A college degree is increasingly necessary for career success in today’s global economy. There are also benefits that can enhance your grandchild’s personal and social life as well as his or her professional life.

### Impact of a college education on your grandchild’s quality of life

<table>
<thead>
<tr>
<th>Personal</th>
<th>Social</th>
<th>Professional</th>
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<tbody>
<tr>
<td>- Increased overall happiness</td>
<td>- Greater community involvement</td>
<td>- Higher salaries</td>
</tr>
<tr>
<td>- Greater life experience</td>
<td>- Increased status</td>
<td>- Higher level job status</td>
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<tr>
<td>- Lower divorce rates</td>
<td>- More hobbies and leisure time</td>
<td>- Higher savings levels</td>
</tr>
<tr>
<td>- Improved quality of life for their future family</td>
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### But just how expensive is a grandchild’s college education?

Has it been a while since you’ve looked at college costs? Get ready for some campus sticker shock:
- A grandchild’s four years at a public, in-state university can average over $80,000.4
- Roughly 70% of graduating college seniors carry student loan debt.5
- The average debt load per student is over $30,000, with that figure increasing annually.5

You can help your grandchild graduate with less debt by saving today for their college tuition. And, contributing to a 529 plan is one way you can start saving for college.

### The more money saved for a college education could mean less debt at graduation

For illustrative purposes only

### What is a 529 plan?

A 529 plan is a tax-advantaged savings plan that allows you to contribute toward a grandchild’s education. Your earnings are free from federal income tax and, in most cases, state income tax, if used to pay for qualified education expenses. 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.
Why grandparents may find 529 plans attractive

1. The account owner controls the money until it is ready to be distributed to cover your grandchild’s education cost.

2. If you don’t need the income, you might consider opening and funding a 529 plan for grandchildren with your required minimum distributions. With a 529 plan, you retain control of the assets and the benefit of tax-deferred savings.

3. You have access to diversified investment options, with earnings that are generally exempt from federal income taxes and most state taxes if used to pay for qualified education expenses.

4. CollegeBound 529 has no minimum initial investment, so you can start small if needed. For estate-planning purposes, grandparents can contribute up to $15,000 annually per grandchild (or beneficiary) with no gift tax. That gift doubles to $30,000 if you are married and file your taxes jointly.

5. Need to make a larger contribution for estate-planning purposes? You can contribute up to $75,000 ($150,000 if married, filing jointly) at one time, and elect to treat it as a five-year gift with no taxes.  

It’s never too late to start saving

Your financial advisor can help you get started and stay on course with the most appropriate investment choices for your family and your needs. In addition, your financial advisor can explain implications for taxes and financial aid eligibility, offer guidance about estate planning, and help you maximize the benefits of having a 529 plan such as CollegeBound 529, which is managed by Invesco.

To learn more about starting a CollegeBound 529 account for your grandchild, visit collegebound529.com.

2 Source: Lumina Foundation Report from the University of Maine Margaret Chase Smith Policy Center & School of Economics, University of Maine, “It’s Not Just The Money: The Benefits of College Education to Individuals and to Society,” by Professor Philip Trostel, October 2015.
6 If the contributor dies during the five-year period, a prorated amount will revert back to the contributor’s taxable estate.