EPISODE 1289

> "**PR:** *I say whatever dreams you have for your child or you think they may pursue, start saving for them one way or another. I think 529 is a great way to go. It's not the only way to go."*

[INTRODUCTION]

[00:00:45]

FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. We're dedicating the show to 529 plans, saving for college education. My guest is Patricia Roberts. She's an author and Chief Operating Officer of Gift of College. She's helped tens of thousands of families avoid millions of dollars in student loan debt over the past 23 years. She's the author of *Route 529: A Parent's Guide to Saving for College and Career Training with 529 Plans*. But perhaps her most favorite role is the proud mom to her son, who recently graduated debt-free from college this past summer, and he actually wrote the foreword to her book, reflecting on his experience of growing up in the family.

Patricia, however, will be the first to admit that she was not always good with money, not always a saver. She racked up six figures worth of debt between she and her husband. Growing up, money was extremely scarce as the daughter to a single mom who raised the family out of poverty. We talk about all of these stories and how they added up to her role today as someone who is determined to help others achieve their higher education dreams with as little debt and regret as possible. Here's Patricia Roberts.

[INTERVIEW]

[00:01:59]

FT: Patricia Roberts, welcome to So Money. Excited to talk about 529s, how you yourself got out of debt and manage to send your son to college. Thanks to some good old fashioned savings. How are you?

[00:02:12]

PR: I'm doing great and I'm so happy to be here with you today, discussing this important topic.

[00:02:18]

FT: You're so passionate that you self-published a book. It's called *Route 529: A Parent's Guide to Saving for College and Career Training with 529 Plans*. I knew this would be a great topic for discussion because a lot of our listeners care deeply about saving for college expenses for their children, for their nieces, their nephews, their grandkids, maybe even themselves, as we know college plans, savings plans can be used by anybody. But your story, as far as what drew you to this topic, is very personal. So take us back to perhaps before you even had a child, where you were financially and what kind of your mindset was around saving.

[00:02:59]

PR: So I want to take you back to my childhood for just a moment because at the age of 10, I wound up in a very different situation than I had been when my father suddenly disappeared and left my mom, a housewife at his insistence, with four children, a house about to go into foreclosure, automobiles about to be repossessed, as well as musical instruments, to be quite honest. Nothing was paid for, and we suddenly found ourselves without a home, without transportation, and with a mom who became critically ill. All in rural Pennsylvania, which was a really tough situation to be in. So what did I learn from that situation, grateful that my mom bounced back after a series of hospitalizations. She did not –

[00:03:50]

FT: Who took care of you? Who was taking care of you all? Did you have family, extended family, friends, neighbors?

[00:03:58]

PR: We didn't have family nearby. My mom's family was in Philadelphia, although some came to visit from time to time. But I think neighbors helped us out and I think we were eligible for some sort of assistance. I remember that large chunk of Salvation Army, god, cheese that you could line up in a line to get access to. So we were given some sorts of food, but it was difficult. My mom found us a farm house, which was in disrepair, but somewhere to live for $100 a month. We reestablished ourselves after she got home from the hospital. Although she had no current skills, as I said, housewife at my dad's insistence, she began doing domestic labor to try to make ends meet. Anything that she could do, cleaning houses, babysitting, that sort of work. She held it together and actually kept the four of us with a roof over our head, focused on our education, and looking toward the future.

She taught us some things about personal finance that I might not have otherwise known. She certainly taught us the importance of being financially independent no matter what relationship we eventually found ourselves in because she had no transparency whatsoever into the family finances and really regretted that, although she was a housewife in the early 1970s, when women really didn't have money in their own name. They were missus of somebody or other. It was a time when women couldn't even establish credit in their own name. So nothing to feel bad about mom but certainly taught us to not wind up in her situation and to pursue some form of education after high school, which she was unable to do as a daughter in a large immigrant family that had very little money.

