



## College Savings Report

Robinson Family

SAMPLE

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

# Rebecca: College savings plan

As of September 5, 2024

## Projected college costs ⓘ

**\$106,779**

- Rebecca has 14 years until college starts
- Plans to attend University of Wisconsin-Madison (current annual cost<sup>8</sup> is \$10,796 for in-state students<sup>1</sup>)
- Plans to spend 4 years in college
- 6% hypothetical annual college inflation rate
- Additional expenses not included in costs

## Costs you plan to fund ⓘ

**\$80,084**

- 75% of projected college costs

## Your projected savings ⓘ

**\$68,138**

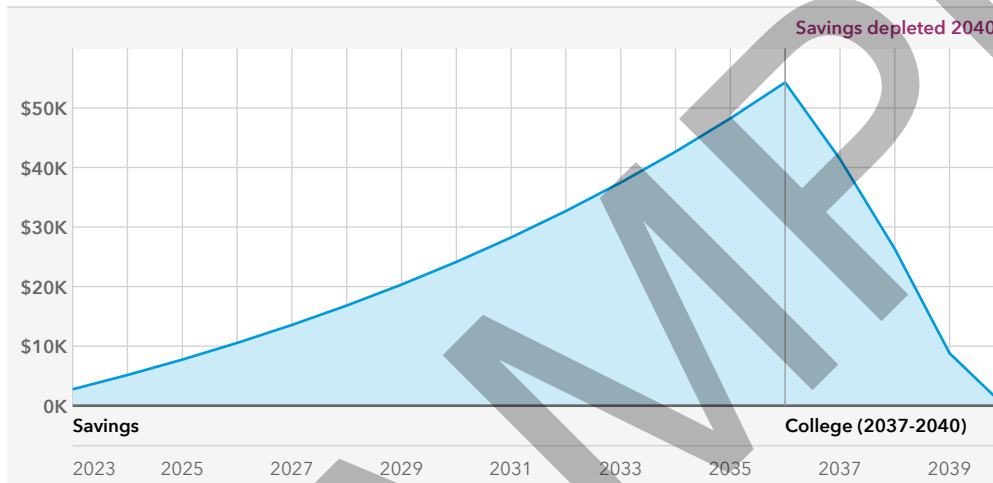
- \$2,000 initial investment
- \$175 monthly contributions
- No planned contribution increase
- 8% hypothetical annual growth rate

## Savings deficit ⓘ

**-\$11,946**

Ongoing monthly contributions may need to increase to \$205 to fund 75% of college costs.

