



## Helping your grandchildren save for a higher education.

### A thoughtful college savings strategy can help your grandchild graduate from college with a bright future

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

#### Potential impact of a college education on your grandchild's quality of life

##### Personal<sup>1</sup>

- Increased overall happiness.
- Greater life experience.
- Lower divorce rates.
- Improved quality of life for their future family.

##### Social<sup>1</sup>

- Greater community involvement.
- Increased status.
- More hobbies and leisure time.

##### Professional<sup>2</sup>

- Higher salaries.
- Higher level job status.
- Higher savings levels.

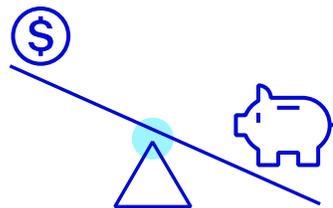
#### But just how expensive is a grandchild's college education?

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 an in-state university can average over \$104,000.<sup>3</sup>
- Roughly 65% of graduating college seniors carry student loan debt.<sup>4</sup>
- The average debt load per student is over \$37,000, with that figure increasing annually.<sup>5</sup>

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.

# Your financial professional can help you get started and stay on course with the most appropriate investment choices for your family and your needs.

## Why grandparents may find 529 plans attractive



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



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.



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.



CollegeBound 529 has no minimum initial investment, so you can start small if needed. For estate planning purposes, grandparents can contribute up to \$18,000 annually per grandchild (or beneficiary) with no gift tax. That gift doubles to \$36,000 if you are married and file your taxes jointly.

Need to make a larger contribution for estate planning purposes? You can contribute up to \$90,000 (\$180,000 if married, filing jointly) at one time and elect to treat it as a five-year gift with no taxes.<sup>6</sup>

## 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 needs. In addition, your financial professional 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](https://CollegeBound529.com).

1. Source: The College Board, Education Pays, 2019.

2. Source: Bureau of Labor Statistics; "Education pays, 2020," *Career Outlook*, June 2021.

3. Source: Educationdata.org, Average Cost of College and Tuition, November 18, 2023.

4. Source: Educationdata.org, Average Cost of College and Tuition, June 26, 2021; Student Loan Debt Statistics, June 20, 2021.

5. Source: Educationdata.org, Average Cost of College and Tuition, November 18, 2023; Student Loan Debt Statistics, August 20, 2023.

6. If the contributor dies during the five-year period, a prorated amount will revert back to the contributor's taxable estate.

Diversification does not guarantee a profit or eliminate the risk of loss.

**Before you invest, consider whether your or the beneficiary's home state offers any state tax or state other benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program. For more information about CollegeBound 529, contact your financial professional, call 877 615 4116, or visit [collegebound529.com](https://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. Invesco Distributors, Inc. is the distributor of CollegeBound 529.**

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