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Review your college savings strategy

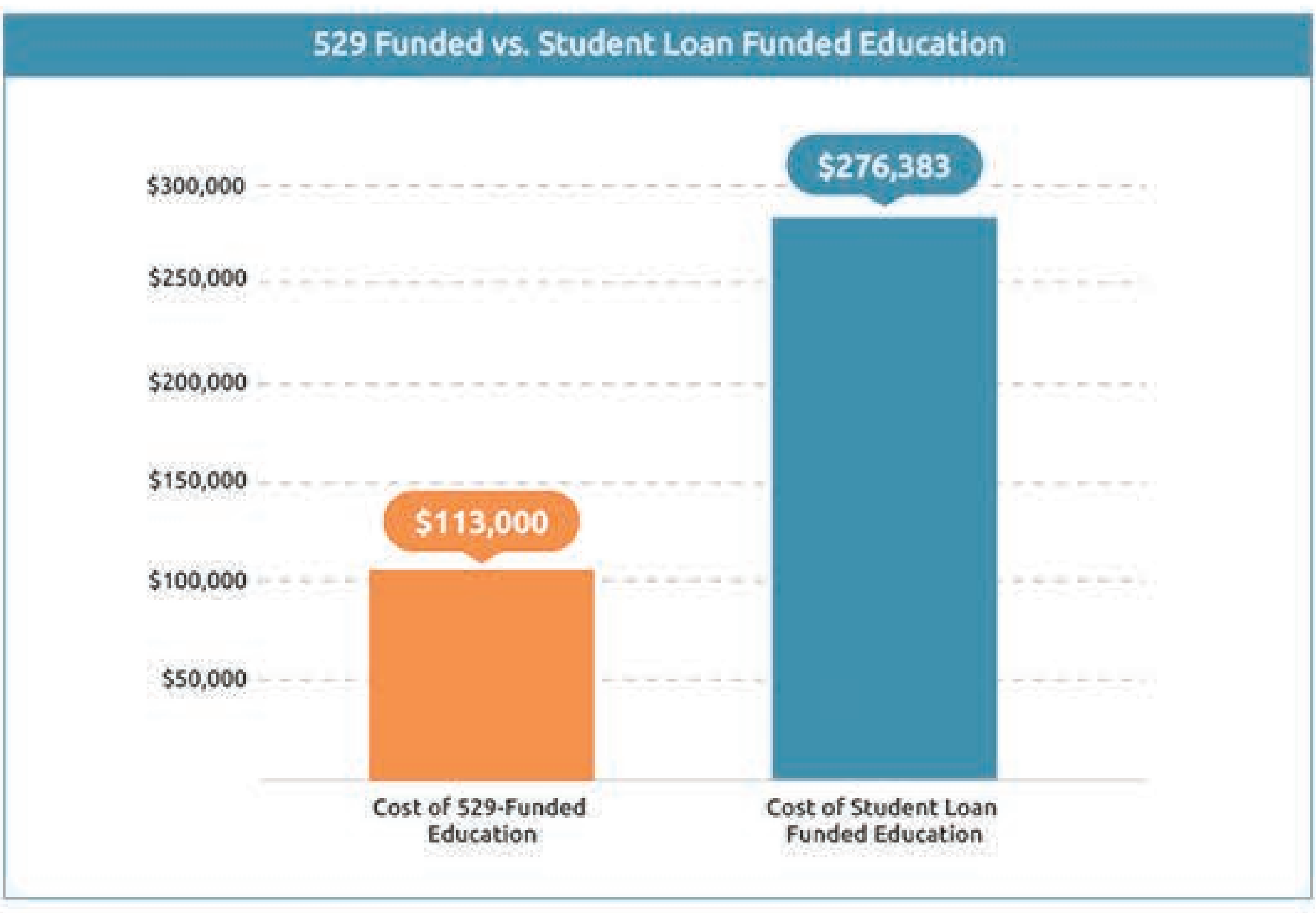
September is College Savings Month – a perfect time to assess your savings goal progress and strategy.