## Projected college savings



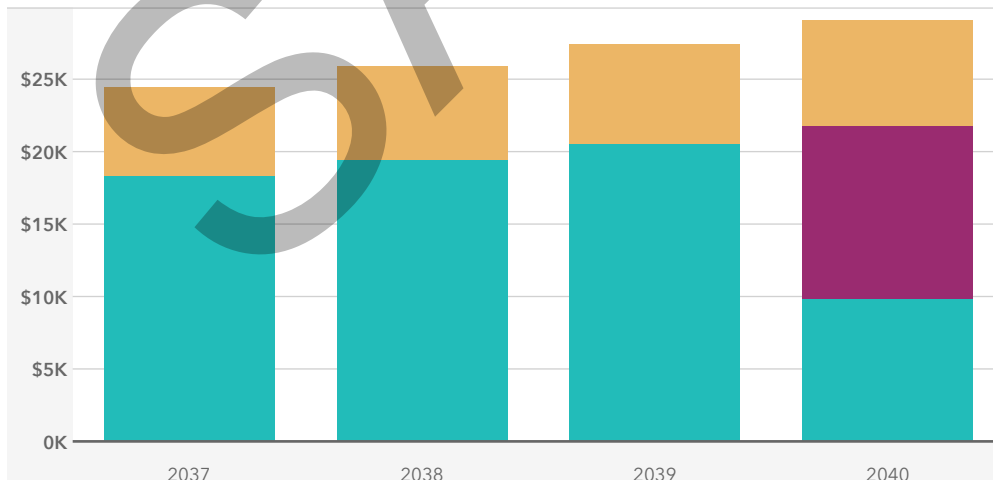
Initial investment

**\$2,000**

Contributions

**\$175 monthly**

## College costs



TOTALS

Projected college costs

**\$106,779**

Costs you plan to fund

**\$80,084 (75%)**

Costs not funded by you

**\$26,695 (25%)**

Deficit

**-\$11,946**

Figures shown here are hypothetical and for illustrative purposes only

# Rebecca: College savings plan

As of September 5, 2024

## Rebecca: Savings and costs over time

Year	Contributions this year	Cumulative contributions	Hypothetical investment growth	Costs you plan to fund	Year-End savings balance
2023	\$2,700	\$2,700	\$59	\$0	\$2,759
2024	\$2,100	\$4,800	\$297	\$0	\$5,155
2025	\$2,100	\$6,900	\$488	\$0	\$7,744
2026	\$2,100	\$9,000	\$695	\$0	\$10,539
2027	\$2,100	\$11,100	\$919	\$0	\$13,558
2028	\$2,100	\$13,200	\$1,161	\$0	\$16,819
2029	\$2,100	\$15,300	\$1,421	\$0	\$20,340
2030	\$2,100	\$17,400	\$1,703	\$0	\$24,143
2031	\$2,100	\$19,500	\$2,007	\$0	\$28,251
2032	\$2,100	\$21,600	\$2,336	\$0	\$32,687
2033	\$2,100	\$23,700	\$2,691	\$0	\$37,478
2034	\$2,100	\$25,800	\$3,074	\$0	\$42,652
2035	\$2,100	\$27,900	\$3,488	\$0	\$48,240
2036	\$2,100	\$30,000	\$3,935	\$0	\$54,275
2037	\$2,100	\$32,100	\$3,327	\$18,307	\$41,395
2038	\$2,100	\$34,200	\$2,231	\$19,405	\$26,321
2039	\$2,100	\$36,300	\$955	\$20,569	\$8,807
2040	\$1,050	\$37,350	\$0	\$21,803	-\$11,946

# Jason: College savings plan

As of September 5, 2024

## Projected college costs ⓘ

**\$229,407**

- Jason has 16 years until college starts
- Plans to attend a public college (current annual cost<sup>§</sup> is \$20,643 for in-state students<sup>†</sup>)
- Plans to spend 4 years in college
- 6% hypothetical annual college inflation rate
- Additional expenses<sup>§</sup> included in costs, if available (may include room, board, books and/or fees)

## Costs you plan to fund ⓘ

**\$172,055**

- 75% of projected college costs

## Your projected savings ⓘ

**\$112,795**

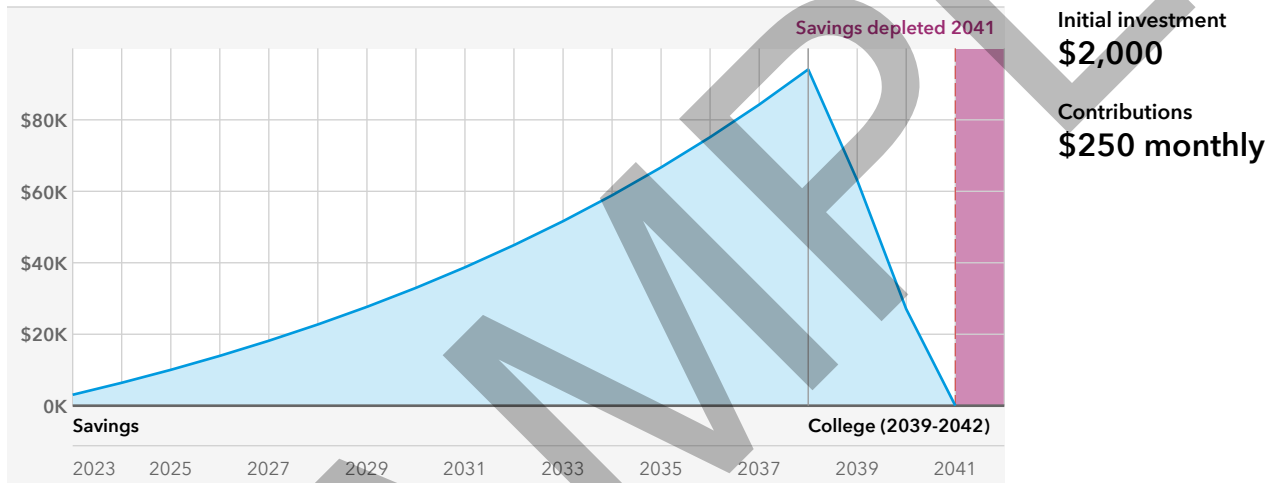
- \$2,000 initial investment
- \$250 monthly contributions
- No planned contribution increase
- 8% hypothetical annual growth rate

