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CREDIT UNION

How to Pay for Your Child's College

what if I want to help my child pay for school, but also need to save for retirement?

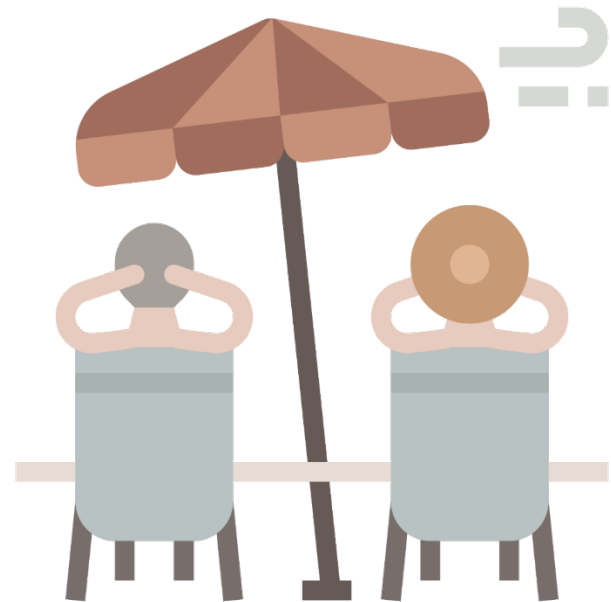
Helping doesn't have to mean covering every penny. In fact, aiming to save for *one-third* of your child's total college costs is an ideal goal. The remaining two-thirds can come from a mix of financial aid, scholarships, income earned while they're in school, and loans — which they can repay gradually over their career.

Let's break that down: The average total cost of a four-year college education in the U.S. is currently [around \\$153,000](#). Saving \$51,000 ahead of time (one-third) is a solid target recommended by student financial aid expert Mark Kantrowitz. That still leaves \$102,000, but this can realistically be covered with a mix of:

- Scholarships and grants
- Student income from part-time work or work-study
- Contributions from your current income
- **Reasonable** student loans

Notice the emphasis on "reasonable." What does that mean? According to Kantrowitz, your child should borrow *no more than they expect to earn their first year out of school*. So if they're headed for a career with a starting salary of \$50,000, that's the maximum total loan amount to aim for. This keeps debt manageable and avoids years of financial struggle post-graduation.

What about parent loans? Should I take those on?



In most cases, no. While federal Parent PLUS loans and private loans are available, borrowing for your child's education should only be a last resort — and only if you can comfortably afford the payments without cutting into your retirement savings.



So how can I support my child without overextending myself?

Here's a roadmap:

- **Open a dedicated savings account:** Opening a dedicated savings account at Expedition Credit Union specifically for your child's future college tuition is a smart way to start building funds early. By making consistent monthly deposits, your savings can grow significantly over time.
- **Talk early and often:** As your child gets older, have honest conversations about what college you can afford to help with, and what the shared expectations will be. Encourage them to apply for scholarships and grants — and treat those applications like their job.
- **Explore all options:** Encourage your child to apply to a broad range of schools, including those likely to offer merit aid. Also, attending community college for the first two years to knock out core classes is another cost-effective route. Your child can also explore work-study programs, and may be able to consider part-time work, depending on their course load. Remind them that their value is not defined by the price tag of the institution they attend.

The Bottom Line

Paying for college is a shared journey — not a solo mission. You're not doing your child a disservice by expecting them to invest in their own future. On the contrary, you're modeling smart money decisions and showing them how to balance aspirations with financial responsibility. That's a lesson worth every penny!