So credit to mom and everything she taught us along the way, and I actually dedicated the book to her, as you know. She's not with us anymore, but I published it right around her birthday last October and I know she's shining down on me.

[00:06:15]

FT: It's a really special book and story, and your son writes the foreword, which really kind of is this beautiful circle, where you dedicated to your mom. He's tributing his success to you. I mean, you talk about passing down the torch. Not to go too, again, into the past but before your son was born, you talk about how you and your husband did have quite a bit of debt, six figures worth of debt. How did that accumulate?

[00:06:43]

PR: Well, that accumulated because both of us grew up in low-income families or no income families at a time with respect to mine. We really didn't have exceptional guidance counseling at our respective high schools. He was on Long Island. I was in Pennsylvania. In fact, my guidance counselor suggested I stick with my waitressing job and not pursue higher education due to the fragile state of my family. So both of us probably under applied, didn't make the best decisions, and had no money to lean on, and probably didn't make the best decisions in terms of borrowing, but we did the best we could. Later, we both went to law school. That's where we actually met, at Brooklyn Law School, and racked up some debt during that. We went at night, so we racked up less debt than we would have had. We'd been full-time students. We're both working full time. But between us, we accumulated over $100,000, and it was extremely stressful to be paying that money off at a time when we had married and we're starting a family.

So when Ben was created, we were deep in debt and we were determined to have a different outcome for him, when it came time for him to pursue whatever type of education he'd care for. So we had no idea how we're going to do it. We were in a really small one-bedroom apartment. We knew we'd have to be expanding our living costs, eventually finding a babysitter so that I could return to work. But we said we're going to do this because we were driven by the vision of what we didn't want to see for our child and that really –

[00:08:28]

FT: Because you had lived it. It wasn't just a hypothetical like, “Oh, I would imagine maybe this is what might happen to us.” But you both had experience the reality of scarcity, of not having a lot, of making ends meet with very little.

[00:08:44]

PR: That's right, yeah. We both had also experienced the value of higher education. I think both of us knew firsthand we would never have been where we were in our careers, had we not pursued the various degrees that we did. So we knew the doors that higher education could open. I'd like to say I wish I could have told my guidance counselor. As a result of attaining these degrees, I eventually was able to help lift not only myself but my family out of the situation in which they were, and I'm so proud to share with you, Farnoosh, that I eventually bought a home for my mom and my one brother, who is developmentally disabled, who lived with her until her death. So he still lives in the home.

But for me to have gone through the experience of losing a home and then to eventually be able to buy one for the woman who led us through that situation was probably the proudest moment in my life. None of that would have happened with the waitressing job. Great job, good money at the time. I don't think any of that would have happened. So Anthony and I appreciated the value of education. We knew what it felt like to have loans and we knew we had to do something different. So we started taking a little at a time of both of our paychecks and putting it in a 529 college savings plan, which I had learned about through my work. That's where it all began. I really believe we were doing like 25 or 50 dollars initially. But as we grew in terms of our careers, we added more. Maybe you and I can talk a little bit later about inviting others to contribute because we did do that later on.

[00:10:27]

FT: I have to say, there's nothing quite like saving for your child or a loved one. It's not like saving for yourself. You hear from parents, as their kids get older, who maybe didn't save for their kids' college, the enormous amount of guilt that they feel. Then they will do whatever they have to do. They'll compromise their 401(k)s. They'll deplete their – They'll cash out their homes, right? That's not what we want to have happen. We would prefer it to be sort of this preemptive, proactive approach.

I want to get into later on maybe talking some about like the existential questions around college, like will it even exist? Some parents come up to me, and they're like, "What's the point? What if my son doesn't even go to college or my daughter doesn't want to go to college," which 20 years ago, we would have said, "No, you have to go. It's the only way to succeed." But now, I think the rules are changing, depending on what you want to pursue. Still need to go to medical school. Still need to go to law school.

