

Can You Use Your Spending To Pay For A Child's Education?

There's an easy, innovative and free new program that allows you to turn your everyday purchases into college savings. It's called Upromise (www.upromise.com).

Upromise has established partnerships with thousands of nationwide and local businesses that contribute a percentage of what you spend into an individual college fund you establish. There's no membership card to present or special credit card to use. Each time you make a purchase with your credit card from a participating business, it is automatically entered into your Upromise account within a few days. After you have enough money in your Upromise account, the money will be transferred to a 529 college savings account at Fidelity or Smith Barney.

You do have to register your credit cards in order to account for your purchases. This process does require you to give Upromise access to your transaction history via credit cards and may create privacy issues for some people. I am generally a very private person, however, in this case, I am willing to relinquish my privacy because Upromise is helping me achieve one of my goals, paying for my child's college education.

Among the businesses participating in Upromise are AT&T, America Online, Toys "R" Us, Staples, Border's Books, McDonald's, General Motors, CVS, ExxonMobil, Citibank, Coca-Cola, Gerber, Keebler, Kellogg's, Kraft and many more. Also, several companies offer contributions each time you use a store-issued discount card, such as a CVS ExtraCare card.

Many families are using Upromise to save for their children's or grandchildren's college expenses. You can also establish an account on behalf of a child of a family member or friend. In fact, I am encouraging clients to make it a family effort. I have enlisted my sister, brother-in-law, mother and father to add to my child's account with their purchases.

You must evaluate whether or not the Upromise partner's services/products are cost effective given your spending patterns. As with store coupons, a program that increases your spending on things you would not have purchased otherwise is a poor alternative to saving those dollars directly in your own college savings plan. Many participating businesses, however, are good deals. I have purchased gas, birthday and Christmas gifts, eaten dinner, and rented an auto with Upromise partners. In some areas of the country, you can also get credit for some grocery purchases.

You can even get a half of one percent of the sale and purchase price of homes donated to your child's account by using a participating realtor. This could add thousands of dollars to your child's college account. You should, however, review eligibility requirements for getting credit for your large non-credit card purchases such as homes and autos. If you have creative ways of using Upromise, please email me at edf@moneyful.com.

Upromise can help with some of your child's college expenses but don't expect it to pay for everything. You will still need to save for college. The sooner you become a member of Upromise by visiting www.upromise.com or calling 888-434-9111, the more time you have for your ordinary spending to increase savings for your child's education. Time is your most important friend in this case.

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