

# SAVING FOR COLLEGE

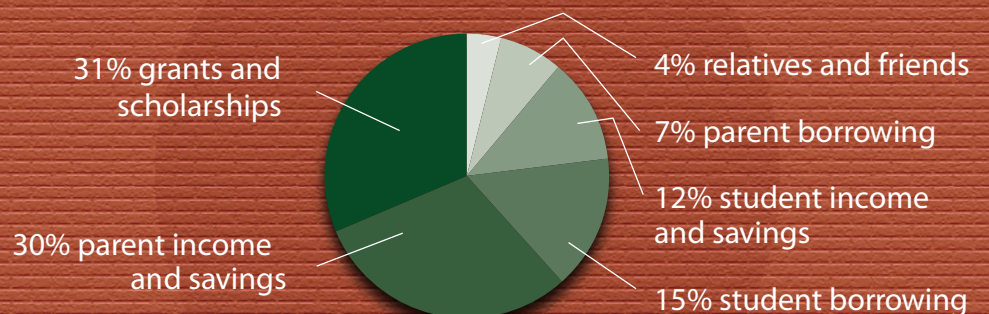
With college costs skyrocketing, the numbers can be overwhelming.

Projected cost of four-year tuition and fees: <sup>1</sup>	2015	2033
Public University (in-state resident)	\$35,600	\$85,600
Public University (out-of-state resident)	\$92,000	\$221,400
Private College	\$124,900	\$300,600

In the past **5** years, college costs have risen **10%** at private colleges and **17%** at public colleges.<sup>1</sup>

About **2/3** of full-time undergraduate students receive financial aid.<sup>1</sup> It's free to apply for Federal Student Aid at [fafa.ed.gov](http://fafa.ed.gov).

How a typical college education gets funded:



## Whole Life can be an option:

Your college funding strategy can include a combination of saving plans, including Whole Life. Many people think of it as just a death benefit, but it can be part of your overall approach.

### 529 Plan

(Education Savings Plan)

- 1) Tax benefits:
  - Income tax breaks<sup>3</sup>
  - Tax-deferred growth
  - Generally tax-free withdrawals
  - Tax-deductible in many states
- 2) 10% penalty if funds are used for non-education purposes
- 3) Subject to market performance
- 4) Can potentially lower the amount of financial aid your child receives

### Whole Life Insurance

(Asset & Protection)

- 1) Cash value grows on a tax-deferred basis and withdrawals are generally tax-free<sup>3,4</sup>
- 2) Cash value can be used for anything at any time<sup>5</sup>
- 3) Whole life is unaffected by market fluctuations
- 4) The Federal Student Aid methodology doesn't include life insurance cash value when calculating expected family contribution

Coverdell Education Savings Accounts

Custodial Accounts

Mutual Funds

Qualifying U.S. Savings Bonds

<sup>1</sup> Trends in College Pricing 2014, The College Board® Advocacy and Policy Center, 2014 (Numbers rounded and assumed to increase 5% annually).

<sup>2</sup> How America Pays for College: Sallie Mae's National Study of College Students and Parents, Sallie Mae, Ipsos, 2014

<sup>3</sup> Guardian, its subsidiaries, agents and employees do not give tax or legal advice. You should consult your tax or legal advisor regarding your individual situation.

<sup>4</sup> Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors.

<sup>5</sup> Policy benefits are reduced by any outstanding loan or loan interest and/or withdrawals. Please discuss all the pros and cons with your financial representative.

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