© 2021 So Money

But before we get to those more deeper thinking questions, let's get to the tactical stuff. Tell us about the benefits of a 529. The rules have changed a little bit in recent years to be more expansive in terms of how we can save and who we can save for. Walk us through some of the mechanics of the 529 that you find to be really exceptional and why here may be the best place to save, as opposed to, say, a brokerage account or a savings account.

[00:11:47]

PR: Right. So I really like 529 plans, not only because I've invested in them myself, but I've seen how useful they've been for a wide range of families for a wide range of educational pursuits. They're named after section 529 of the Internal Revenue Code and they are special accounts in which you invest after tax money. But while it's in the account and as it's growing in value, the earnings are not being taxed, so they're tax-deferred. In fact, when withdrawn, if the funds are used for a wide range of educational experiences, which we can talk about, the earnings are never taxed. So this is less tax, meaning more money for higher education.

[00:12:34]

FT: So it's like a Roth IRA but for college savings.

[00:12:36]

PR: That's right. That's right. Over 30 states, I think it's 34 or 35 now, sweeten the pot. Beyond that federally tax-free growth and tax-free withdrawals, they offer state tax deductions or credits as an incentive to invest in a 529 college savings plan. These can range from a deduction of $1,000 a year. Some states have unlimited tax deductions up to the amount of somebody's earnings. Some states like Indiana actually have a tax credit. But those are additional incentives for families to consider, I would say. So I'm saying the tax side of these accounts are valuable.

I also like that you can get started with very little, $25 or even less. In some instances, you can open an account in under 15 minutes, not complicated. Another aspect that I like is that the account owner stays in control at all times of these accounts. So if the future beneficiary is going in a direction that the account owner is not liking, they do not need to withdraw the funds and give them to that child. In fact, they never need to. They can switch the beneficiary to another future student. They can use the money themselves for their own continuing education or training. They do not have to disperse the funds, unlike other forms of savings like uniform gift to Minors Act accounts or uniform trust to Minors Act accounts, UTMA as some people say. Those become the child's upon reaching the age of maturation, you lose control. So I like the control factor.

You talked about some expansions of 529. I like the fact that the scope is broader than it had been in terms of what forms of education these accounts can be used for. Certainly, the more traditional two and four-year colleges but also trade and technical schools, professional schools have many types, and now even registered apprenticeships. There are costs associated with registered apprenticeships, and certain of those can be paid for by the 529 plans. So we're not talking about traditional college. I like the fact that you can put a substantial amount of money in. $15,000 per individual can go into the account annually. There's even a special provision within section 529 of the internal revenue code that allows for five years of gifts in any one year. So if a taxpayer was so inclined to put $75,000 in in a particular year, they could. They just couldn't make gifts in those subsequent years. That's sort of forward. So I like the flexibility, I like that the fees are fairly low on these accounts, and I like the ease of use.

[00:15:27]

FT: Let's talk a little bit about the way that the money's invested. These are state-administered accounts. So looking at mine, which is a New York plan, New York has a really nice tax break for residents. Don't get that anymore New Jersey. That's another story. But it's invested in a very like basic – I think it's like a Fidelity or a Vanguard mutual fund, index fund, and I believe that it is a target date. So knowing when, for example, our son is expected to go to college, the fund will risk adjust as he gets closer to that date of withdrawing so that we're not so heavily invested in equities.

Just like with retirement, you don't want to be 100% invested in stocks the year before you start taking distributions because if the market tanks, well, you haven't done much to diversify, and your portfolio is going to hurt more than it should, than you would want to, and it's going to take time to recover. So all this to say that every state has its own formula for investing, but they don't take a very risky approach.

[00:16:33]

PR: You're right. The type of investment that you're in, which is a target date in the state of New York, I'm assuming it's the direct plan, although you could have gone through a financial advisor as well. But either way, these target date or age-based options, some are based on the target date of attendance. Others are based on the age of the beneficiary. But the assumption is that they start out a little riskier and become more conservative over time. I think most investors, most 529 plans have options like that. Some even specify that you can be aggressive within that approach, moderate or conservative. Even within that target date track, they have some other options for you.

