



Mark Reynolds, CFP®
Mark Reynolds and Associates

123 Main Street, Suite 100
San Diego, CA 92128
Phone: 800-123-4567
Fax: 800-123-4567
www.markreynoldsandassociates.com



focus Preview

College Funding

Investing in Your Children's Future



Contents

Estimate the Cost	3
Preparing Now for College Costs	3
Current and Future Cost of a College Education	3
Calculating the Cost	4
Factor in Your Timeline	5
What Is Your Savings Goal?	5
How Will You Pay for College?	6
Establish a College Fund	7
How the Typical Family Saves for College	7
Taxable vs. Tax-Free Savings Options	7
Tax-Advantaged College Savings Options	7
529 Plans	8
Coverdell Education Savings Accounts	9
Roth IRAs	10
Taxable Accounts	11
Stocks, Bonds, Mutual Funds, ETFs	11
Investing Considerations	12
Sample Asset Allocation Models	12
Setting a College Savings Goal	12
Evaluate Other Funding Sources	13
How the Typical Family Pays for College	13
Financial Aid	13
Grants and Scholarships	13
How Is Financial Need Determined?	14
Applying for Financial Aid	14
Assets Not Counted for Federal Aid Purposes	15
College Loans	15
Retirement Plans	16
Gift from Grandparents	16
Countdown to College	17
Figuring Out Your Net Cash Flow	18
Figuring Out Your Net Worth	19
What to Bring	back cover

This material was written and prepared by Broadridge Advisor Solutions.

Copyright by Broadridge Financial Solutions, Inc. All rights reserved. No part of this publication may be copied or distributed, transmitted, transcribed, stored in a retrieval system, transferred in any form or by any means—electronic, mechanical, magnetic, manual, or otherwise—or disclosed to third parties without the express written permission of Broadridge Advisor Solutions.

The information contained in this workbook is not written or intended as tax, legal, investment, or retirement advice or recommendations, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek guidance from an independent tax or legal professional. The content is derived from sources believed to be accurate. Neither the information presented nor any opinion expressed constitutes a solicitation for the purchase or sale of any security.

Broadridge assumes no responsibility for statements made in this publication including, but not limited to, typographical errors or omissions, or statements regarding legal, tax, securities, and financial matters. Qualified legal, tax, securities, and financial professionals should always be consulted before acting on any information concerning these fields.

Estimate the Cost

Preparing Now for College Costs

College is expensive, so creating a plan for how to pay for it is a smart financial move. These three steps can help you get started:

- 1 Estimate the Cost
- 2 Establish a College Fund
- 3 Evaluate Other Funding Sources

Current Cost of a College Education

For the 2025–2026 academic year, the average cost at a four-year public college is \$25,850 (for in-state residents), and the average cost at a four-year private college is \$60,920. This brings the total four-year cost to more than \$103,400 and \$243,680, respectively.

Public college

\$25,850
x 4 years

\$103,400

Private college

\$60,920
x 4 years

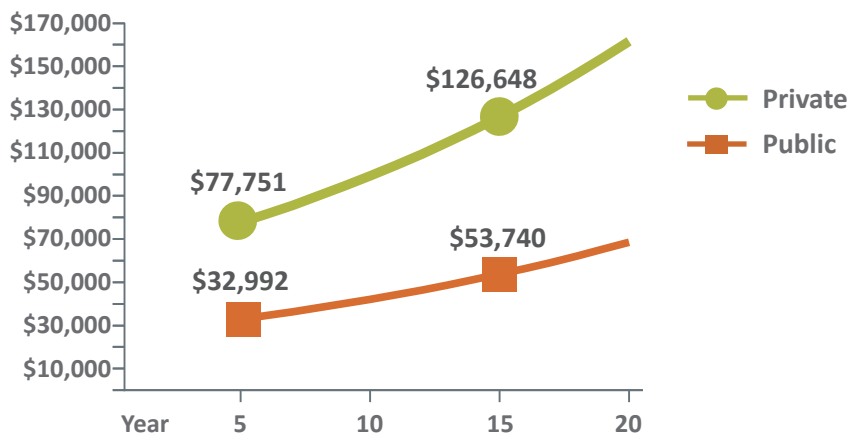
\$243,680

These figures include tuition, fees, housing, and food but not indirect expenses such as books, supplies, personal expenses, and transportation.

Source: *Trends in College Pricing and Student Aid 2025*, College Board

Future Annual Cost of College

You might not realize the impact that college inflation can have on overall costs. This chart shows how much one year of college might cost in five years and in 15 years, assuming a 5% college inflation rate.



