



## CollegeBound 529

### Why saving early is a smart move

Making the mental leap from diapers to degrees may be difficult, but starting to save for college early is a smart move for both you and your child. Consider for a moment:

- Children with \$500 or more saved for school are about five times more likely to graduate college than children with no savings.<sup>1</sup>
- A college education today costs on average \$21,340 per year for an in-state, four-year public school.<sup>2</sup>
- Tuition and fees at colleges continue to increase over 3% annually.<sup>3</sup>
- A 529 plan may also be used for qualified K-12 education, according to state statute.

Quick math pushes the cost of that in-state college education up more than \$10,000 a year by the time today's newborn graduates from high school. Clearly, the best time to begin saving is as early as possible.

The average amount saved in 529s has nearly doubled since 2016, from \$2,820 to \$5,441.<sup>4</sup>

#### Countdown to college

The sooner you start saving, the more time your savings have to grow. As you can see below, starting early can offer a significant financial advantage when tuition bills start coming due.

#### The power of time

When it comes to saving for college, the earlier you can start, the more savings you're likely to accumulate. These hypothetical examples are based on saving \$200 per month for 18, 10 and 5 years.

**18 years**  
\$76,567



**10 years**  
\$32,653



**5 years**  
\$13,965



Source: Invesco. Hypothetical examples and estimates of a 6% average annual total return are for illustrative purposes only and are not intended to represent actual performance of any particular investment product or real investor. Your actual return isn't likely to be constant from year to year, and there is no guarantee that a specific rate of return will be achieved.

Here's more incentive: Having money saved for college enhances the likelihood of your child enrolling in, and graduating from, college. This dramatically increases earnings potential over a lifetime.



Source: Bureau of Labor Statistics. Earnings and unemployment rates by educational attainment, 2016. April 2017.

College graduates could earn \$1 million more than high school graduates over their lifetime.<sup>5</sup>

### Earnings grow tax-free in a 529 plan

CollegeBound 529 is a college savings plan, designed to help you save for qualified higher-education expenses on a tax-advantaged basis. Please note, earnings on non-qualified withdrawals may be subject to federal income tax and a 10% federal tax penalty, as well as state and local income taxes. Tax and other benefits are contingent on meeting other requirements, and certain withdrawals are subject to federal, state and local taxes. Accounts can be set up by parents, grandparents and other friends and family – it doesn't matter what state you live in, and there are no age or income limitations.

And, while it's best to start early, it's important to remember that it's never too late to save. Even if your child is nearing college or already attending, money contributed to a CollegeBound 529 account can accumulate tax-free earnings for future semesters and eligible graduate programs.

### It's never too late to start saving

Your financial professional can help you get started and stay on course with the most appropriate investment choices for your family and your time horizon. In addition, your financial professional can explain implications for taxes and financial aid eligibility, offer guidance about qualified expenses and withdrawals, and help you maximize the benefits of saving for college in a CollegeBound 529 account.

To learn more about starting a CollegeBound 529 for your child, visit [collegebound529.com](http://collegebound529.com).

1 Source: William Elliott, "Small-Dollar Children's Savings Accounts and College Outcomes", CSD Working Paper No. 13-05, Washington University in St. Louis, 2013.  
2 Source: Ascensus/College Savings College Savings Planner. Sept. 30, 2017.  
3 Source: collegeboard.org, Trends in College Pricing 2017  
4 Source: How America Saves for College 2018. Sallie Mae's National Study of Parents with Children Under Age 18. Sallie Mae and Ipsos Public Affairs  
5 Source: The Economic Values of College Majors, Georgetown University Center of Education and the Workforce. McCourt School of Public Policy. Anthony P. Carnevale, Ban Cheah and Andrew R. Hanson, Executive Summary, 2015.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

**Before you invest, consider whether your or the beneficiary's home state offers any state tax or other benefits that are only available for investments in that state's qualified tuition program. For more information about CollegeBound 529, contact your financial advisor, call 877 615 4116, or visit [collegebound529.com](http://collegebound529.com) to obtain a Program Description, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing.**

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