Then beyond that, many of the plans have other options as well. Some, not many, have things that are fully insured, so very little risk and very little reward, right? You're not making a lot of money. They also have some staple value options. Others allow you to really configure your own type of investment within the portfolios that they offer. So you could have something that was a balanced portfolio or something that was 100% equity combined with something else. Now, that requires people to pay more close attention, although you should always be paying attention to whatever investment you're in. But you've got to be a little bit more savvy and perhaps you might need the help of a financial advisor if you want it to cobble together your own approach.

But there are various options, yours being the most common one. I want to tell you, New Jersey has now declared that they are having a tax deduction 529 plans. I will send that to you after we get off of this podcast. So there's something for you to know there.

[00:18:17] FT: Oh, my gosh. I'm giving you an air hug. Thank you. That's – This warms my heart. This is the stuff. This is the stuff that gets me excited.

[00:18:26]

© 2021 So Money

PR: I want to mention, that doesn't mean you need to roll over your New York plan to New Jersey. I want everyone to know they don't need to invest in their home state plan, unless they choose to. It's always a good place to start. You don't want to necessarily miss out on those tax benefits. There may be other benefits too, but you can invest in multiple plans. So perhaps you'll want to keep your money in New York, if you like how that's performing, and dip your toe into New Jersey and see how you like their plan in order to take that tax deduction. Because you always want to consider the quality of the plan in comparison to the deduction that you're getting. So you'll see, but it is great news that we've got another state offering an incentive and you're in it.

[00:19:07]

FT: Technically, I could if I wanted to roll over the New York plan into the New Jersey plan. Fantastic.

[00:19:12]

PR: You certainly can do that. That's a plan to plan rollover, no tax implications.

[00:19:17]

FT: Some websites for folks who want to research 529 plans or do you have any favorites?

[00:19:23]

PR: Yes, I believe many use savingforcollege.com. That's a good –

[00:19:29]

FT: I like that one.

[00:19:29]

PR: Site on which you can compare. I'm part of a nonprofit called the College Savings Plans Network. They also have good tools for finding your state plan and doing a little comparison. That's collegesavings.org. Then every state, all but Wyoming, have a 529 plan, has their own website. So if you wanted to Google the name of your state and 529 and learn exclusively about the options in your state, you can do that as well. So there is plenty of information online.

If you happen to have a trusted advisor in your life, you don't need one to do this, but if you had one, it would be a great idea to let them know, as they're managing your total financial picture, that you're interested in this particular aspect of it. Because in many cases, what you'll pay for college may be the second or third largest investment you'll be making. So I wouldn't refrain from letting your advisor know that you need some support in this regard, and they can guide you. Again, not essential that you go with an advisor. But if you have one, why not mention it.

[00:20:37]

FT: Fun fact, my husband and I started saving in a 529 plan before my son was even born, when I was pregnant. That's something you can do if you're crazy like me.

[00:20:46]

PR: That's right.

[00:20:47]

FT: But I will say that we decided we committed to. So a couple things to think about. This is what our financial advisor at the time asked us in order to understand how much monthly we should be putting away. She asked us questions like when does your child plan to go to college. I mean, that's something easy to answer, depending on – Obviously, if you don't have a kid yet, maybe harder. But if you do, you probably know because college starts at 18, for most kids. But more importantly, what's your goal? Do you want to pay for the entirety of college? Do you want to be a family that pays for 50% and then encourages your child or your son or daughter to foot the rest because you actually believe that that's a good character building thing? Do you want to save for a private education or a public education? We're both public education recipients of degrees from Penn State, and it's a fine school. Not cheap anymore, so we have to still save a lot, but it makes a big difference.