Source: *Trends in College Pricing and Student Aid, 2025*, College Board

College Costs Over the Past Decade

Over the past 10 years, the cost of college tuition, fees, housing, and food decreased by 3% at public colleges and increased by 2% on average at private colleges, after adjusting for inflation.

Source: *Trends in College Pricing and Student Aid 2025*, College Board

Estimate the Cost

Calculating the Cost

You can use this worksheet to estimate the future cost of sending your children to college for four years and the annual savings needed to reach your goal.

College Cost Worksheet				
Name of the Child	Age	Current Annual College Cost	x Estimated Future Cost Factor	= Estimated Future Cost
Leah (example)	8	\$ 30,000	x 7.021	= \$ 210,630
_____	_____	\$ _____	x _____	= \$ _____
_____	_____	\$ _____	x _____	= \$ _____

Estimated inflation rate: 5%

An Investment in the Future

A majority of families say college is a worthwhile, long-term investment in their children's future.

Source:
How America Pays for College 2025, Sallie Mae

Age of the Child	Estimated Future Cost Factor	Age of the Child	Savings Factor
1	9.879	1	0.039
2	9.408	2	0.042
3	8.960	3	0.046
4	8.534	4	0.051
5	8.127	5	0.056
6	7.740	6	0.063
7	7.372	7	0.070
8	7.021	8	0.080
9	6.686	9	0.091
10	6.368	10	0.105
11	6.065	11	0.123
12	5.776	12	0.147
13	5.501	13	0.181
14	5.239	14	0.232
15	4.990	15	0.317
16	4.752	16	0.488
17	4.526	17	0.952
18	4.310	18	1.000

Estimated Future College Cost	x	Savings Factor	=	Annual Savings Required
\$ 210,630 (Leah)	x	0.080	=	\$ 16,850
_____	x	_____	=	\$ _____
_____	x	_____	=	\$ _____

Estimated investment return: 5%

This hypothetical example is used for illustrative purposes only and does not represent any specific investment. Taxes and investment expenses are not considered.

Estimate the Cost

Factor in Your Timeline

As you estimate future costs, you'll need to consider your timeline.

How many years remain before you will need money for your oldest child's first year of college? If you have more than one child, will you have two or more children in college at the same time?

Determine your timeline and cumulative costs so you can establish a college funding goal for each child.

What Is Your Savings Goal?

Not all parents expect to pay 100% of a child's college education.

You might think of your college savings as a down payment on the total cost, similar to a down payment on a home. A good benchmark is to aim to save at least 50% of your child's projected college costs. Then, when the time for college arrives, you can supplement your savings with other funding sources.

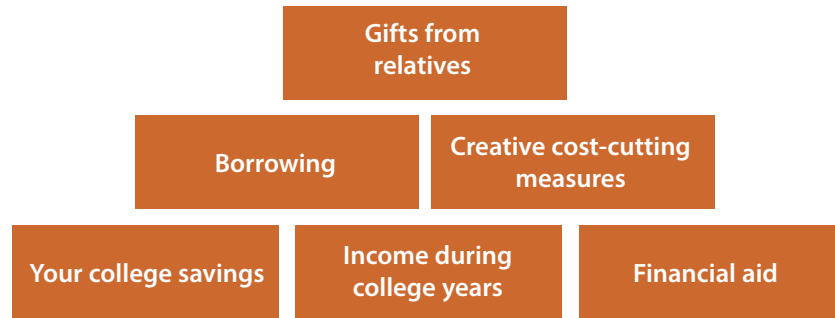
Contribution Goal	
Personal Savings	Other Sources
<input type="checkbox"/> 25%	75%: _____
<input type="checkbox"/> 50%	50%: _____
<input type="checkbox"/> 75%	25%: _____
<input type="checkbox"/> 100%	
<input type="checkbox"/> Other _____%	____%: _____

Use these spaces to record how much you expect to contribute toward future college savings.



Estimate the Cost

How Will You Pay for College?



Think of your college savings as just one piece of the college financing puzzle. In addition to your own college savings, some of your child's college costs are likely to be covered by:

Costs Are a Consideration

About 79% of families factor in the price of a college when narrowing their list of schools to attend.

Source:
How America Pays for College 2025, Sallie Mae

- **Your income during the college years, plus any income your child might earn from a part-time job**
- **Financial aid**
- **Borrowing during the college years**
- **Creative cost-cutting measures, such as:**
 - **Having your child attend a community college for two years before transferring to a four-year college**
 - **Having your child enroll in an accelerated program and graduating in less than four years**

And perhaps, if you're lucky:

- **Generous gifts from grandparents or other relatives**

Even though these potential resources are off in the future, knowing about them now might help you feel better as you build your college fund. Just keep in mind that your college savings are the cornerstone of any successful college financing plan.



