

Financial Wellness

How is your financial health? Is it time for a check-up?



We are excited to present a seven-part series on financial wellness that will cover several financial struggles Americans are facing and ways to overcome them.

Part III: Saving for College

You have big dreams for your children. Maybe they will grow to be an astronaut or a doctor—their potential has no limit. Have you considered how they will get there? Have you started to save for your children's future education? According to the National Center for Education Statistics (NCES), the average annual cost for undergraduate tuition, fees, room and board were estimated to be \$16,188 at public institutions, \$41,970 at private non-profit institutions and \$23,372 at private for-profit institutions—that's a significant additional cost.

If you haven't begun to save for your child's college education, you are not alone. Just over half of families (57 percent) have started to save¹. Consider saving in a 529 plan. A 529 plan is a tax-advantaged savings plan designed to encourage saving for future college costs².

Benefits of 529 Plans:

- Flexibility over investment options
- Tax-free growth and withdrawals made permanent with passing of the Pension Protection Act (PPA) in 2006
- Some states allow tax deductions and exemptions on gains
- Donor has control over assets and investments
- Can be used in any state, any school
- Can be transferred to another beneficiary at any time
- No income limitations or age restrictions

Begin saving for your child's future today and you'll thank yourself for it when the Ivy League acceptance letters start rolling in.

For more information on 529 college savings plans and financial wellness, contact our retirement plan advisor at (505) 884-0451 or kelly@charlesstephen.com.



¹SallieMae. *How America Saves for College 2016*.

²U.S. Securities and Exchange Commission. *An Introduction to 529 Plans*.

Investors should consider the investment objectives, risks, charges, and expenses associated with 529 plans before investing. More information about 529 plans is available in the issuer's official statement, which should be read carefully before investing. Also, before investing, consider whether your state offers a 529 plan that provides residents with favorable state tax benefits. As with other investments, there are generally fees and expenses associated with participation in a 529 savings plan. There is also the risk that the investments may lose money or not perform well enough to cover college costs as anticipated.

Mutual funds are sold by prospectus only. Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of a mutual fund. The fund prospectus provides this and other important information. Please contact your representative or the Company to obtain a prospectus. Please read the prospectus carefully before investing or sending money.

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