High School Action Plan Part 1: Freshman and Sophomore years

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Funding a college education can be one of the biggest financial goals for a family, and it often requires a comprehensive approach.

Families may benefit by having a plan that incorporates a financial and savings strategy with a 529 plan as the centerpiece, as well as a focused plan to execute throughout the high school years.

Considering the rising costs of college and recent declines in some forms of federal financial aid, it has become more important than ever for families to have a savings strategy. In this environment, many families may seek out tax-advantaged accounts like 529 plans to cover more college costs.

Rising Costs, Declining Aid

According to the College Board, average published tuition and fees for the 2025-2026 academic year rose 2.9% for in-state students and 3.4% for out-of-state students at a four-year public college compared to the previous year. The cost of four years at a private nonprofit college rose 4% year-on-year.

Over the decade ending with the 2024–2025 academic year, total federal grant aid decreased by 7%, while federal loans declined by 31%. With less reliance on federal borrowing, some families may look to private educational loans, which can carry different rates, terms and borrower protections than federal student loans.1

Four-Year Action Plan

A pillar of a comprehensive plan for college is an action plan to be executed throughout the four years of high school, leading up to the final college decision.

No matter which year of high school your child starts this year, if college is a future goal, there are actions they can take now to help them stay on track.

In fact, the high school years play a critical role in preparing college-bound students for the application process and ultimately choosing a college.

Parents have their own tasks. While many have college savings well underway, the four years of high school are more focused on finances as student aid applications are due and college choices are considered.

While most parents and students focus on important steps and milestones closer to high school graduation, having an effective plan for the first two years of high school can create a path for a more successful process.

Consider following our Four-year action plan to prepare for college

Here are some highlights of key items parents and students should be considering for freshmen and sophomore years of high school:

Freshman Year

Continue or begin saving in a 529 plan. Encourage grandparents and other family members to get involved.

Help students allocate a certain percentage of their summer job earnings for college expenses. It is also a way to promote good savings habits.

Consider additional savings accounts such as custodial UGMA/UTMA or other savings accounts to cover non-qualified college expenses such as transportation.

Set goals to achieve a solid GPA throughout high school.

Pursue extracurricular activities to start building a solid resume for the college admission process. College admission officers are more likely to value deeper involvement in an interest or activity rather than sporadic participation in many different areas.

Consider a part-time job if feasible. Admissions officers will often look favorably upon students who have demonstrated a strong work ethic and ability to manage time wisely.

Sophomore Year

Review asset allocation within college savings accounts to ensure the investments in accounts, such as 529 plans, are appropriate with the time horizon remaining before withdrawals for college begin. Since distributions are likely in the next few years, investing too aggressively may may expose college savings to greater risk as withdrawals approach.

Consider funding a Roth IRA for students who have earnings from employment.

Consider tax-smart strategies and the impact of income on federal student aid. Because the Free Application for Federal Student Aid (FAFSA) generally uses income and tax information from two years before the applicable academic year—the “prior-prior year”—income during the later high school years may affect a student’s eligibility for need-based aid.

Begin standardized testing with the PSAT in October; this can be good practice for future tests such as the SAT or ACT.

Consider including Advanced Placement or other rigorous courses when appropriate, particularly if considering more selective colleges.

Start researching colleges to identify what type of school might be a potential fit depending on academic interests, location, size of student body or cost. If traveling near a college, it may be helpful to stop by and informally explore a campus to help the student get a sense of what might appeal to them.

Register with the NCAA if pursuing athletics. If pursuing athletics in college, be aware that you will need to register with the NCAA. Consider registering near the end of your sophomore year or during your junior year in high school.

Before you begin the planning process: Discuss future dreams

It’s important for parents and students to have an in-depth, honest discussion on whether college is the right path. Sometimes families assume their children will want to pursue advanced education through a traditional college or university. But they may have dreams about careers that involve different educational paths, including many trades and arts. Without having this discussion, a family could find they incurred costs or took on loans they didn’t need when the student changes course and chooses a different path after high school.

It's also important to know that a 529 plan can support more than a traditional college degree. Funds can be used for trade schools, apprenticeships and career training programs, giving families flexibility as their children's plans take shape.

https://research.collegeboard.org/trends/student-aid

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