

Shopping Your Children's & Grandchildren's Tuition Bill Down

Shop-a-holics now have new purpose – funding their children or grandchildren's college education by doing what they do every day – shop!

The Wall Street Journal reports a growing number of families are saving for college by signing up for new consumer-buying programs that reward shoppers for patronizing certain stores, brands, even financial-services companies and real-estate brokerage firms.

Over the past decade, average tuition costs rose 42% at private colleges. The new programs are feeding into families' worries about this skyrocketing cost. The four most popular buying programs are as follows:

Upromise: Sign up your own credit card and earn rebates as you shop at certain venues, or apply for a Citi Upromise MasterCard and increase your rebates. The savings can go directly into a Upromise-managed 529 account. For example, by shopping at Publix, customers get 1% to 5% back when they buy certain brands. Patrons at 9,000 restaurants can receive up to 10% back, including tax and tip. You can also create a “network” of family members who can contribute to the same child's account.

BabyMint: Works similarly to the Upromise program: Sign up your own credit card with the program and get rebates as you shop. Sign up for the BabyMint College Savings MasterCard, and the savings increase. This program offers up to 10% back on groceries, 2% on gas, and 1% on anywhere else you may shop. Frequent flier miles may also be converted to savings.

Fidelity Investments: Consumers using Fidelity's 529 College Rewards MasterCard get rebates anywhere – but they must sign up for a Fidelity-managed 529 plan.

SAGE Tuition Rewards Program: Offers tuition discounts at any of 170 private colleges to consumers who sign up for any or about a dozen investment vehicles and agree to get marketing materials from those colleges. This savings can be potentially up to a year's tuition per child.

There is a catch, however. Consumers will have to share their personal information; receive unwanted marketing mailings; or get pushed into certain investment options that may not be the best fit for them. Consumer spending patterns are also observed.

Membership in these programs has surged. Over the past three years the Upromise program has grown at a rate of 50% a year to over five million consumers. BabyMint has at least doubled every year since it began in 2001 and has over 1.5 million members. The SAGE program has grown from 3,000 students two years ago to 68,000.