



September 8, 2021

Are you ready for the information and updates Wealth Work\$ has for you this week.

In this week's email, you will:

- Understand the current cost of college.
- Learn how to estimate and prepare for future college costs.
- Receive information on one of our partners *College Now Greater Cleveland*.



Planning for Future College Costs

For many young people, having a college degree is the starting point for getting a job in the career field they desire and having an opportunity to earn a living wage early on in life. Unfortunately, college affordability has become challenging to manage as the cost of earning a degree has steadily risen over the last several years. These realities of higher education make it necessary to create a plan for paying for college as early as possible.

Therefore, this week Wealth Work\$, is providing information on the rising cost of a college education to help you plan for your child's future.

Understanding Current College Costs

Each year, data collection shows how much earning a college degree costs, based on tuition details gathered from colleges and universities throughout the country. The table below details the most recent data on the average annual tuition based on these factors for various schools.

| School Type | Degree Type | Avg. Annual Tuition |
|--------------------------|---------------------------------|---------------------|
| Private (Not-for-profit) | Bachelor degree | 29371 |
| Private (Not-for-profit) | Associate or certificate degree | 15397 |
| Private (Not-for-profit) | Masters degree | 20200 |
| Private (Not-for-profit) | Doctoral (academic) | 27776 |
| Private (Not-for-profit) | Doctoral (professional) | 42959 |
| Private (For-profit) | Bachelor degree | 17114 |
| Private (For-profit) | Associate or certificate degree | 15244 |
| Private (For-profit) | Masters degree | 10900 |
| Private (For-profit) | Doctoral (academic) | 14208 |
| Private (For-profit) | Doctoral (professional) | 42959 |
| Public (In-state) | Bachelor degree | 8620 |
| Public (In-state) | Associate or certificate degree | 8620 |
| Public (In-state) | Masters degree | 11500 |
| Public (In-state) | Doctoral (academic) | 12171 |
| Public (In-state) | Doctoral (professional) | 30626 |
| Public (Out-of state) | Bachelor degree | 19034 |
| Public (Out-of state) | Associate or certificate degree | 8516 |
| Public (Out-of state) | Masters degree | 17385 |
| Public (Out-of state) | Doctoral (academic) | 22590 |
| Public (Out-of state) | Doctoral (professional) | 48323 |

Estimating Future College Expenses

On average, college costs rise each year at about two times that of the average inflation rate. Over the last several years, the inflation rate for college expenses has hovered around 6%, meaning the cost of earning a degree has increased by that much year over year.

Using that calculation for the future cost of college can help figure out how much you will need to save monthly and yearly. For example, let us say the future total cost of earning a four-year degree is \$150,000 for a child who is currently 3. With 15 years to set money aside before the child turns 18, savings would need to equal \$10,000 per year or \$833

per month now—without accounting for any interest or investment gains on those dollars—to reach that goal.

How to Prepare Now

Saving for college is a priority for many families, as they do not want their children overwhelmed with substantial student loan debt as they enter adulthood. However, saving 100% of the future cost of earning a degree may not be realistic for most when considering the rising cost of college. Instead, parents and family members can first determine what is within their budget to save each month. Then, they can examine their monthly income versus their expenses to determine what is available for saving or investing for future college costs.

Information provided by Enrich



Who Is College Now Greater Cleveland

If your child is in High School and they are preparing for a college, vocational education, or if you are considering going back to school, College Now Greater Cleveland is an organization that can assist you and your family with the planning process.

They offer assistance in:

- Career exploration
- Research colleges and alternative schools (technical training)
- Assist with the application process
- Complete financial aid applications
- Find scholarships
- Student loan counseling

For more information, contact College Now Greater Cleveland [\(216\) 241-5587](tel:2162415587), website- [College Now Greater Cleveland](http://CollegeNowGreaterCleveland.org)

If you have not registered for *Preparing for College*, presented by College Now, you still have time! Click on the registration link in the calendar below. The webinar will provide an overview of different types of financial aid, types of scholarships, the FAFSA, and the types of Federal Student Loans.