

Defeat Debt

Credit Advisors Foundation

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The Real Story— The Basics of Planning and Saving for College

Before their children are even born, parents start doing everything in their power to make sure their kids have as many opportunities for success as possible. Parents understand how much of an influence learning and education will have on their kids' futures. Anticipating how to pay for a child's college education can be frightening today without even considering the changes to come in the future.

The cost of higher education has increased for years at rates well above inflation. Even, historically lower cost

state-run universities are reviewing their expenses and have begun to raise their tuition rates as well. Rates are also rising at 1 to 2 year technical or trade schools.

What are the average costs? A four-year public college or university averages approximately \$3510, including tuition and fees annually, while private institutions average \$16,332. On a more positive (and lower costing) note, almost three-quarters of college students attend a four-year college where tuition costs are less than \$8000 a year. Of course, these averages do not include room and board or books and supplies. Overall, a four-year college education can end up costing as much as \$100,000 or more and for parents trying to figure out how to pay for all of this, it can be unnerving.

Parents may have difficulty developing a plan for college savings but all of these price variations can make it even

more difficult. For a more realistic perspective, parents should to consider what schools your child may attend, and begin planning from current cost information from those institutions. Granted costs may continue to rise between now and when your child enters college, but this information will give you an approximate total goal. Recognize that these figures can be intimidating.

Stay Calm!

The sooner you start, the less of a burden it will be and the better battle plan you'll create. (Again, when you start early, you're looking at maintaining savings programs over 10 to 18 years, not just one or two.)

There are many different ways to save and invest to pay the cost of education. The World Wide Web has numerous websites with tuition saving and college

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Caption describing picture or graphic.

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investment calculators. These calculators can assist you in determining how much its going to cost to send your child to college and how much you'll need to regularly save to get them there. (Try <http://moneycentral.msn.com/planning/home.asp>).

One of the most highly advocated methods of saving for education expenses involve Section 529 plans. In 1996 Congress authorized Section 529 investment plans. These plans offer flexibility, control, and tax and financial aid advantages. The funds can be used for college expenses in any state, at any accredited college. If one child does not use the funds (drops out or is not interested in college) another member of the family—including cousins, nieces or nephews—can be named as beneficiary or recipient.

Unlike other college savings plans Section 529 plans do not transfer control of the money at the age of majority to the beneficiary. The donor or saver retains control over the funds

CAF Credit Counselors Recognized for the 2nd Consecutive Year

The Credit Advisors Foundation staff was recently rewarded with national recognition for professional excellence, quality of service and commitment to consumer education. Arbor Investment in Financial Education awarded professional certification for the second consecutive year to all Credit Advisors Foundation credit counselors. In addition, for the first time, Arbor also recognized the CAF support staff due to their commitment to match the same degree of exacting, superior expertise, knowledge and performance as our credit counselors. The credit counselor certification is awarded annually to those who

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until they are needed. The plan funds can be used for a wide variety of expenses but all must relate to higher education. (So there's no risk that the recipient will use the funds for some other purpose such as to buy a car or boat as with some other programs.) Section 529 plans are not considered a student asset when financial aid is

determined and currently are completely tax-free at the time of withdrawal if used for qualified educational costs.

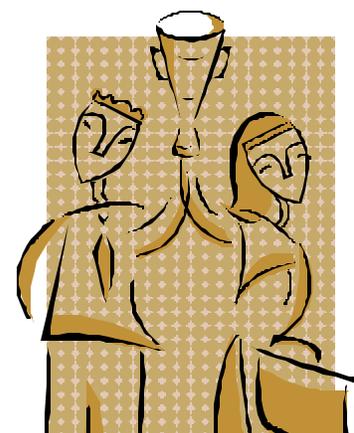
Most importantly, do your research early, consult a financial advisor, and **get started**.

As every parent knows: kids grow up before you know it!!

maintain the highest ethical standards in the credit counseling industry, as well as, demonstrate exceptional communication skills, understanding of the causes and consequences of consumer credit and debt choices and the best practices for enhancing consumer financial education.