So we went in with this mindset that we want to cover a lot of college to a point. If it's public school, then it's probably going to be a full parent ride. If it's Stanford, god, that would be great. Or like a liberal arts college that's so expensive. Then we would foot a lot of it and then the rest, scholarships, grants, work, study, part-time work, a fraction of student loans. We don't want a scenario where our child is financing the entirety of college through the student loan market. I think that's a terrible thing. As you know, it can really set you back.

So those are the questions that we asked, and we narrowed it down to $500 a month, which is – It was doable for us, and we're thankful that we could do that, and we've just been doing that automatically and along the way encouraging grandparents to contribute. Evan, he's now seven. He has almost maybe just crossed the $100,000 mark for college. That's all we've been doing is this. The market's been very good to us in the last five years or so, seven years. So that's – We've benefited from an upmarket. I can't say that's going to sustain, but so far, so good. Just to show you how a little bit can go a very long way.

An encouragement for anybody, for any savings goal, I mean, $500 a month after five, seven years in the stock market. I would not recommend saving in the stock market, investing in the stock market, if your goal is something in the near future. But if you are looking to save for something that's not for another 7, 10, 15, 20 years, investing would be wise.

Okay, so let's talk about your son because he just graduated from the same college that my dad actually graduated from. Well, he got his graduate degree from Clark University in Worcester. Congratulations to your son. Did he go for free because mom and dad did all the good work of saving?

[00:23:47]

PR: He did. He did attend Clark University, he graduated this past June, and he graduated debt-free, largely due to our 529 plan diligence through the years. So that graduation was a celebration of his academic achievement. Summa cum laude I will say.

[00:24:06]

FT: Wow.

[00:24:07]

PR: Yes, and a celebration of what we did together as a family to save. I will say Ben, together with his dad and I, made some good choices, as he was looking at colleges. He applied to a wide range but he was conscious of the fact that we had a certain amount of money saved, and that he could have his SUNY Albany tuition paid completely in full, that Northeastern would require him to maybe be a resident advisor for a few years to cut down on the room and board costs. Or Clark, which gave him an academic scholarship, seemed to be the perfect fit from a financial standpoint, and it was the school that he happened to like best. So that worked out.

But we did have conversations around what the money situation was, and we were in quite a good situation, but we let him decide what felt right. The most important thing was a school that was a good fit, but we also wanted him to be aware of the financial aspect. In fact, he's got money left over because he did get the academic scholarship, and he is now pursuing a graduate degree at Clark University. So it worked out fine, and he may still have a little bit of money leftover, which will be a nest egg, should he ever have children someday or should he decide a little later in life.

I know you picked a different career path, or you went to Columbia a little bit after I went to law school six years after getting out of college. If something dawns on Ben that he wants to pursue, he's got something. But he was really involved in this process. I mean, we didn't beat him over the head with the fact that we were saving for college, but he knew we were. In age-appropriate ways, we worked it into the conversation, if he got money for his birthday. Maybe kept the tooth fairy money in full. But if he got money for the birthday or for a holiday, we'd say, “Why don't we put part of that in the college account and the other part here?” Or if he – We cashed in his coins twice a year. We usually get like 600 bucks or something. That would go to the college account. So he was fully aware and he also helped us.

© 2021 So Money

I mean, we looked at our budget when he was in middle school, and we said, "Do you think there's anything we can cut here, so we can put a little bit more money in the college account?" We cut the cable. That was his idea. We put an antenna on our TV instead and got fewer stations. With the schoolwork he had anyway, we weren't watching much TV. But he helped us along the way. You'll probably know from having read the foreword to the book, he has a real appreciation of what it took to get him to Clark University and to have him graduate debt-free. He also learned a lot about how do you approach a task that seems insurmountable, whether it's saving for a big goal, or maybe it's a big project at school, or maybe that's a skill that you want to develop. He now knows that you break it down into small steps, and that you consistently stick with it. I love that he knows that because of what we did together.