Establish a College Fund

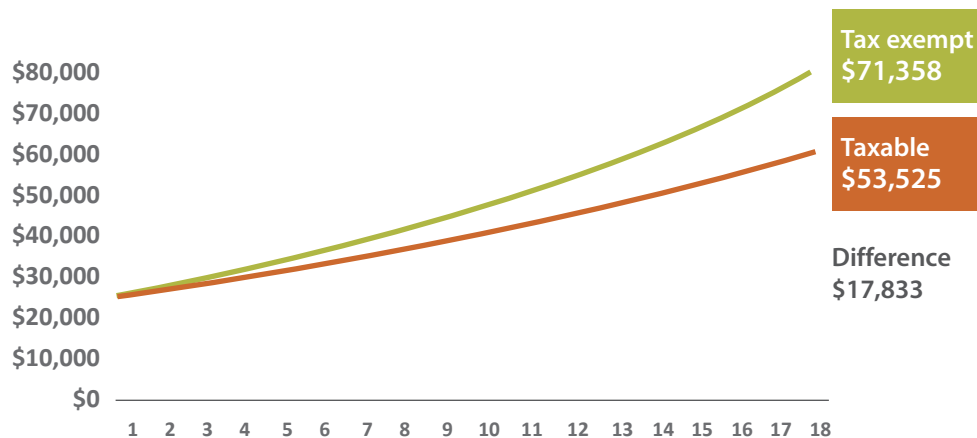
How the Typical Family Saves for College

The typical family might use a variety of ways to save for college. Some are specifically designed for college savings and offer some tax advantages, whereas others are general ways to save.

- General checking or savings account
- 529 college savings plan or 529 prepaid tuition plan
- Investment account (such as stocks, bonds, mutual funds, ETFs)
- Coverdell Education Savings Account (ESA)
- Certificate of deposit

Taxable vs. Tax-Free Savings Options

Of course, not all college savings options are created equal. Taxes can have a significant impact on your savings accumulation over time, as this chart illustrates. That's why it is smart to consider tax-advantaged options when saving for college. Why give money to Uncle Sam when you need every penny for college?



Assumes a \$25,000 initial investment, a 6% average annual rate of return, and a total average federal and state tax rate of 28%.

This hypothetical example is used for illustrative purposes only and does not represent any specific investment; nor is it a guarantee of future value. The lower maximum tax rates on capital gains and qualified dividends, as well as the tax treatment of investment losses, would make the taxable investment more favorable than is shown.

Tax-Advantaged College Savings Options

Your savings are the cornerstone of any successful college savings plan. In addition to using taxable accounts, consider these tax-advantaged investing vehicles to build a college fund:

- 529 plans
- Coverdell Education Savings Accounts
- Roth IRAs

Establish a College Fund

529 Plans

A 529 plan is a tax-advantaged savings vehicle specifically geared toward education. Each state has the authority to establish a 529 plan (or possibly more than one) and what it will look like. Each plan has its own rules and restrictions, which can change at any time.

A **college savings plan** is an individual investment-type account to save money for college. You open an account, name a beneficiary (such as your child), select your investment options, and contribute money on a monthly, quarterly, or annual basis. Funds can be withdrawn tax-free to pay the beneficiary's college expenses — including tuition, fees, housing, food, books, supplies, and computer equipment — at any accredited college in the United States or abroad, including graduate school; and to cover fees, books, supplies, and equipment for certified apprenticeship programs.*

*Funds in a 529 college savings plan can also be used for K-12 tuition expenses (limited to \$20,000 per year) as well as for student loan repayment (up to a \$10,000 lifetime limit) on qualified education loans for the 529 plan beneficiary (and an additional \$10,000 to satisfy outstanding student debt for each of the plan beneficiary's siblings).

A **prepaid tuition plan** lets you lock in today's tuition prices for use in the future through the purchase of tuition credits or units. This plan is primarily meant for use at in-state public colleges and covers tuition only. You are limited to participating in your own state's plan.

Advantages of 529 plans:

- Tax-free withdrawals for qualified education expenses
- High contribution limits (*set by each state*)
- No income eligibility limits or age restrictions
- Control of disbursements and beneficiary changes

Limitations:

- Limited control of investments
- 10% penalty on nonqualified withdrawals (*plus federal and state taxes*)
- Investments are subject to market risk

As with other investments, there are generally fees and expenses associated with participation in a 529 plan. There is also the risk that the investments may lose money or not perform well enough to cover college costs as anticipated. The tax implications of a 529 plan should be discussed with your legal and/or tax professionals because they can vary significantly from state to state. Most states offer their own 529 plans, which may provide advantages and benefits exclusively for their residents and taxpayers; these state benefits may include financial aid, scholarship funds, and protection from creditors.

