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Spend Your Way to College

By Thomas K. Grose

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Going to college is expensive: The average cost of a year at a public university is \$16,400.

One option to help defray that cost is a rewards program that offers rebates that can be used to pay college expenses. One such program is Upromise (www.upromise.com).

You register your credit, debit, and loyalty cards with Upromise. It then tracks your purchases and issues rebates of 1 to 25 percent. You can also collect rebates by shopping online via its website. Family and friends can also contribute. And there's a Upromise Citibank MasterCard that rebates 1 percent of any purchase.

Look for 529s. It's best to put the rewards into a 529 college savings plan. The money in these state-run funds is free from federal taxes if used to pay higher-education costs. Upromise currently targets parents of the very young but is planning new products to help students with loans.

U.S. News checked with nearly a dozen financial planners. All recommend these services as a way to save small but useful sums for college. Kirk Kinder, an adviser in Bel Air, Md., opened a Upromise account four years ago when daughter Caroline was born. So far it's earning nearly \$100 a year. Not eye-popping, but with average growth of 8 percent over 18 years, it'll total \$3,745 and "help cover the cost of books."

The caveats? Don't buy stuff you don't need and bust your budget. Don't buy an earmarked product if a rival brand is cheaper. Basically, says Kinder: "Don't change your buying habits."

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