The CollegeBoundfund 5&10 Matching Grant Program: Lending Families a Hand in Meeting the Cost of College

Authored by:
William H. Hurry, Jr., Executive Director, Rhode Island Higher Education Assistance Authority & Rhode Island General Treasurer Paul J. Tavares:

The costs of providing for a child’s higher education continue to escalate at an astonishing rate. That is why it is important for parents to begin saving for college as early as possible. In fact, according to the College Board’s annual survey, tuition increased by an average of 13 percent last year at four-year public colleges and universities, and increased by another 10 percent this year. At this rate of increase, a child born today can expect to pay up to $128,000 for tuition and fees at a public four-year university and $304,000 for a private four-year university.

These are daunting figures, particularly as many families struggle to make ends meet. Three years ago, the Rhode Island Higher Education Assistance Authority (RIHEAA) created the CollegeBoundfund 5&10 Matching Grant Program as a way to help more families prepare for the cost of higher education. The program, which is an extension of Rhode Island’s 529 plan, is designed to help low- and moderate-income families in Rhode Island accumulate savings for college. The 5&10 Matching Grant Program provides matching funds when a family opens and contributes to a child’s CollegeBoundfund account. Depending on family size and income, the program will match up to $500 in contributions – $1 for $1, or in some cases $2 for every $1 – for a total possible matching grant of up to $1,000 every year for five consecutive years.

It is easy to acknowledge the importance of a college education for a child’s future, as the correlation between a college degree and higher earnings over a lifetime remains indisputable. Indeed, those with college degrees can expect to earn at least 70 percent more than a high school graduate, or roughly one million dollars in additional lifetime earnings.

While higher education is clearly a worthwhile investment, paying for it can be onerous for the average student and family. Each year, acquiring financial aid becomes more difficult. Grants, if available, cover only a portion of total costs. And loans put students and families in debt for years after their education is completed. Families must take advantage of every program available to help a child realize his or her higher education goals. The 5&10 Matching Grant Program can help families double or triple their college savings investments and help put these goals within reach.

If you meet the following requirements, you may be eligible for 5&10 Matching Grants. 1) You must be a Rhode Island resident. 2) You must be able to claim as a dependent for tax purposes, the child for whom you are opening an account. 3) Your CollegeBoundfund account must be opened for the child at or before the age of 10. He or she may receive matching grant funds for a total of five consecutive years, regardless of when the account was opened. For example, even if you opened a CollegeBoundfund account when your child was 10 years old, your child's account would still be eligible for matching grants until the child reached the age of 15. 4) You must make a contribution(s) to your CollegeBoundfund account during the year for which you are applying for matching grants.
Lastly, the 5&10 Matching Grant Program eligibility requirements are based on family size and income. The program will match each $1 with a $1 contribution for families ranging in size from two (parent and child) earning $38,000 or less up to families of six or greater earning $53,000 or less. The program will match each $1 with a $2 contribution for families of two earning $25,000 or less up to families of seven or greater earning $53,000 or less.

This is a plan Rhode Islanders can feel good about. The 5&10 Matching Grant Program is funded by the sales of Rhode Island’s CollegeBoundfund across the nation. A portion of fees from all out-of-state accounts is returned to the state for the development of scholarship and grant programs. To date, more than 180 families in Rhode Island have participated in the 5&10Matching Grant Program, and because of CollegeBoundfund's national success, more than $15 million has been given to Rhode Island students in grants and scholarships.

To learn how to double or triple your investment power with the CollegeBoundfund 5&10 Matching Grant Program, visit www.FIVE-TEN.org or call 1-866-FIVE-TEN.