Credit Advisors Foundation and our Board of Directors are extremely proud of our counselors and support staff. We are pleased that their efforts and accomplishments have been acknowledged and recognized through the certification process.

Congratulations to all!!!



The credit counselor certification is awarded annually to those who maintain the highest standards in the industry.

Word Search * Word Search

Have some fun! This month in Word Search we invite you to locate the words hidden in our puzzle. The words, listed below, relate to the articles in July 2004 Defeat Debt.

BALANCES

DEBT

BUDGET

EDUCATION

CHILDREN

FAMILY

COLLEGE

PLANNING

COUNSELOR

SAVE

CREDIT

TUITION

E	W	M	A	S	P	U	N	Q
D	E	B	T	F	L	G	L	S
U	Y	L	I	M	A	F	E	J
C	E	Z	R	B	N	C	V	C
A	H	V	C	I	N	R	A	O
T	O	I	O	A	I	E	C	U
I	T	D	L	W	N	D	A	N
O	C	A	L	D	G	I	T	S

VACATION

Vacation Souvenir: Credit Card Debt

Over half of us will take a summer vacation this year. Those of us planning on getting away may have an extra-special souvenir waiting for us when we get back. More debt. Seventy-five percent of us vacationers plan on paying with plastic and although we may intend to pay off these debts in full when we return, odds are we won't. The problem with using credit cards to pay for vacation fun is really the same as any other time, but probably more so at vacation time—we tend to underestimate our spending and overestimate our ability to repay.

Awareness and planning can go a long way to avoiding vacation debt mishaps. Travel experts report that those who don't plan out their vacation strategies appear to handle their finances in the same manner—no planning.

So simply put, set up a budget.

Determine what financial boundaries are necessary to keep you on the smart track. Shop around for better deals on airfare and lodging ahead of time and keep an eye on prices for necessities at your destination.

Save ahead and be creative with your family to find ways to set aside funds earmarked for vacation spending, such as a garage sale, work bonuses, or saving your pocket change as a family throughout the year. Of course, when designing your vacation budget never forget to consider those regular debts, mortgage or rent, utilities, and insurance that must continue to be paid while you're away.

As a society, we tend to spend approximately 10% more than we earn and that trend is also apparent in our vacation spending. Although through our vacations we may be

attempting to take a break and alleviate the stress of our daily lives, many of us still vacation beyond our means, coming home to even more stressful debt issues we've created during our time away. Be aware that credit cards with balances from vacation will increase the total cost of your vacation through interest and fees. Many consumers find themselves paying for vacations for years after the event.

With a little planning, budgeting and realistic, yet creative resource assessment you **can** create a relaxing and debt free vacation.



Planning can go a long way to avoiding vacation debt mishaps.

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We're on the Web!!

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Get out of debt, with no regret!

The Kitchen on a Dime: Slow-Cooker Cola Ribs

Slow-Cooker Cola Ribs taste summer time sweet with a tangy little kick. With so many activities during summer, this recipe offers an excellent way to get your summer BBQ without having to commit a lot of attention to watching the grill.

Best of all, kids love 'em.

Ingredients:

2 lbs boneless pork ribs

2 cans cola

1 medium onion, chopped

2 cloves garlic, chopped

1 and 1/4 cup tomato ketchup

3/4 cup prepared BBQ sauce (any will do but mesquite is a favorite at our house)

1/2 cup Worcestershire sauce

1/2 cup Karo syrup

1/4 cup yellow mustard

1 tablespoon salt

1 tablespoon black pepper

4 teaspoons sugar

Directions:

Cook meat in a skillet until browned. Place in slow cooker.

Add all other ingredients to slow cooker.

Cook on high for 6-8 hours, until meat is fork tender. (You may need to add liquid to keep meat covered—feel free to use some of the remaining BBQ sauce.)

After the meat is tender, you can turn the slow-cooker to low until ready to

serve your meal.

These ribs are good as is, or as pulled pork sandwiches.



Lots of summer activities means less time to focus on cooking. The perfect answer—your slow-cooker.