As college costs continue to rise, more students are relying on loans to pay for tuition and supplies. Although using loans is common, the long-term impact of carrying large amounts of debt post-graduation can come as an unwelcome surprise to many young adults. A recent government study, *Report on the Economic Well-Being of U.S. Households in 2015*, published in May of this year cites the average monthly loan payment graduates are making as $533.

Fortunately, there are steps families can take to help students possibly reduce the need to borrow.

First and foremost, start saving as much as you can as soon as you can. As an Edvest account owner, you're already on track towards helping your child graduate with potentially less student loan debt.

As the chart below illustrates, an education funded by savings costs less than one funded by loans.



Source: Savingforcollege.com

This chart hypothetically assumes four years of college (current annual cost of $20,000) for a child born today. To meet that expense 18 years from now, you would need to save $448 per month (from birth) in a 529 plan — totaling $207,456; $113,000 in contributions and $94,456 in earnings, assuming a conservative 5 percent college cost inflation rate and a 6 percent annual investment return. If the same funds were borrowed to pay for college rather than saving and investing your child would graduate owing about $276,383 in loans. This translates into a monthly payment of approximately $2,303 over 10 years, assuming a 6 percent loan interest rate. In other words, college would end up costing an additional $163,383, or more than double in out-of-pocket costs, than if you had saved and invested in advance.

Second, look for ways to reduce the cost of college in the first place. As your kids get a little older, taking Advanced Placement (AP) classes in high school can be a way for them to get college credit before college (and reduce the number of classes you'll need to pay for). Enrolling in a two-year UW college or Wisconsin technical college to cover freshman and sophomore level classes can also be more affordable than going directly to a larger university or college after high school. Just be sure to research which credits transfer from one institution to the next.

Finally, contributing to your child's Edvest account regularly can help you build savings and get closer to your goal. **As you review your strategy, ask yourself these questions:**

- Am I contributing enough? Use our College Savings Planner tool to get an idea of how much to contribute.
- Can I add monthly contributions or increase existing contribution amounts? Consider having monthly contributions sent automatically from your bank account or paycheck.
- Have I invited family and friends to give to the account at birthdays, holidays, and graduations? eGifting allows them to give online at Edvest.com/gift, but they also have the option to write a check to the account.

With the holiday season just around the corner, now's the perfect time to let family and friends know about their gifting options. Plus, if they're Wisconsin residents they could be eligible for tax benefits. Limitations apply. See Disclosure Booklet for details.

Making a gift contribution to Edvest is simple! Invite friends and family to eGift securely, online. Or if you share the account number, they can mail a check or make an electronic funds transfer directly to the account. They can even open and fund their own Edvest account for your beneficiary. Learn more at Edvest.com/gift.

With commitment, a plan that's right for your family, and tools such as Edvest, you may be able to make a real difference when it comes to paying for your child's higher education costs.

DID YOU KNOW?

50% OR MORE

OF MILLENNIALS WITH STUDENT LOAN DEBT SAY THAT FINANCIAL BURDEN IMPACTS THEIR ABILITY TO SAVE FOR MAJOR LIFE EVENTS.

Source (04/16):
http://money.usnews.com/money/blogs/my-money/articles/2016-04-14/how-millennials-are-changing-the-way-we-save

4TH LOWEST COST PLAN RANKING!

Strategic Insight, Q2 2016[1]

QUICK LINKS

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Check out our blog for all the latest news from Edvest.

[1]The Strategic Insight 529 College Savings Quarterly Fee Analysis (Q2 2016) is based on program descriptions and participating agreement documents gathered by a third-party research firm and analyzed by Strategic Insight. As part of the process, Strategic Insight analyzes the 529 program manager and state agency disclosure statements, press releases and organization websites to ensure data quality and categorization. The average minimum, maximum and total annual asset based fees at the plan levels are calculated via an un-weighted index average, or arithmetic mean method.

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Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor. Non-qualified withdrawal may be subject to federal and state taxes and the additional federal 10% tax. Before investing in a 529 plan, consider whether the state in which you our your Beneficiary resides has a 529 plan that offers favorable state tax benefits that are available if you invest in that state's 529 plan.

Consider the investment objectives, risks, charges and expenses before investing in the Edvest College Savings Plan. Please visit www.Edvest.com for a Plan Disclosure Booklet containing this and other information. Read it carefully. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss.

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