## Savings deficit ⓘ

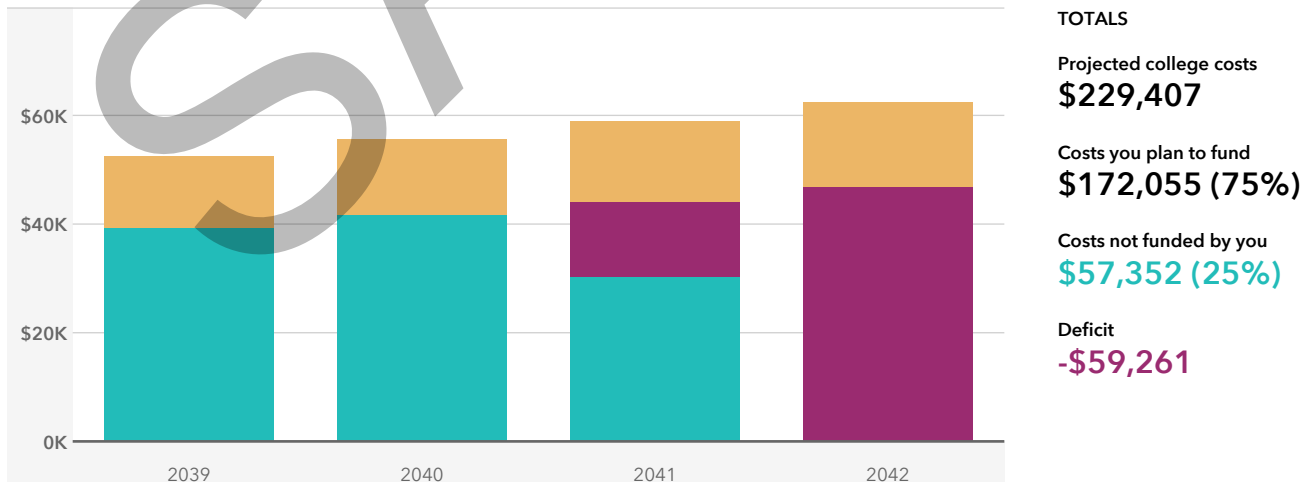
**-\$59,261**

Ongoing monthly contributions may need to increase to \$371 to fund 75% of college costs.

## Projected college savings



## College costs



Figures shown here are hypothetical and for illustration purposes only

# Jason: College savings plan

As of September 5, 2024

## Jason: Savings and costs over time

Year	Contributions this year	Cumulative contributions	Hypothetical investment growth	Costs you plan to fund	Year-End savings balance
2023	\$3,000	\$3,000	\$62	\$0	\$3,062
2024	\$3,000	\$6,000	\$353	\$0	\$6,415
2025	\$3,000	\$9,000	\$622	\$0	\$10,037
2026	\$3,000	\$12,000	\$911	\$0	\$13,948
2027	\$3,000	\$15,000	\$1,224	\$0	\$18,172
2028	\$3,000	\$18,000	\$1,562	\$0	\$22,735
2029	\$3,000	\$21,000	\$1,927	\$0	\$27,662
2030	\$3,000	\$24,000	\$2,321	\$0	\$32,983
2031	\$3,000	\$27,000	\$2,747	\$0	\$38,731
2032	\$3,000	\$30,000	\$3,207	\$0	\$44,937
2033	\$3,000	\$33,000	\$3,703	\$0	\$51,641
2034	\$3,000	\$36,000	\$4,240	\$0	\$58,881
2035	\$3,000	\$39,000	\$4,819	\$0	\$66,700
2036	\$3,000	\$42,000	\$5,444	\$0	\$75,144
2037	\$3,000	\$45,000	\$6,120	\$0	\$84,264
2038	\$3,000	\$48,000	\$6,850	\$0	\$94,114
2039	\$3,000	\$51,000	\$5,293	\$39,330	\$63,076
2040	\$3,000	\$54,000	\$2,669	\$41,690	\$27,055
2041	\$3,000	\$57,000	\$219	\$44,192	-\$13,917
2042	\$1,500	\$58,500	\$0	\$46,843	-\$59,261

