarship Fund visit [www.hsf.net](http://www.hsf.net).

Design: Nancy Chambers, MontanoSolaria

Photography: National Endowment for Financial Education/John Mueller Productions, David Muenker, and Povy Kendal Atchison







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