

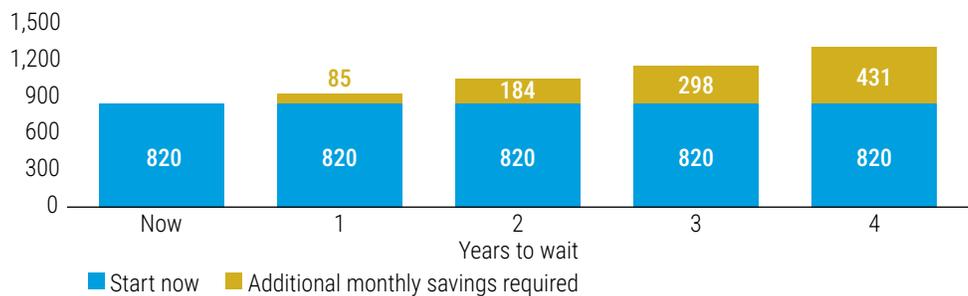
Saving for college: A case study

Meet the Wards

Diane and Charles Ward have two children – Emily, age 5, and Jacob, age 3. They plan to have Emily attend an in-state public school and Jacob attend 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 payments (assuming 100% funding goal of \$243,090)



The hypothetical chart above illustrates how much the Wards need to save monthly 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 \$820 per month. Waiting two years will require an additional \$184 per month; waiting four years will require an additional \$431 per month.

Investing for Jacob: Easing the burden (\$)

| Years to wait | Lump sum needed ² | Monthly savings needed for: ¹ | | | |
|---------------|------------------------------|--|-------------|-------------|-------------|
| | | 100% of goal | 75% of goal | 50% of goal | 25% of goal |
| Now | 215,493 | 1,580 | 1,185 | 790 | 395 |
| 1 | 217,545 | 1,732 | 1,299 | 866 | 433 |
| 2 | 219,617 | 1,905 | 1,429 | 952 | 476 |
| 3 | 221,709 | 2,102 | 1,577 | 1,051 | 526 |
| 4 | 223,820 | 2,330 | 1,748 | 1,165 | 583 |

Jacob's private school tuition, room and board are going to be even more expensive than Emily's (\$564,418 vs. \$243,090).² 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**
or visit **columbiathreadneedleus.com/investor**.



¹ Source: "Price of Procrastination Calculator," columbiathreadneedleus.com/calculators. Based on the cost for the 2024–2025 school year and assumes a 5% college cost inflation rate and a 6% annual investment return.

² Source: "World's Simplest College Savings Calculator," columbiathreadneedleus.com/calculators.

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