Before investing in a 529 college savings plan, please consider the investment objectives, risks, charges, and expenses carefully. The official disclosure statements and applicable prospectuses, which contain this and other information about the investment options and underlying investments, can be obtained by contacting your financial professional. You should read this material carefully before investing.

Accelerated Gifting

In 2026, individuals can contribute up to \$19,000 annually to a 529 plan (\$38,000 for married couples) without triggering gift taxes.

Five years' worth of contributions can be made in a lump sum up-front without triggering gift taxes, as long as the donor contributes no additional cash gifts to the student over the five-year period.

Establish a College Fund

Coverdell Education Savings Accounts

A Coverdell Education Savings Account (ESA) is another tax-advantaged college funding vehicle. Although annual contributions are much lower than they are for 529 plans, you generally have more control of the investments.

Advantages:

- Tax-deferred accumulation
- Withdrawals free of federal tax when used for qualified higher-education expenses
- Qualified expenses also include elementary and secondary school tuition and room & board
- More investment flexibility than a 529 plan

Limitations:

- Low annual contribution cap: Up to \$2,000 per child
- No contributions can be made after beneficiary reaches age 18*
- Income eligibility phaseout limits
- Investments are subject to market risk

*Unless the beneficiary is an individual with special needs.

The amount that can be contributed to an ESA gradually phases out for donors with higher incomes. In 2026, the maximum \$2,000 annual contribution is reduced for single filers with modified adjusted gross incomes (MAGIs) between \$95,000 and \$110,000, and for married joint filers with MAGIs between \$190,000 and \$220,000.

If a Coverdell account has a balance at the time the recipient reaches age 30 and the money is not rolled over to another qualified family member, the money must be withdrawn and distributed to the recipient (or to the recipient's estate if he or she dies prior to age 30). At that time, the beneficiary will be taxed on the remaining earnings and a 10% penalty tax will be applied. The 30-year age limit does not apply to beneficiaries with special needs.

As with other investments, there are generally fees and expenses associated with participation in a Coverdell ESA. There is also the risk that the plan investments may lose money or not perform well enough to cover college costs as anticipated. Nonqualified withdrawals are subject to federal and state income taxes and a 10% federal income tax penalty.

The low annual contribution limit for a Coverdell ESA probably makes this vehicle insufficient as a standalone college savings strategy. But it might be helpful in combination with other savings options.

Establish a College Fund

Roth IRAs

Most people think of a Roth IRA as a powerful retirement savings vehicle, but it can also be a helpful way to save for college.

Tapping retirement funds to pay for college is generally not a recommended strategy, so this approach is intended to save money targeted specifically for college.

Advantages:

- Contributions can be withdrawn tax-free and penalty-free at any time, for any reason
- Withdrawals of earnings used for qualified higher-education purposes avoid the 10% early-distribution tax penalty
- Savings in a Roth IRA are not counted as an asset for financial aid purposes*

Limitations:

- Eligibility to contribute phases out at higher incomes
- Annual contribution limit is higher than a Coverdell ESA but lower than a 529 savings plan
- Investments are subject to market risk

*Withdrawals do count toward your income for financial aid purposes.

The federal government does not count retirement accounts, such as Roth IRAs, when determining financial aid eligibility.

You must have earned income (from wages) to contribute to a Roth IRA. In 2026, income eligibility phaseouts start at \$153,000 and end at \$168,000 for single filers. For married joint filers and qualifying widows or widowers, the phaseouts start at \$242,000 and end at \$252,000. The maximum annual contribution limit to Roth and traditional IRAs *combined* in 2026 is \$7,500 (an additional "catch-up" contribution is allowed for people age 50 and older).

Your child could also contribute to his or her own Roth IRA using earnings from a part-time job. And if your child doesn't use the funds for college, the money is still available for retirement or other purposes (such as a down payment on a home), as long as Roth IRA distribution rules are followed.

Generally, to qualify for a tax-free and penalty-free withdrawal of earnings, Roth IRA distributions must meet a five-year holding requirement and take place after age 59½. (IRS exceptions include withdrawals used for higher-education expenses.)

Establish a College Fund

Taxable Accounts

- Savings accounts
- CDs
- Money market funds

Generally, savings accounts, certificates of deposit, and money market funds are relatively safe ways to save money for college, but the potential for your money to grow is very limited. If you are looking for growth, they may not be the best vehicles for all of your college funds.

Money market funds are neither insured nor guaranteed by the FDIC or any other government agency. Although a money market fund attempts to maintain a stable \$1 share price, you can lose money by investing in such a fund.

