

Paying For a College Education Tomorrow

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Equitable Life

Requires Careful Planning Today

Here are the cold, hard facts about increasing college costs according to the College Board in 1995:

- ✓ The price of attending a four-year public university in 1995-1996 has risen 54% from 1985-86.
- ✓ The average cost of one year at a public university or college in 1995-1996 was approximately \$7,000 for tuition and fees, room and board.
- ✓ The average private college costs more than \$15,000 annually, while elite colleges, such as Harvard, Princeton, Stanford and MIT, approach \$25,000.

Steep you say? They're nothing compared to the costs a newborn child will be paying by the time he or she reaches college. Based on a projected 7% annual increase in college costs, the four-year bill for a member of the class of 2016 could be more than \$95,000 at a public school and nearly \$260,000 at a private school. Of course, it is possible that tuition and cost increases will settle back down to a rate closer to the rate of inflation for the economy as a whole. But, either way, parents have a lot of savings to do.

Let time work for you

Despite these staggering figures, the cost of a college education should never sway you from sending your child to college. The key to reaching a

college savings goal is to systematically put away money, and then let compounding interest help you build that nest egg. How much you set aside is secondary to the frequency of your contributions. There are a variety of college-saving strategies that you can initiate today to help you meet your child's future college expenses. What's appropriate for you depends on how much money you need to accumulate, your child's age and your tolerance for risk.

Mutual funds. One of the most popular investment vehicles used for regular investing is the mutual fund. Mutual funds are attractive for systematic investing because many provide automatic investment features which allow you to have money deducted regularly from your checking account to purchase fund shares. Plus, any dividends and capital gains distributed from your mutual funds can be reinvested automatically. Also, even if you invest a small amount and own just a few shares, you benefit from the diversification of a broad portfolio of securities like investors with much more invested. Dollar cost averaging can be an ideal way to purchase mutual fund shares.

Cash-value life insurance. The funds invested in cash-value life insurance policies enable you to compound earnings on a tax-deferred basis. In addition to purchasing life insurance protection, you also can draw from the

policy's cash value in the form of a tax-free loan, making this a useful tool for college funding.

Growth investments. A comparison of total return on different asset classes suggest that, historically, stocks outpace inflation better than most other investments. As a result, stocks make good candidates to fulfill long-term growth objectives, such as funding a college education. Because stocks are subject to relatively wide price swings and lots of day-to-day variability, one strategy involves investing for growth in stocks during the earlier years of your investment plan and switching to less volatile securities, such as bonds, as your child approaches college age.

Tax-free investments. Another option is to place assets into tax-free investments and avoid taxes on the interest income altogether. For example, interest from most municipal bonds and municipal bonds mutual funds is federally tax-free. The result is, depending on your tax bracket, that the after-tax yield may be higher than the yield on other taxable investments, especially for individuals in higher marginal tax brackets. Income from municipal bonds and bond funds may be subject to state and local tax, as well as the Alternative Minimum Tax, even though no income is received by the investor.

(continued on page 24)

A Letter to the MAGCS

n behalf of the Illinois Turfgrass Foundation Board and membership, I am writing to express our sincere appreciation for the 1998 donation of \$12,500 from Midwest Association of Golf Course Superintendents, presented at the recent North Central Turfgrass Exposition.

Your group's continued support of ITF's work to raise turf research and scholarship funds is truly valued and deeply important. We are proud to have been able to award over \$104,000 for turf research and scholarships in Illinois in 1998.

Our 1998 funding awarded \$4,000 in undergraduate scholarships; an additional \$1,500 has been raised by the University of

Illinois Turfgrass Alumni group. The research farms/field plots at the University of Illinois and Southern Illinois University have received \$16,000 and \$5,700 respectively.

ITF funded researchers: Dr. Bruce Branham, Dr. Ken Diesburg, Dr. Tom Fermanian, Dr. Tom Voigt and Dr. Hank Wilkinson each received grants of \$15,500 in support of their ongoing programs. The ITF Board has established a \$10,000 research surplus, which may be awarded competitively in 1999.

We are proud of the research being done which helps to educate the turf professional and leads to improved turf on the golf course, home lawn and public park. We are truly excited about

the future of ITF and committed to building the strength and quality of the Illinois turfgrass industry.

If at any time you have a question about ITF activities or goals, please call me. We would welcome an opportunity meet with your membership or board to discuss mutual interests or needs. Please pass on our deep thanks to your membership for the continuing support of ITF's mission.

Randy Wahler
President
Illinois Turfgrass Foundation



IPM — What Does It Mean?

(continued from page 10)

been achieved over time. A turf manager must determine the biological outcome of the control used both positive and negative. What is the overall value of a particular management program; is it effective, costly? If symptoms have been treated, what are the causes; can they be corrected? Develop a plan for remediation. Can physical or environmental factors be changed, influenced? Map the problems and the results. Does this area have the same problem at the same time or place, and can we determine the cause? Can we seek other interdisciplinary opinions?

Golf turf is part of a complex ecosystem that is influenced by many different factors, both natural and man-made. Understanding these factors, their

influence on turf health and management and the interactions of the many factors are key to maintaining healthy, playable turf. Knowing and measuring these factors allows turf managers a way to learn to manipulate the environment (golf course turf) for our customers' benefit while preserving the habitats and environment around us. Not only are we as managers asked to maintain our turf for quality at all times, we must do so with increasing demand for our product and increasing scrutiny of how we do it. We must stay within certain limits or standards, economically within our budgets, socially within legal limits and societal standards, and environmentally to preserve and protect and possibly improve the ecology of our local surroundings. 

Paying For a College Education . . .

(continued from page 16)

In some cases, *zero coupon municipal bonds* can be an effective means of building your child's college fund. Zeros sell at a deep discount and do not pay annual interest. Instead, you receive the face value of the bond at maturity. Be aware that these bonds have greater market volatility than bonds which pay interest regularly. Zeros can be attractive college investment vehicles since they can be purchased so that their maturity dates are staggered to coincide with the years during which your child attends college.

Plan today for the long term

Your child's education is one of your most important financial decisions. 