



MEDIA RELEASE

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PHEAA encourages families to save money to pay for college during national America Saves Week

*Automatic savings help families reach their savings goals; lessens
the need for student loan debt*

Harrisburg, PA (February 24, 2020) – As part of America Saves Week, February 24 – 29, the Pennsylvania Higher Education Assistance Agency (PHEAA) is joining thousands of like-minded organizations to encourage people to adopt an automatic savings strategy.

Saving automatically is the easiest and most effective way to save. Whether saving for an emergency fund, college costs, or retirement, an automatic savings plan continues to be the best possible way to reach any savings goal.

“Forty percent of Americans have less than \$400 in savings that can be used in the event of an unexpected emergency - let alone to help them pay for college,” said Representative Mike Peifer, PHEAA Board Chairman. “It’s not enough to simply set a savings goal. Families must also have a manageable plan in place to be successful.”

Successful strategies for savings include:

- **Save automatically.** Automatic savings means you have a process in place to save at regular intervals, whether that’s monthly, weekly, or daily. It puts extra cash out of sight and out of mind.
- **Pay bills with auto-pay.** This ensures bills are paid in full and on time to avoid late charges. As a bonus, some loan providers offer an interest rate deduction if you enroll in auto-pay.
- **Save financial windfalls and tax refunds.** Every time you receive a financial windfall, such as a work bonus, inheritance, contest winnings, or tax refund, put a portion into your savings account.
- **Pay off credit cards each month.** Earned miles and cash-back are only valuable if you're not falling into debt or paying too much interest.
- **It’s never too soon to start saving for college.** Set aside money on a regular basis specifically to be used for future college expenses. Instead of birthday gifts, consider asking for donations to a college fund if you already have enough clothes, toys, and other needs for your children.

(more)

“Every dollar that you save today will be a dollar less that you'll need to borrow later to pay for college,” said Senator Wayne Fontana, PHEAA Board Vice Chairman. “Even saving a small amount, especially when done automatically every month, can help students and families avoid the high levels of debt that many of today’s graduates are struggling to manage.”

Pennsylvania’s 529 Plan is another excellent way to save for college as it offers both tax advantages and future financial benefits. Not only are contributions deductible from state income tax, but the assets held in the plan are not counted when determining eligibility for state financial aid for college. For more information on the PA 529 Plan, which is administered by the Pennsylvania Treasury, visit PA529.com.

Leveraging the long-term benefits of Pennsylvania’s 529 Plan, Treasury’s new Keystone Scholars Program invests \$100 for every baby born to or adopted by a Pennsylvania family to be used for the baby’s future higher education expenses. New and expectant parents will be able to register for online access approximately 5 months after the child’s birth using information from the child’s Pennsylvania birth certificate. By accessing their Keystone Scholars online account, families can track the growth of their funds and to link a PA 529 account through a single portal. For more information on the Keystone Scholars Program, visit PA529/Keystone.

Students, borrowers, and families are encouraged to visit PHEAA on [Facebook](#), [Twitter](#) (@PHEAAid), and [LinkedIn](#) where they can learn more about the higher education financial aid process, register for reminders of financial aid deadlines, and get information pertaining to planning for higher education. Additionally, video tutorials explaining the student aid process and types of aid available can be found at YouTube.com/PHEAAstudentAid.

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About PHEAA

Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation’s leading student aid organizations. Today PHEAA is a national provider of student financial services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing, outreach, and other student aid programs.

PHEAA’s earnings are used to support its public service mission and to pay its operating costs, including administration of the PA State Grant and other state-funded student aid programs. As the only major federal loan servicer with a nonprofit public service mission, PHEAA devotes its energy and resources to help ease the financial burden of higher education for its primary stakeholders – Pennsylvania students and families.

PHEAA conducts its student loan servicing operations nationally as FedLoan Servicing and American Education Services (AES). PHEAA operates its digital technology division as Avereo.