The Federal Deposit Insurance Corporation (FDIC) insures CDs and bank savings accounts at FDIC-insured institutions for up to \$250,000 per depositor, per institution. CDs generally provide a fixed rate of return.

Stocks, Bonds, Mutual Funds, ETFs

To increase performance potential over time, you may choose to invest in stocks, bonds, mutual funds, and exchange-traded funds (ETFs). There are thousands of investments to choose from, and proceeds from the sale of these investments can be used for any purpose, not just college.

Because selecting individual investments can be a complex process, you might consider investing in mutual funds and exchange-traded funds in order to add a mix of stocks, bonds, and cash to your portfolio. Mutual fund shares are typically purchased from and sold back to the investment company, and the price is determined by the net asset value at the end of the trading day. By contrast, ETFs can be bought and sold throughout the trading day like stocks, and you must pay a brokerage commission when buying or selling ETF shares.

The return and principal value of stocks, bonds, mutual fund shares, and ETF shares fluctuate with changes in market conditions. These investments, when sold, may be worth more or less than their original cost. Bond funds are subject to the same inflation, interest rate, and credit risks associated with their underlying bonds. As interest rates rise, bond prices typically fall, which can adversely affect a bond fund's performance. Investments seeking to achieve higher yields also involve a higher degree of risk.

Mutual funds and ETFs are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.



Start Now and Add More Later

A smart college strategy is to start saving now with whatever you can afford, and then add to it over the years as you receive raises, bonuses, tax refunds, and unexpected windfalls.

Establish a College Fund

Investing Considerations

Time horizon. Generally, if you start saving for college when your child is young, you have a longer time horizon and can take a more aggressive approach to investing. If you have a shorter time frame, you may want to take a more conservative approach.

Risk and reward. An understanding of your personal tolerance for risk is another key factor when you weigh risk and potential reward. You don't want to gamble with your child's education, so generally you want to choose investment vehicles that have risks with which you are comfortable.

Diversification. Diversification is another fundamental principle that can help reduce overall risk. It involves investing in different asset classes and investment vehicles to limit exposure to losses in any one sector of the market.

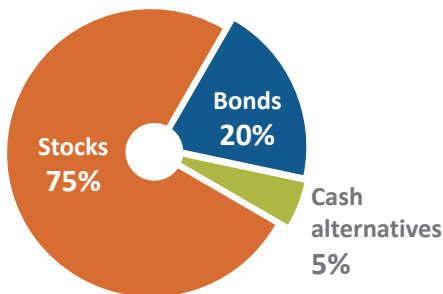
Diversification and asset allocation do not guarantee a profit or protect against loss; they are methods used to help manage investment risk.

Investments offering the potential for higher rates of return also involve a higher degree of risk of principal.

Sample Asset Allocation Models

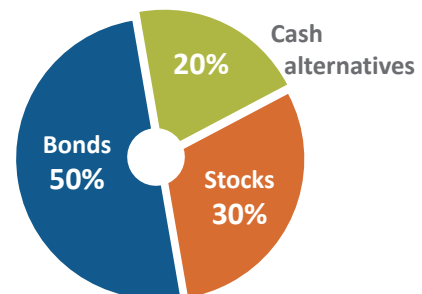
These asset allocation models might be appropriate for investors with different time horizons. The mix of investments may provide an adequate potential return for the risk they are willing to take.

College 10+ years away



Aggressive allocation

College 2 years away



Conservative allocation

These hypothetical portfolios are shown for illustrative purposes only; they are not recommendations.

Setting a College Savings Goal

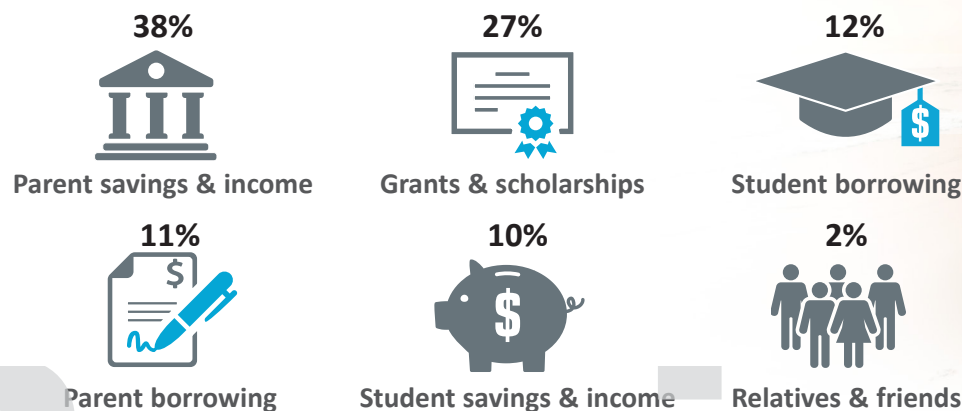
Here's how much you could accumulate for college over time.