# Summary for All Students

As of September 5, 2024

Projected college costs ⓘ

**\$336,186**

Costs you plan to fund ⓘ

**\$252,139**

Your projected savings ⓘ

**\$180,932**

Savings deficit ⓘ

**-\$71,207**

## All Students: Savings and Costs Over Time

Year	Contributions this year	Cumulative contributions	Hypothetical investment growth	Costs you plan to fund	Year-End savings balance
2023	\$5,700	\$5,700	\$121	\$0	\$5,821
2024	\$5,100	\$10,800	\$650	\$0	\$11,571
2025	\$5,100	\$15,900	\$1,110	\$0	\$17,781
2026	\$5,100	\$21,000	\$1,606	\$0	\$24,487
2027	\$5,100	\$26,100	\$2,143	\$0	\$31,730
2028	\$5,100	\$31,200	\$2,723	\$0	\$39,553
2029	\$5,100	\$36,300	\$3,348	\$0	\$48,001
2030	\$5,100	\$41,400	\$4,024	\$0	\$57,125
2031	\$5,100	\$46,500	\$4,754	\$0	\$66,979
2032	\$5,100	\$51,600	\$5,543	\$0	\$77,622
2033	\$5,100	\$56,700	\$6,394	\$0	\$89,116
2034	\$5,100	\$61,800	\$7,314	\$0	\$101,530
2035	\$5,100	\$66,900	\$8,307	\$0	\$114,937
2036	\$5,100	\$72,000	\$9,379	\$0	\$129,416
2037	\$5,100	\$77,100	\$9,447	\$18,307	\$125,656
2038	\$5,100	\$82,200	\$9,081	\$19,405	\$120,432
2039	\$5,100	\$87,300	\$6,248	\$59,899	\$71,881
2040	\$4,050	\$91,350	\$2,669	\$63,493	\$15,107
2041	\$3,000	\$94,350	\$219	\$44,192	-\$25,866
2042	\$1,500	\$95,850	\$0	\$46,843	-\$71,209

# College savings strategies

## Take advantage of time

Opening a college savings account as soon as possible and contributing regularly provides the opportunity for compounding growth. The sooner you start, the more potential you have to grow your savings and the less you may have to borrow when it comes time to pay for college.

## Consider a CollegeAmerica® 529 savings plan

CollegeAmerica offers the tax advantages, flexibility and control of investing in a 529 plan, plus built-in simplicity and quality investment options from American Funds, offered by Capital Group. Tax-advantaged treatment applies to savings used for qualified education expenses. State tax treatment varies. States take different approaches to the income tax treatment of withdrawals. For example, withdrawals for K-12 expenses may not be exempt from state tax in certain states.

- Launched in 2002
- Chosen by more than 209,000<sup>††</sup> financial professionals and more than 2.5 million families nationwide as of December 31, 2023
- The country's largest plan\*, with assets more than \$85.7 billion<sup>†</sup>

## Three different investment approaches

**American Funds College Target Date Series®:** Select the target date fund with the year that corresponds roughly to the year in which the beneficiary will likely enroll and withdrawals will begin. The portfolio automatically grows more preservation-oriented as college approaches; through periodic evaluation, you and your financial professional can ensure it remains a good fit.

**American Funds Portfolio Series<sup>SM</sup>:** The Portfolio Series funds of funds available in CollegeAmerica are managed with specific investment objectives in mind: like growth, income and preservation. Select the option that best fits the beneficiary's time frame and your risk tolerance.

**American Funds:** The individual American Funds available in CollegeAmerica are potential options for those seeking to build customized portfolios.

## Explore other ways to meet college costs

There are other options to consider if you have a savings shortfall and are unable to increase the contribution amount to your college savings account.

**Invest monetary gifts from relatives and loved ones.** Directing money from holiday and birthday gifts to a college savings account can play a meaningful role in supplementing your contributions.

**Explore grants and scholarships.** These awards are offered by federal, state and local governments, private and non-profit organizations and most colleges. The best part – grants and scholarships, in general, do not need to be paid back.

**Research student loans.** Student loans are offered by federal and most state governments and from private institutions such as banks. Of course, student loans must be paid back along with any interest incurred.

**Take advantage of your local community college.** Beginning at a local community college, then transferring to the student's college of choice can reduce overall costs and provide access to an education that might otherwise be out of reach.

**Contemplate other colleges.** Run scenarios in the College Savings Calculator using different colleges to see if you can find other schools that are both a good fit for the student and your family's finances.

\* Largest by assets, according to the 4Q 2023 "529 College Savings Quarterly Update" from ISS Market Intelligence.

†,†† Source: Capital Group as of December 31, 2023, CollegeAmerica AUM is \$85.7B.

Visit [capitalgroup.com](https://capitalgroup.com) for more information about college savings strategies, CollegeAmerica 529 savings plans and American Funds College Target Date Series.

# Definitions & disclosures

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## Terms & definitions

**Projected College Costs:** This is the anticipated total price of college (the sum of the projected costs for each year the student plans to attend college). To calculate these yearly costs, the calculator takes the current annual college cost and adjusts for inflation using the college inflation rate specified.

