



College Savings Tips

If you save early and wisely, the cost of college may be less of a burden once you, your child, or your grandchild is ready to enroll. The sooner you start, the more you can take advantage of compounding to watch your savings grow. Below are some tips to help you begin saving for college.

Set up a 529 College Savings Plan

These plans provide a tax-advantaged way of saving for college, similar in concept to a 401(k) or IRA. The Competitive Edge Program is a great example.

Establish A Goal

If you specify a savings goal, you'll be able to measure your progress toward that goal.

Save As Much As You Can

If you don't think you can afford to save, start small. Don't worry too much about starting small, since the compounding of interest over time will help your savings grow. The first step is to get into the habit of saving.

Make Saving Automatic

Sign up for payroll deduction or ask your financial institution to automatically move money from your checking account to your savings account every month.

Save Regularly

Rather than save money at random intervals, try to save a little every month. The more frequently you can save the better, but at the very least save once a year. If you can save with the same frequency as you receive your paycheck, you will find it easier to get into the habit of saving.

Invest Windfalls, Don't Spend Them

If you should get a windfall, such as an inheritance, a large income tax refund, or a bonus at work, put it in the college savings fund if possible.

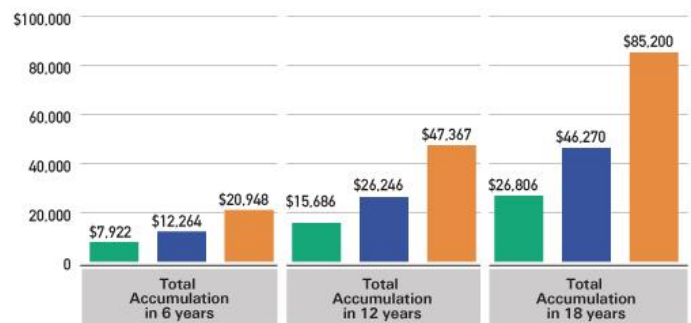
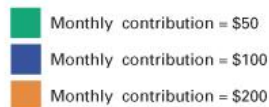
Use College Savings As An Opportunity to Teach Your Children

Talk to your children about the plan since it involves their future.

Take the opportunity to educate them about the benefits of saving.

The more you invest and the earlier you start, the more your money has the opportunity to grow

Assumes initial contribution of \$2,500.



Teaching Your Child to Manage Money



Statistics show that there is a great need for children and teens to learn an important life skill: how to manage money. It's important for parents, grandparents and caregivers to begin teaching children and teens what they need to know to grow into financially savvy adults. Here are some fun family activities that will serve as important learning examples about money:

- Set up a family change jar for a big-ticket item. As a family, decide what you'd like to save for and have each family member contribute on a weekly basis.
- Plan a budget for a family outing or trip. Have your children help research costs and determine what activities can be enjoyed within budget limits.
- Plan a meal on a budget and take your children shopping with you.
- Go out to eat and give your kids a spending limit.
- Encourage your children to raise money for a local charity so they learn the value of giving to others.
- Have a family garage sale and let your kids be responsible for deciding what items they want to sell and for collecting the money.
- Open savings accounts for your children and go over your statements together.
- Pick a product for a family research project. Have your children evaluate prices and brands to determine which product is the best value for the money.
- Help your kids start their own business, whether it's a lemonade stand or reselling toys.