Monthly Investment	5 years	10 years	15 years
\$100	\$6,977	\$16,388	\$29,082
\$300	\$20,931	\$49,164	\$87,246
\$500	\$34,885	\$81,940	\$145,409

Assumes a 6% annual rate of return. Rates of return will vary over time, especially for long-term investments. This hypothetical example is used for illustrative purposes only and does not reflect the performance of any specific investment. Taxes and investment expenses are not considered. Actual results will vary.

Evaluate Other Funding Sources

How the Typical Family Pays for College



Source: *How America Pays for College 2025*, Sallie Mae



Practical Hints for Financial Aid

1. Apply early to increase your chances for aid and don't miss any deadlines.
2. Keep a copy of completed forms and applications.
3. Respond promptly to all college inquiries.
4. Keep in touch with the financial aid office at the schools being considered.
5. Reapply for financial aid and some scholarships each year.
6. Borrow only what you need.
7. Investigate all options.

Financial Aid

Financial aid is money given primarily by the federal government and colleges to help students pay for college. It can be based on need or merit and take the form of loans, grants, scholarships, or work-study.

Grants and Scholarships

Federal grants. The federal government offers two main grants: the Pell Grant and the Supplemental Educational Opportunity Grant (SEOG), but they are limited to students with the greatest financial need.

College grants and scholarships. For much larger grant and scholarship awards, look to individual colleges, which award grants and scholarships on the basis of financial need or merit.

Net price calculator. Colleges vary in the amount of grants and scholarships they offer. For an estimate of how much grant or scholarship aid your child might receive at a particular college, you can use a college's net price calculator, an online tool available on every college's website. A net price calculator uses family income, assets, and general student information to estimate how much gift aid a student is likely to get at a specific college. The cost of the school minus this gift aid equals your estimated net price. A net price calculator is an excellent way to compare colleges on price before your child applies.

Private scholarships. Third-party scholarships are offered by private corporations, foundations, religious and charitable organizations, and community groups. Scholarships can be awarded based on a range of achievements or characteristics, including academic performance, intended major, financial need, religious affiliation, and ethnic background. High school guidance counselors and college financial aid departments can recommend ways to search for scholarships. Students can also match their personal profiles against thousands of scholarships through free online search engines.

Make it a priority to look for grants and scholarships. The more gift aid you get, the lower your out-of-pocket costs will be.

Evaluate Other Funding Sources

CSS Profile

Private colleges typically require a separate financial aid form — the CSS Profile — which they use when distributing their own discretionary funds. The CSS Profile generally digs a bit deeper into your assets and is meant to identify students with the greatest financial need.

IRS Data Exchange Tool

The IRS Data Exchange Tool transfers relevant information from your federal income tax return to your FAFSA form.

How Is Financial Need Determined?

To be considered for financial aid, you must complete the federal government's Free Application for Federal Student Aid (FAFSA) for each year that your child will attend college. The FAFSA uses a formula based on family income and other factors to calculate your Student Aid Index (SAI). The difference between the cost of a particular college and your SAI is your child's financial need. Your SAI remains the same regardless of which school your child attends.

The most important factor in determining your SAI is your income. Other factors include your assets, overall family size, and the age of the older parent at college time. Parents are expected to contribute 5.6% of their assets each year, whereas students are expected to contribute 20% of their assets.

Applying for Financial Aid

- **FAFSA can be filed as early as October 1**
- **Relies on current asset information but income information from two years prior to when your child will attend college**
- **Example: For a child in college September 2027, you can file the 2027–2028 FAFSA starting October 1, 2026; it will rely on income information from your 2025 federal tax return**
- **Colleges are not obligated to meet 100% of your child's financial need**

The FAFSA is available at studentaid.gov. Filling it out is similar to completing your tax return. And it can actually import data from your tax return, saving you time and improving accuracy. After you submit the FAFSA, you will receive a Student Aid Report. Check all information for accuracy. Make sure you submit forms well before the deadlines imposed by each college. Once your child is accepted at a particular school, the financial aid administrator will look at your child's FAFSA (and CSS Profile, if applicable) and attempt to craft an aid package to meet your child's financial need. It can be met with a combination of federal loans, grants, and work-study along with college grants and scholarships. You are responsible for any gap.

Even if you're not sure that your child will qualify for aid, you should still consider filling out the FAFSA. It is *always* a prerequisite for federal aid, even for federal loans that are not based on financial need. In addition, it is *sometimes* required for college merit-based aid.

