

Plan for College Costs Today to Prepare Your Child for Future Success

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What is the secret to success? While the answer varies from person to person, there is one factor that plays a major role in our individual success as well as in our overall success as a community, a state and a nation—education. Education prepares our children to solve the tough issues of tomorrow, and it helps us remain competitive in the global economy. Education also provides future generations with experiences and life lessons that they would not otherwise have, and it opens their minds to a world they might not otherwise know.

Unfortunately, as our need to educate Georgia's children increases so does the cost of higher education. In fact, the average cost for tuition and fees at four-year public colleges has increased nearly 51 percent over the last 10 years according to the College Board (Trends in College Pricing, College Board, 2006).

While college costs may seem overwhelming, the fact is education is an investment that today's families need to face head-on and there is no better time than tax-season to begin thinking about budgets, investments and financial planning for the future. Tax season also reminds us that Georgia offers a tax-advantaged way to help save for college – the ***Path2College 529 Plan***.

With the ***Path2College 529 Plan***, Georgia taxpayers have an opportunity to invest in their children's future and at the same time create a possible 2009 state income tax deduction on plan contributions (yes, a **2009** deduction). The plan offers tax deferral on any earnings in your account, tax-free withdrawals for qualified college expenses, and the state of Georgia provides an income tax deduction of up to \$2,000 per year, per beneficiary regardless of annual income (contributions made by April 15th can be deducted on the previous year's Georgia tax return). Please note that a transfer of funds from another state's 529 college savings plan is not eligible for the Georgia income tax deduction. It's a win-win for those who want to invest for their children's or grandchildren's education.

The ***Path2College 529 Plan*** can be used tax-free to pay for college tuition and other qualified expenses, such as certain room and board costs, books and fees, and the cost of a student's computer. And your account assets can be used at colleges in Georgia and nationwide.

So don't be overwhelmed by the cost numbers. Instead, consider the fact that a child with a college education could earn \$1 million more over a lifetime than a child without a college education, according to the U.S. Census Bureau (Education Pays, College Board, 2007).

I would like to encourage all Georgia families to take the time this tax season to look at your individual financial situation and set realistic savings goals for your family. Remember, even if you cannot save for 100% of the cost of college, most families can invest small amounts over a

long period of time and that can add up to significant savings in the long run. And since many young men and women leave college with significant student loan debt, every dollar contributed is a dollar you or your child might otherwise have to borrow.

Time is a valuable asset. The sooner you start contributing, the sooner your investments have the opportunity to begin compounding. An investment in college is one that pays for itself and you can see the return on that investment over a child's lifetime. I hope you will start a Path2College 529 Plan today to help your child get on the path to college.

You can go online to get more information and enroll at www.Path2College529.com. Or call 877-424-4377 (toll free) to speak with a college savings specialist who can walk you through the process.

Consider the investment objectives, risks, charges and expenses before investing in the Path2College 529 Plan. Please visit www.path2college529.com for a Disclosure Booklet containing this and other information. Read it carefully.

Before investing in a 529 plan, you should consider whether the state you or your Beneficiary reside in or have taxable income in has a 529 plan that offers favorable state income tax or other benefits that are only available if you invest in that state's 529 plan.

We are required to notify you that the tax information contained herein is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. It was written to support the promotion of the Path2College 529 Plan. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

Non-qualified withdrawals are subject to income taxes and the federal additional 10% tax.

Account value for the Investment Options is not guaranteed and will fluctuate based upon a number of factors, including general market conditions.

TIAA-CREF Tuition Financing, Inc., Program Manager.

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