



## Why

College is expensive. That’s why it can be important to apply for financial aid and evaluate all your options.

## How

There are many ways to help pay, and each option comes with certain pros and cons.

529 and Coverdell savings accounts can let your college funds grow tax deferred. However, they come with restrictions on how you may use and withdraw funds.<sup>1</sup>

Scholarships and grants can be attractive options for many families because they offer funding that you generally don’t need to repay.<sup>2</sup> But there is often high competition for limited funds.

Work-study jobs can offer students the chance to pay as they go by working through college. But as with scholarships and grants, there can be limited availability of work-study jobs.

Loans can help fill the gap left by other funding sources because they may be easier to obtain. However, try not to take on loans unless you truly need to because they can pose a financial strain later in life and take decades to repay.

Financial aid can help ease the burden of college, which may be one of the most valuable investments you ever make.

<sup>1</sup>Withdrawals for qualifying education expenses may typically be taken tax and penalty free. Withdrawals for non-qualifying expenses may be taxed as income and penalized at 10%. Be sure to consult with your tax advisor regarding the tax treatment of your withdrawals.

<sup>2</sup>There may be some limited circumstances in which a grant or scholarship must be repaid, such as if the student withdraws from school.

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