

A PARENT'S GUIDE

HOW TO SAVE FOR COLLEGE

TIPS | CHARTS | RESOURCES



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HOW MUCH DOES IT COST?

HERE ARE A FEW DIFFERENT OPTIONS TO SHOW THE DIFFERENCE BETWEEN COLLEGE CHOICES. THIS WILL GIVE YOU SOME IDEA FOR HOW MUCH YOU SHOULD SAVE!



\$120K

4-yr. Public
In-State:

Tuition: \$60K

Room & Board:

\$15K per year



\$185K

4-yr. Private
Out-Of-State:

Tuition: \$125K

Room & Board:

\$15K per year



\$96K

2-yr. Junior
College, 2-yr.

Public University

Tuition: \$36K

Room & Board:

\$15K per year



EDUCATION COSTS INCREASE AT A RATE OF ABOUT 5% PER YEAR.

AS YOU LOOK AT THE ABOVE NUMBERS YOUR MIND MIGHT CHANGE DEPENDING ON HOW YOU VALUE THE COST OF EDUCATION.

COLLEGE FUNDING OPTIONS

DO YOU WANT FLEXIBILITY IN THE FUNDS YOU'VE SAVED?



YES.



NO.

IF NOT USED FOR COLLEGE, I WANT THEM TO USE FOR HOME PURCHASE, ETC.

THIS IS ONLY TO BE USED FOR COLLEGE

CHOOSE A CUSTODIAL ACCOUNT

CHOOSE A 529 PLAN

LEARN MORE ABOUT 529 PLANS...

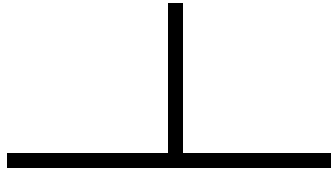
+ SAVE FUNDS AND LET THEM GROW FOR FUTURE USE

+ THE FUNDS BECOME YOUR CHILD'S AT THEIR AGE OF MAJORITY IF NOT USED BEFORE THEN

+ FUNDS CAN BE USED FOR ANYTHING FOR THE CHILD. EX: LESSONS, GRADE SCHOOL EXPENSES

ARE 529 PLANS FOR YOU?

**529 SAVINGS
PLAN**

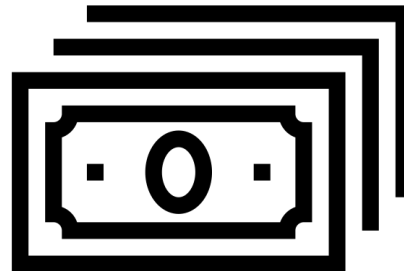


**529 PREPAID
TUITION**



**SAVE FUNDS AND
WATCH THEM
GROW FOR FUTURE
USE.**

**PREPAY FUTURE
TUITION WITH
TODAY'S \$\$**



- + THIS CAN BE A GREAT ACCOUNT TO USE ESPECIALLY IF YOU HAVE SEVERAL YEARS UNTIL COLLEGE FOR YOUR CHILD!**
- + RECEIVE A POTENTIAL STATE TAX BENEFIT**
- + IF FIRST CHILD DOESN'T USE THE FUNDS, THEN YOU CAN USE FOR YOUR OTHER CHILDREN.**

HOW CAN YOU SPEND YOUR FUNDS?

IF THE FUNDS ARE USED FOR QUALIFIED EDUCATION EXPENSES THE FUNDS CAN BE USED TAX-FREE.

- + TUITION**
- + SUPPLIES**
- + TEXT BOOKS**
- + ROOM & BOARD**
- + COMPUTER**



EACH OF THESE ACCOUNTS CAN BE CONTRIBUTED TO BY PARENTS, GRAND PARENTS, FAMILY, ETC.

ITS A GREAT IDEA FOR CHRISTMAS OR BIRTHDAY PRESENTS!

HOW IS IT DIFFERENT THAN OTHER ACCOUNTS?

WITH AN IRA OR 401(K) YOU ARE LIMITED TO THE AMOUNT YOU CAN PUT INTO AN ACCOUNT.



WITH A 529 PLAN, THERE IS NO ANNUAL LIMIT TO HOW MUCH YOU CAN CONTRIBUTE, OTHER THAN ANY GIFTING LIMITATIONS. BUT EVEN WITH THE GIFT LIMITS YOU CAN STILL CONTRIBUTE AN UNLIMITED AMOUNT.

THERE IS A LIMIT TO HOW BIG YOUR 529 ACCOUNT CAN GET. SOME STATES ALLOW YOUR ACCOUNT TO GROW UP TO \$200,000 WHILE OTHERS ALLOW UP TO \$500,000.

HOW DO 529 TAX DEDUCTIONS WORK?



YOU PUT MONEY INTO THIS ACCOUNT AND MAY RECEIVE A STATE TAX DEDUCTION, BUT NOTHING AT THE FEDERAL LEVEL. THE ACCOUNT WILL GROW AND DEPENDING ON HOW THE FUNDS ARE USED WILL DECIDE IF THE GROWTH IS TAX FREE.

IF YOU HAVE TO USE THE FUNDS FROM YOUR 529 FOR ANYTHING BESIDES QUALIFIED EDUCATION EXPENSES THERE WILL BE TAX AND A PENALTY. THIS IS CALCULATED ON THE EARNINGS IN PROPORTION TO YOUR CONTRIBUTIONS. CALL FOR A COLLEGE PLANNING SESSION AT ONLY \$499.

WHAT ARE YOUR NEXT STEPS?



DISCUSS HOW TO SET UP YOUR 529 PLAN WITH STEPHEN AND MICHELLE!

- + ACCESS SOFTWARE TO STAY ON TRACK FOR SAVINGS GOALS**
- + THEY CAN HELP YOU IDENTIFY HOW MUCH TO SAVE.**
- + THEY CAN ALSO SET UP YOUR ACCOUNT AND MAKE RECOMMENDATIONS BETWEEN YOUR SAVING OPTIONS!**

FINANCIAL  **DESIGN
STUDIO**

TALK TO STEPHEN AND MICHELLE AT [FINANCIALDESIGNSTUDIO.COM](https://financialdesignstudio.com)