[00:27:18]

FT: I'm only laughing earlier because with my kids, I do the reverse. Whenever they break something, I go, "This is coming right out of your college account." That's how I'm making them familiar with the college savings plan. This, I'm taking this out of your 529. I threaten their future.

I wanted to just really briefly touch on the ABLE plan, A-B-L-E. I know that that's something that you really wanted to highlight in your book. I've done a little bit of reporting on people with disabilities and how they are uniquely impacted financially in this country, as a result of having a disability. So what is the ABLE plan in the context of college savings?

[00:28:02]

PR: So the ABLE plan is a 529 plan. It stands for the words achieving a better life experience, and that's exactly what the creation of these accounts were intended to do for those with disabilities. I know firsthand about those with disabilities because my brother's developmentally disabled. I'll tell you, Farnoosh, for years, until these ABLE accounts came along, we were like hiding money under the mattress for his use. He was keeping his money in a cardboard box because we were afraid to put anything more than – I think it's $2,000 that you can have in a bank account because –

[00:28:42]

© 2021 So Money

FT: In order to get benefits.

[00:28:45]

PR: Yeah. We interfere with those valuable federal benefits. So there are many people like my brother who really never have had any financial independence until now, so enter ABLE. What ABLE allows certain individuals with disabilities, and I can explain the categories that are covered by this, it allows them to contribute up to $15,000 a year into an ABLE account. The account has the same tax advantages that I spoke up for the 529 college savings. They're growing tax-free or tax-deferred. Never taxed as long as you pull it out and you pay for a wide range of disability-related expenses. What's best about these accounts is they don't jeopardize means tested disability benefits like SSI and Medicaid. In the past, if you had more than $2,000 in an account, your SSI could get interfered with, and these benefits are so important for those with disabilities that they never want to interfere with them. I mean, you do not want to lose these benefits.

So in terms of who's eligible right now, and we're working on some legislation to make this even broader, but to get this through in the first place, those who had some significant disability that began prior to the age of 26 are eligible. So it needs to be a disability that began earlier in life. You don't have to be below the age of 26. You could now be 60. But you had a disability like my brother that began at birth, in his case, or somewhere before age 26, and you need to be someone who's receiving SSI, which is Supplemental Security Income or SSDI, Social Security Disability Insurance. Or you're someone who can get a doctor certification that you've got a disability that's severe enough to qualify for SSI or SSDI.

So it's individuals starting before the age of 26 with a significant disability is really the group. We're trying through some legislation to get that broaden and get that age raised. We're hoping – This is a bipartisan issue. Who would be against helping individuals with disabilities empower themselves by saving?

[00:31:05]

FT: Well, it's the empowerment part that is so lacking in our culture. We – Just in the little reporting that I've done on this very big issue, what I kept coming across is this message to families that your child may have a disability, but that doesn't mean that their future is over. That doesn't mean that they can't go to college. But parents often leave the doctor's office, the hospital with not a lot of hope. This is very hopeful, and it's sending the message that there can be a much brighter future for someone who even has disability.

[00:31:41]

PR: That's true. These accounts can be used. They can be used for education of all types but really anything in support of the health, prevention, or wellbeing of a disabled person, really broad. So housing, basic living expenses, education as I said, transportation, personal support services, assistive technology, financial management, administrative services, legal fees. Oftentimes, you have to have professionals involved with those who have disabilities, and those costs could be covered. So there's a lot of things that can be covered with a 529 ABLE account that go well beyond education, but traditional education can be covered. So it gives a lot of flexibility for parents and for adults who have disabilities to be able now to save.

Just like with 529 college savings plans, others can contribute. **[inaudible 00:32:40]** gift for someone in your life who may have a disability to be able to contribute to an account to help empower them financially. We've heard such wonderful examples of people being able to get their first apartment or get their car modified so that they can drive it. Or get some technology that they couldn't afford otherwise because they were now able to save up for it and spend their own money on something they really need. So I'm a fan of 529 ABLE.