Source: U.S. Department of Education



Evaluate Other Funding Sources

Assets Not Counted for Federal Aid Purposes

- Home equity
- All retirement accounts
- Annuities
- Cash-value life insurance

College Loans

When you file the FAFSA, your child becomes eligible for certain federal loans. Some are based on financial need, and some are not.

Direct Loan. Direct Subsidized Loans are based on need, and the government pays the annual interest while the student is in school. Direct Unsubsidized Loans are not based on financial need, and interest accrues while the student is in school. These loans are made directly with the federal government. Repayment for Direct Loans is delayed until six months after the student leaves school.

All loans have annual borrowing limits. For the 2025–2026 academic year, Direct Loans are limited to \$5,500 for first-year students (up to \$3,500 of which can be subsidized), \$6,500 for second-year students (\$4,500 of which can be subsidized), and \$7,500 for third-year, fourth-year, and fifth-year students (\$5,500 of which can be subsidized). The student takes out the loan in his or her name and is responsible for paying it back.

Direct PLUS Loan for parents. These loans, available to parents of dependent undergraduate students, are funded by (and payments are made to) the federal government. Parents with good credit histories are eligible to borrow. Starting July 1, 2026, PLUS Loans will have a \$20,000 annual borrowing limit and a \$65,000 total lifetime borrowing limit per dependent student. Repayment starts 60 days after money is paid to the school.

Private loan. Parents might decide to take out a loan in their name or co-sign on a private student loan, with the student as primary borrower. Keep in mind that if you co-sign on a loan and your child can't pay back the loan after graduation, you are on the hook for repaying it.

Students and parents who borrow too much for college can end up with a considerable debt burden that could last for years after graduation.

Borrowing money may or may not be a good option for your family. Before making a decision to take out a loan, consider the interest rate, the amount that can be borrowed, the amount of time available to pay off the loan, and any fees or charges that may be associated with the loan.

Source: U.S. Department of Education



Burden of Student Debt

Approximately 42.5 million people have federal student loan debt, and the average balance is \$39,075.

Source: educationdata.org, 2025

Evaluate Other Funding Sources

Education Tax Credits

Families may qualify for the American Opportunity Tax Credit and/or the Lifetime Learning Credit. This can help ease some of the financial strain of college. There are income limits for eligibility.

Specific rules apply to the use of tax credits and deductions for education expenses.

Home Equity

If you have built up equity in your home, a home equity loan or line of credit might be an option to help pay for college. Home equity loans enable you to borrow up to 80% of the equity in your home, but proceeds used for college expenses are not tax deductible.

Retirement Plans

You could use some of the assets you've accumulated in a retirement plan to help pay college costs. IRA withdrawals that are used to pay qualified higher-education expenses — for you as the IRA owner and for your spouse, child, or grandchild — avoid the normal 10% penalty that applies to early withdrawals before age 59½. Before taking action, it is important to understand the rules in your particular plan.

Borrowing funds from an employer-sponsored retirement plan may be another option. However, there are some disadvantages: (1) Money borrowed from a retirement plan is no longer pursuing potential investment returns, which could result in a retirement income shortfall. (2) Loans must be repaid with interest, generally over a five-year period. If you leave or lose your job, immediate repayment may be required.

Withdrawals from traditional IRAs and most employer-sponsored retirement plans are taxed as ordinary income and may be subject to a 10% federal income tax penalty if taken prior to age 59½ (with some IRS exceptions).

Gift from Grandparents

If grandparents or close family members want to help cover college costs, there are generally three ways for them to do so.

Outright gift. Gifts exceeding the annual gift tax exclusion amount — \$19,000 for individual gifts or \$38,000 for joint gifts in 2026 — may be subject to the federal gift tax. Funds gifted directly to a child or to the child's parents will be counted as assets for financial aid purposes.

Direct tuition payment. Tuition payments made directly to an educational institution on behalf of a student are not considered taxable gifts, though it might prompt a college to reduce any potential grant award in the student's financial aid package.

