



**AMERICAN
FUNDS®**

From Capital Group

CollegeAmerica®

Putting Time and Family on
Your Clients' Side

The kids are back in school and life has returned to normal. But there will come a point – all too soon for many parents – when college is just around the corner. Saving for their children's education will be critical and can be a key part of your role as a financial advisor.



Planning Beyond Back to School

Back-to-school season is a great time to talk about college savings. Here are some facts to discuss with your clients:

- **The benefits of a degree are becoming more obvious.** Over a 40-year working career, workers with a bachelor's degree earn 65% more than high school graduates. Those with a two-year degree earn 27% more.
- **The top schools in the nation are still expensive – but there are affordable options.** Reports of \$250,000 for four years in the Ivy League are common. But about 70% of four-year students attend public universities, where tuition and fees can be significantly less. And the surge in tuition costs over the past few decades seems to be waning.
- **Talking with families about their children's goals and futures can and should involve the costs.** While it's never too late to open a 529 college savings account, time is a far greater ally the earlier your clients commit. The time to act is now, no matter how young their children are. Plus, when it comes time to use the money for qualified

educational expenses, withdrawals are free from federal tax and, in most cases, state tax.

- **529 plans are easy to open, and anybody can contribute.** That includes parents, grandparents, other relatives, friends and even the prospective student. Make sure you ask your clients if there's anyone else they'd like you to contact about contributing to or setting up a 529 account for their children as well. Also don't forget to talk to your clients who are grandparents about how they can create a lasting legacy by saving for their grandchildren.

If your clients don't have college savings accounts for their children yet, now's the time to consider starting one. Even just \$100 a month can add up to more than \$48,000 in 18 years.* And a CollegeAmerica 529 plan can be opened for as little as \$50 a month with an automatic investment plan, or a one-time \$250 startup contribution. There are no fees to open a new account. Talk with your clients about opening a CollegeAmerica 529 Plan or increasing their contributions today.

For more information about CollegeAmerica, including the American Funds College Target Date Series®, visit www.americanfunds.com/CollegeAmerica.

*For illustrative purposes only and not intended to portray an actual investment. Assumes an 8% annual rate of return; actual returns can and will vary.

For financial professionals only. Not for use with the public.

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses, summary prospectuses and the CollegeAmerica Program Description, which can be obtained from a financial professional and on the Web and should be read carefully before investing. Depending on your state of residence, there may be an in-state plan that provides tax and other benefits not available through CollegeAmerica. If withdrawals are used for purposes other than higher education, the earnings will be subject to a 10% federal tax penalty in addition to federal and, if applicable, state income tax. CollegeAmerica is distributed by American Funds Distributors® and sold through unaffiliated intermediaries.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.