[00:33:12]

FT: Are you a fan? I couldn't tell. I couldn’t tell.

[00:33:14]

PR: I’m a huge fan. I know people don't know about it. I'm so grateful that you’re talking about it.

[00:33:18]

FT: Yes. Well, another way to look at this, and I'm sure you would share this sentiment, is when you do the work to set your children up for college success, meaning that they walk, get that degree, and they go into the real world debt-free, you're not just giving them the gift of college but a leg up in life to not have this burden of student loan debt is everything. We know right now it impedes people's ability to buy homes. Really feel like they're getting on with their lives is this sort of thing that continues that haunts them into their 40s, in some cases in their 50s, depending on how much they took out.

Before we go and because I teased this earlier, if you're talking to a parent who says, "You know, Patricia, I agree. I think 529s have a lot of benefits. I don't discount them. But I don't know my kids really entrepreneurial or I don't know if college is yet in their future," what do you say to that parent? Should they choose a more flexible savings route that wouldn't require the money to be used for education costs?

[00:34:24]

PR: I think saving for your child's future, no matter what vehicle you use, is extremely valuable. There are vehicles that are not limited to higher education. I would keep in mind, however, that your child is probably going to need to pursue some form of education. I keep in mind. I take a careful look at everything that 529s currently cover because they're quite broad in use.

Another thing I would say because parents fear they're going to forfeit the money if the child doesn't go to school, whatever amount you put in a 529 plan, and keep in mind, the other types of vehicles are not mutually exclusive. You can put money into something else instead. But whatever's in the 529 plan, if the named beneficiary doesn't need or use the funds, there are a couple of options. Nothing is ever lost. The account owner always stays in control. So the money can sit there until the child finds themselves and realizes that they do want to pursue higher education. The money can be switched to another beneficiary, a member of the family of that original child. So it's sibling all the way out to cousins, all the way up to grandparents. You as a parent can use the money yourself, or you can save it for a future child. There's really not much lost if the original beneficiary doesn't want to go to college.

If for any reason you don't know anybody in your life who could use this 529 plan or anybody in the future, you can always withdraw the funds. They belong to you. The only thing is you haven't paid tax on them as they've been growing in value. Fair enough, you've got to now pay tax on the earnings portion only, and there will be a 10% federal penalty on the earnings portion only. So you save 10,000. It's up to 11. You're going to pay 10% on that $1,000 in gain only. So it's not a significant limitation as far as I'm concerned. But I say whatever dreams you have for your child or you think they may pursue, start saving for them one way or another. I think 529 is a great way to go. It's not the only way to go, but I definitely consider it.

[00:36:38]

FT: Patricia Roberts, thank you so much for sitting down with us, giving us this really great breakdown but also your own personal story. Remarkable what you have accomplished from where you started to where you are now, inspiring not only your own family but all of us on the show. Do you say route or route? The book is called – I'm going to say *Route 529: A Parent's Guide to Saving for College and Career Training with 529 Plans*. Thank you.

[00:37:08]

PR: Thank you so much.

[00:37:09]

FT: By the way, Lynn O'Shaughnessy gave a nice little blurb. I used to work with Lynn. She's the premier college savings expert. She's the author of *The College Solution*. She says, "The vast majority of parents who I've met over the years have regretted not saving enough for college. Many don't understand the best way to prepare. This book is an excellent and indispensable resource to make the smartest moves with 529 plans." That's great.

[00:37:34]

PR: I really appreciate her perspective. It's really a valuable one indeed. Thank you so much, Farnoosh.

[END OF INTERVIEW]

[00:37:43]

FT: Thank you to Patricia for joining us. Again, her book is called Route or *Route to 529*. Available everywhere. You can learn more about Patricia on her website at giftofcollege.com.

Thank you for joining us, and I hope your day is So Money.

[END]

© 2021 So Money