

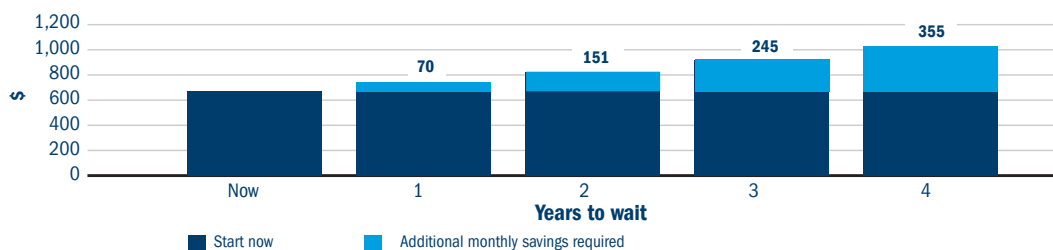
## Saving for college: a case study

### Meet the Wards

Diane and Charles Ward have two children — Emily, age 5 and Jacob, age 3. They plan on Emily attending an in-state public school and Jacob attending a private university, giving them 13 and 15 years, respectively, to prepare for this expense.

#### Investing for Emily: easing the burden

Cost of waiting to save for college – monthly payment (assuming 100% funding goal of \$200,015)<sup>1</sup>



The hypothetical chart above illustrates how much the Wards need to save on a monthly basis to target 100% of Emily's in-state public college tuition assuming a 5% college cost inflation rate and a 6% annual investment return. If they start now, they will need to save \$675 per month. Waiting two years will require an additional \$151 per month; waiting four years will require an additional \$355 per month.

#### Investing for Jacob: easing the burden (\$)

Years to wait	Lump sum needed <sup>2</sup>	Monthly savings needed			
		at 100% of goal <sup>1</sup>	at 75% of goal <sup>1</sup>	at 50% of goal <sup>1</sup>	at 25% of goal <sup>1</sup>
Now	\$168,727	\$1,237	\$928	\$618	\$309
1	\$170,334	\$1,356	\$1,017	\$678	\$339
2	\$171,956	\$1,491	\$1,119	\$746	\$373
3	\$173,594	\$1,646	\$1,235	\$823	\$412
4	\$175,247	\$1,824	\$1,368	\$912	\$456

Jacob's private school tuition, room and board is going to be even more expensive than Emily's (\$441,929 vs. \$200,015).<sup>2</sup> But the Wards don't have to save it all. They can aim for a percentage of the total and pay the rest with loans or future income, so that saving a portion of the money now will help ease their burden later.

To learn more about college savings planning with a 529 plan, [contact your financial advisor](#).

To find out more, call [888.244.5674](tel:888.244.5674)  
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<sup>1</sup> Source: "Price of Procrastination Calculator," [columbiathreadneedleus.com/calculators](https://columbiathreadneedleus.com/calculators). Based on the cost for the 2018-2019 school year and assumes a 5% college cost inflation rate and a 6% annual investment return.

<sup>2</sup> Source: "World's Simplest College Savings Calculator," [columbiathreadneedleus.com/calculators](https://columbiathreadneedleus.com/calculators)

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