

Ways to Boost Your Child's College Savings

6 tips on how to get the most out of your child's 529 plan

College tuition continues to rise every year. For new parents and those wishing to start families, the potential cost can be overwhelming yet many parents overlook the importance of saving for their children's education. A 529 college savings plan, however, can ensure that what you're saving for your child's education will grow until they're ready to use it.

"Earning a college degree can make a huge difference in a person's life," [BANK EXEC NAME, TITLE].

"Whether it's a four-year college, a community college or trade school, a postsecondary education can open a lot of doors. Paying for that education requires planning, and a 529 can make that planning a little easier."

How to Maximize 529 Savings

One of the most popular college-saving methods, 529 plans are state-sponsored programs that are normally managed by a financial services firm. Distributions are free from federal tax when used for education purposes. In Iowa, contributions can equate to about \$107 in annual tax savings,* according to data collected by SavingForCollege.com.

Saving for college and building your savings in a 529 plan takes time. Luckily, you have about 18 years to work on it after your child is born. The most important thing to remember when it comes to college savings is it's never too early to start. Opening a 529 plan right away and contributing to it regularly will make paying for college less stressful. Before your child is ready to leave the nest, consider these five ways that could give your child's 529 plan a boost.

- 1. Make it automatic** — Add a set amount you will contribute to your child's 529 plan each month and set that amount to automatically deposit into their plan.
- 2. Invest extra income** — If you receive a bonus at work or an unexpected financial windfall — such as an inheritance, investment returns or prize winnings — put a portion of it into your child's 529 plan.

3. **Increase your contributions when your income rises** — As you receive salary increases, whether it's cost-of-living adjustments, merit increases or through a promotion, take a percentage of that newly acquired income and apply it to your child's 529 plan.
4. **Reward your kids with your credit card rewards** — If you have cash-back rewards credit cards, consider using your rewards points to inject extra funds into your child's 529.
5. **Add them to your kids' wish lists for birthdays and Christmas** — What better gift than the gift of higher education? When you're sending your child's wish list to loved ones for birthdays and Christmas, add 529 contributions to their lists. Many 529 plans accept gift contributions whether by check or electronic deposit. Ask your 529 administrator how your loved ones can contribute to your child's education.

Ask [BANK NAME] for Help

Every little bit you contribute to your child's 529 plan before they go to college will lessen the financial burden of what they must pay themselves. Consider the tips listed above or contact [BANK EXEC NAME, TITLE] at [PHONE NUMBER] or [EMAIL ADDRESS] to discuss other ways you can maximize the impact of your child's 529 college savings plan.

*Figure represents tax savings for a couple filing jointly with \$100,000 in taxable income, contributing \$100 per month to each of their two children's 529 college savings plans.