**Costs you Plan to Fund:** This is the portion of projected college costs you plan to cover (your savings goal).

**Your Projected Savings:** This is the sum of all contributions (initial investment and subsequent contributions) and the hypothetical growth on those assets.

**Savings Surplus:** This is the projected savings balance based on calculator inputs. It is the difference between your projected savings and the costs you plan to fund.

**Savings Deficit:** This is the projected savings shortfall based on calculator inputs. It is the difference between your projected savings and the costs you plan to fund.

**Increase ongoing contribution by:** An increase may be made to the monthly or annual contribution at a specified time in the future. The contribution amount will increase once on the start date specified and remain at the increased amount for the remainder of the illustration.

**Annual college inflation rate:** The yearly rate at which you anticipate college costs will rise. Used to determine future college costs, the rate is assumed at 5%, but can be changed based on school, type, region and other factors.

**Hypothetical annual growth rate:** This is the yearly rate at which you anticipate your investment (college savings) will grow. The calculator uses this figure to determine your projected savings.

## Calculation details

### Contributions

Monthly contributions begin on the last day of the same month that the calculator is run and continue uninterrupted through the month before the last college payment is made. Ongoing monthly contributions are made on the last day of every month. Since the last college expense falls in July for any given year, the last monthly contribution takes place in June of the same year.

Annual contributions begin on the last day of the same year (December 31) that the calculator is run and continue uninterrupted through the year-end before the last college payment is made. Since the last college expense falls in July for any given year, the last annual contribution takes place in December of the preceding year.

Contributions are made at the end of the month or year and therefore do not factor into the investment gains for that period.

### College costs

Current annual college costs increase at the annual rate of college inflation to determine projected college costs.

College payments begin in January of the same year that the student begins college. During the college years, annual college costs are split equally between a January and July payment. Payments are deducted from the savings balance at the beginning of the month before the monthly investment growth is calculated. The calculator makes the last college payment in July before the final school year begins.

### Increase to ongoing contributions

An increase may be made to the monthly or annual contribution at a specified time in the future. The contribution amount will increase once on the start date specified and remain at the increased amount for the remainder of the illustration.

### Hypothetical growth

Savings grow at the hypothetical annual growth rate through January 1 of the last year of college.

### Savings deficit

In a deficit situation, the calculator provides the rate of savings (monthly or annual contribution amount) that, if



applied, would have led to projected savings equaling the projected college costs (or portion of costs the user plans to fund).

In a deficit situation where a one-time contribution increase has been elected, the calculator provides the increased monthly or annual contribution amount that, if applied, would have led to projected savings equaling the projected college costs (or portion of costs the user plans to fund).

## Additional Information

The American Funds College Target Date funds' allocation strategy does not guarantee that investors' education savings goals will be met. The target date is the year that corresponds roughly to the year in which the beneficiary is expected to begin taking withdrawals. Investors and their financial professionals should periodically evaluate their investments to determine whether they continue to meet their needs. The funds' risks are directly related to the risks of the underlying funds.

The American Funds Portfolio Series funds' allocation strategy does not guarantee that investors' objectives will be met. Investment professionals gradually adjust the portfolio over time so that it becomes more preservation-oriented. Investors and their financial professionals should periodically evaluate their investments to determine whether they continue to meet their needs. Diversification does not eliminate the risk of investing; losses are possible in a diversified portfolio. The funds' risks are directly related to the risks of the underlying funds. For more information about the risks associated with each underlying fund, please see the fund's prospectus.

§ Source: Current annual college cost figures are obtained from Peterson's. The college costs may include tuition, room and board, and books and expenses as reported by Peterson's. Copyright © 2024 Peterson's, a Nelnet Company, and its licensees. All rights reserved.

‡ If a college reports only one value for tuition, the calculator uses the same value for in-state and out-of-state costs. To verify in-state and out-of-state costs for a particular college, please contact the college directly.

**Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing. Similar information is contained in the CollegeAmerica Program Description, which can be obtained from a financial professional and should be read carefully before investing. CollegeAmerica is distributed by Capital Client Group and sold through unaffiliated intermediaries.**

**Depending on your state of residence, there may be an in-state plan that provides state tax and other state benefits, such as financial aid, scholarship funds and protection from creditors, not available through CollegeAmerica. Before investing in any state's 529 plan, investors should consult a tax advisor.** CollegeAmerica is a nationwide plan sponsored by Commonwealth Savers.

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