529 college savings plan. Under rules unique to 529 plans, individuals can make a lump-sum gift to a 529 account of up to \$95,000 (married couples can make a joint gift up to \$190,000) in 2026 and avoid federal gift taxes by making a special election on their tax returns to treat the gift as if it were made in equal installments over a five-year period. Grandparent-owned 529 accounts are not counted as a parent or student asset on the federal government's FAFSA, and starting with the 2024–2025 FAFSA, students won't need to report withdrawals from a grandparent-owned 529 plan. *(See page 8 for more information on 529 plans.)*



Countdown to College

Freshman Year

- Take challenging classes
- Complete a skills inventory
- Determine requirements to graduate
- Evaluate your college savings



Sophomore Year

- Participate in extracurricular activities
- Begin building a resume
- Start researching colleges
- Continue to refine your academic and personal interests

Helpful Websites

collegeboard.org

fastweb.com

studentaid.gov



Junior Year

- Take AP classes to earn college credits
- Take entrance exams (SAT and ACT), if required
- Attend college fairs and/or visit colleges
- Run the net price calculator for different colleges
- Take stock of your college savings and evaluate other potential funding sources



Senior Year

- Retake exams, if necessary
- Obtain teacher recommendation letters
- Consult with guidance counselor
- Finalize list of colleges
- Submit college applications by required deadlines
- Submit financial aid applications as early as possible
- Research and apply for scholarships



Figuring Out Your Net Cash Flow

How much discretionary income do you have available after your monthly obligations are met? Can you account for where the money goes? Some people are surprised at the amount they should be able to save and invest each month but don't. Analyze your cash flow for the current month. Because income and expenses can vary from month to month, you may wish to estimate your cash flow through all 12 months or take a 12-month average.

Monthly Income	
Wages, salary, tips	\$
Alimony, child support	\$
Dividends from stocks, mutual funds, etc.	\$
Interest on savings accounts, bonds, CDs, etc.	\$
Social Security benefits	\$
Pensions	\$
Other income	\$
TOTAL MONTHLY INCOME	\$

Monthly Expenses			
Mortgage payment or rent	\$	Other transportation	\$
Vacation home mortgage	\$	Life insurance	\$
Automobile loan(s)	\$	Homeowners insurance	\$
Personal loans	\$	Automobile insurance	\$
Credit card accounts	\$	Medical, dental, disability insurance	\$
Federal income taxes	\$	Unreimbursed medical, dental expenses	\$
State income taxes	\$	Entertainment/dining	\$
FICA (Social Security)	\$	Recreation/travel	\$
Real estate taxes	\$	Club dues	\$
Other taxes	\$	Hobbies	\$
Utilities (electricity, heat, water, telephone, etc.)	\$	Gifts	\$
Household repairs and maintenance	\$	Major home improvements and furnishings	\$
Food	\$	Professional services	\$
Clothing/laundry	\$	Charitable contributions	\$
Education expenses	\$	Other expenses	\$
Child care	\$	TOTAL MONTHLY EXPENSES	\$
Automobile expenses (gas, repairs, etc.)	\$		

NET CASH FLOW	
Total monthly income	\$
Total monthly expenses	\$
DISCRETIONARY MONTHLY INCOME <i>(Subtract your expenses from your income)</i>	\$

How much of your discretionary monthly income are you investing or saving each month?

\$ _____

Figuring Out Your Net Worth

Your net worth is the value of all your assets minus all your liabilities. It provides a snapshot of your overall financial health. By tracking your net worth over time, you might become motivated to save more, spend less, and invest for the future.

Tangible Assets	
Residence	\$
Vacation home	\$
Furnishings	\$
Automobiles	\$
Rental real estate	\$
Art, jewelry, or other valuables	\$

Debt Assets	
U.S. government bonds and agency securities	\$
Municipal bonds	\$
Corporate bonds	\$
Face amount certificates	\$
Debt mutual funds	\$

Equity Assets	
Qualified retirement funds	\$
Stocks	\$
Equity mutual funds	\$
Variable life insurance (cash value)	\$
Variable annuities	\$
Limited partnerships	\$
Business interests	\$

Cash and Cash Alternatives	
Checking accounts	\$
Savings accounts	\$
Money market funds	\$
Certificates of deposit	\$
Other cash reserve accounts	\$
TOTAL ASSETS <i>(Add tangible, equity, fixed principal, debt assets, & cash)</i>	\$

Fixed-Principal Assets	
Fixed-interest annuities	\$
Life insurance (cash value)	\$
Other assets	\$

Liabilities	
Home mortgage	\$
Other mortgage	\$
Automobile loans	\$
Bank loans	\$
Personal loans	\$
Credit card debt	\$
Other debts	\$
TOTAL LIABILITIES	\$

NET WORTH	
Total assets	\$
Total liabilities	\$
NET WORTH <i>(Subtract your liabilities from your assets)</i>	\$

Set a goal for yourself.

What would you like your net worth to be in 5 years? \$ _____

What would you like it to be in 10 years? \$ _____

What to Bring

Please bring the following documents to your complimentary, no-obligation consultation:

1. _____
2. _____
3. _____
4. _____
5. _____

Preview

Your consultation is scheduled for:

Date Time

