

# Paying for college: Saving versus borrowing

For the 2013-2014 academic year, tuition and fees rose 3.8% for a private four-year college and 2.9% for a public, in-state four-year school. One year of tuition and fees averaged about:

- \$8,893 per year for four-year public colleges/universities; and
- \$30,094 per year for four-year private colleges/universities.\*

And that doesn't include costs such as room, board, and textbooks.

## Saving now can help ease post-college debt

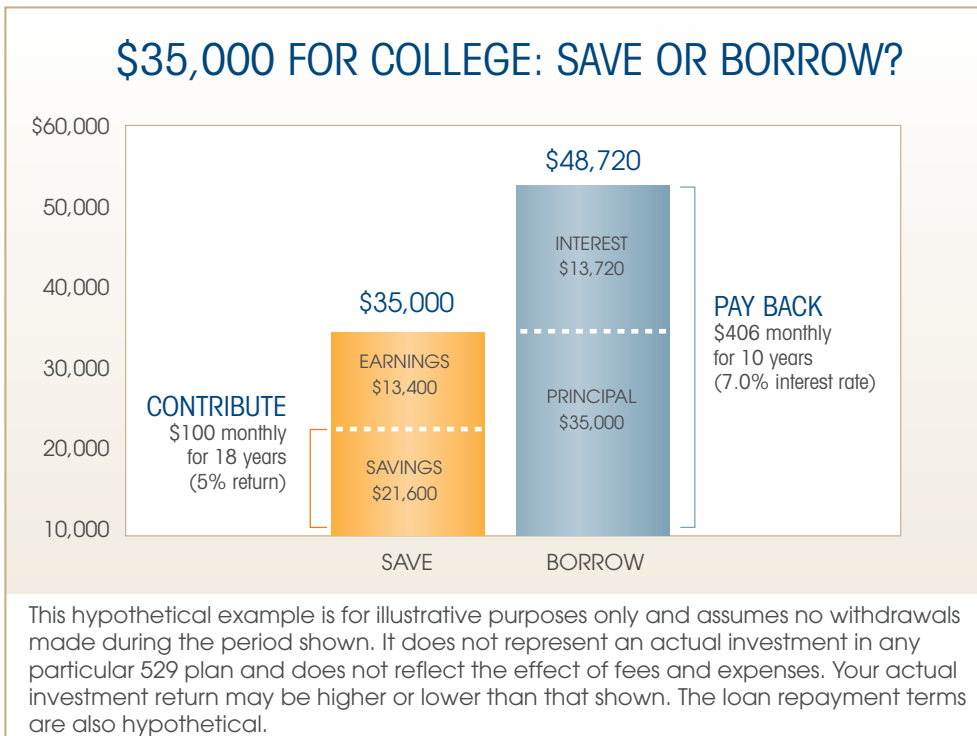
With a combination of the high cost of college and today's economic climate, it may seem like a good idea to borrow for college when the time comes, rather than saving money now. But a 529 college savings plan like CollegeChoice Advisor can make a difference in the amount of debt that a child faces after graduation.

## Consider these two hypothetical scenarios:

**Scenario 1:** Terry's parents start investing \$100 a month into a 529 plan account right after Terry's birth. In 18 years (assuming a 5% annual rate of return), they could potentially save over \$35,000.\*\*

**Scenario 2:** Terry has to borrow \$35,000 to attend college. Based on a private student loan rate of 7.0%, Terry could be faced with a monthly payment of \$406 for 10 years (or \$48,720).\*\*\*

Tuition and fees constitute only about 39% of the total budget for in-state students living on campus at public four-year colleges and universities, and less than 20% of the budget for public two-year college students who pay for off-campus housing. *The College Board 2013*



Work with your financial advisor to see how starting a CollegeChoice Advisor 529 Savings Plan account now can help when it's time to pay tuition bills later.

## Saving even a little can beat borrowing

While most families combine some level of savings and borrowing when paying for college, putting aside money early and often in a tax-deferred vehicle is a proven way for you to help build your savings. Regular investments can potentially add up to a college nest egg over time.\*\*

\* The College Board, "Trends in College Pricing 2013"

\*\* A plan of regular investment cannot assure a profit or protect against a loss in a declining market.

\*\*\* Hypothetical loan details are for illustrative purposes and don't represent the actual terms and conditions of a student loan. Actual terms, including interest rate, will vary.

**For more information about the CollegeChoice Advisor 529 Savings Plan (“CollegeChoice Advisor”), contact your financial advisor, call 1.866.485.9413, or visit [www.collegechoiceadvisor529.com](http://www.collegechoiceadvisor529.com) to obtain a Disclosure Statement, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing. Ascensus Broker Dealer Services, Inc. (“ABD”) is Distributor of CollegeChoice Advisor.**

**If you are not an Indiana taxpayer, before you invest, consider whether your or the beneficiary’s home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state’s qualified tuition program.**

CollegeChoice Advisor is administered by the Indiana Education Savings Authority (Authority). ABD, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services, and marketing. CollegeChoice Advisor’s Portfolios invest in: (i) exchange-traded funds; (ii) mutual funds; or (iii) an FDIC-insured omnibus savings account held in trust by the Authority at Sallie Mae Bank. Except for the Savings Portfolio, investments in CollegeChoice Advisor are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of the units will vary with market conditions.

Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, depending on market conditions, you could lose all or a portion of your money by investing in CollegeChoice Advisor.

Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

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