

# College Calculator



March 08, 2018

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# IMPORTANT DISCLOSURE INFORMATION

IMPORTANT: The projections or other information generated by the MoneyGuidePro College Calculator (the "Calculator") regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

The return assumptions in the Calculator are not reflective of any specific product, and do not include any fees or expenses that may be incurred by investing in specific products. The actual returns of a specific product may be more or less than the returns used in the Calculator. Rates of return and other assumptions are used as the basis for the results shown. They should not be considered a guarantee of future performance or a guarantee of achieving your financial objectives. Past performance is not a guarantee or a predictor of future results of any particular investment. The Calculator does not provide recommendations for any products or securities.

The results of the Calculator may vary with each use and over time.

## Methodology and Results

This Report shows the hypothetical results for estimated college funding needs for one or more students.

College costs are calculated based on estimates of current costs, and then inflated at the rate specified. If you choose a specific college, the current year cost is from Peterson's Undergraduate and Graduate Institution Databases, copyright Peterson's, Nelnet, LLC. All rights reserved. If you choose an average cost for a public in-state, public out-of-state, or private college, the estimated cost provided is a reasonable average, but is not representative of the actual cost of any specific college. Therefore, the results obtained when using the average cost options do not reflect actual potential costs of any specific college.

If you included estimated amounts for grants or scholarships, or an amount the student will contribute each year, those amounts are used to reduce the estimated college cost before calculating the amount you would need to fund.

In the Calculator, your college investments can include both 529 plans and taxable accounts. You have selected a hypothetical cash-bond-stock portfolio for these investments, which are based on: 1) the portfolio's hypothetical average annual rate of return and 2) the loss that an equivalent portfolio would have had in the "Great Recession." The Great Recession, the period from November 2007 through February 2009, was the worst bear market for stocks since the Great Depression.

Your college investments will grow at the annual rate of return associated with the portfolio you selected. 529 plan assets grow tax-free. In the Calculator, the growth on taxable assets is taxed each year at a fixed rate of 20%. When the Calculator withdraws money from the investment account to fund college, 529 plan assets are used first, and then taxable assets are used.

## Results Based on Information Provided by You

The results included in this Report are dependent on the information you have entered – the investment balance(s), future savings amounts, adjustments to the college costs, inflation rates, and rate of return. Even small changes in this information can have a substantial impact on the results shown in this Report. It is your responsibility to ensure that all information entered is representative of your specific situation.

## Assumptions and Limitations

This Calculator uses simplifying assumptions that do not completely or accurately reflect your specific circumstances. For example, the Calculator assumes you would receive a fixed rate of return each year from now through the end of the college, and would be subject to a fixed tax rate during each of those years. As investment returns, inflation, taxes, and other economic conditions vary from the Calculator assumptions, your actual results will vary (perhaps significantly) from those presented in this Report.

Investment returns are hypothetical and used for comparison purposes only. Returns are not reflective of any specific investment product, and do not include fees or expenses that would be incurred by investing in specific products. There is no guarantee you would receive these returns, either now or in the future. Actual accumulation amounts and associated shortfalls can be higher or lower than those shown.

The college costs in the Calculator are reasonable estimates of current costs, but actual future costs may vary widely from those shown in this Report, based on differences in inflation, other economic conditions, or factors associated with a particular college.

## Report Does Not Provide Legal, Tax, or Accounting Advice

This Report does not provide legal, tax, or accounting advice. Before making decisions with legal, tax, or accounting ramifications, you should consult appropriate professionals for advice specific to your situation.

# College Detail - Sample Student

## College Information

First Name: Sample Student  
 Date of Birth: 03/14/2002  
 Age to Begin College: 18  
 Years of College: 4  
 College: Public In-State (4 years)  
 College Cost: \$24,610  
 College Inflation Rate: 6.00%

## Current Savings

529 Plan: \$22,236  
 Taxable: \$4,922

## Future Savings

Investment Type: 529 Plan  
 Frequency: Each Year  
 Through: First Year of College  
 Savings Inflation Rate: 3.00%

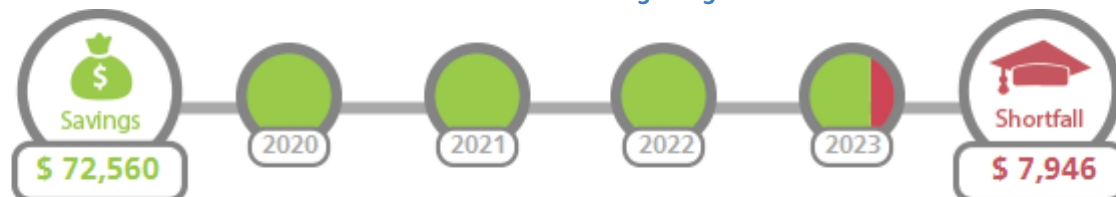
## Portfolio

Portfolio Name: Moderate Aggressive  
 Average Annual Return: 6.48%  
 Loss during Great Recession: -39.24%  
 (Nov 2007 - Feb 2009)

## College - The Amount You Pay

College Cost: \$24,610  
 Grants/Scholarships: - \$0  
 Sample Student - \$2,461  
 Pays/Borrows:  
 Amount You Pay: = \$22,149 / yr

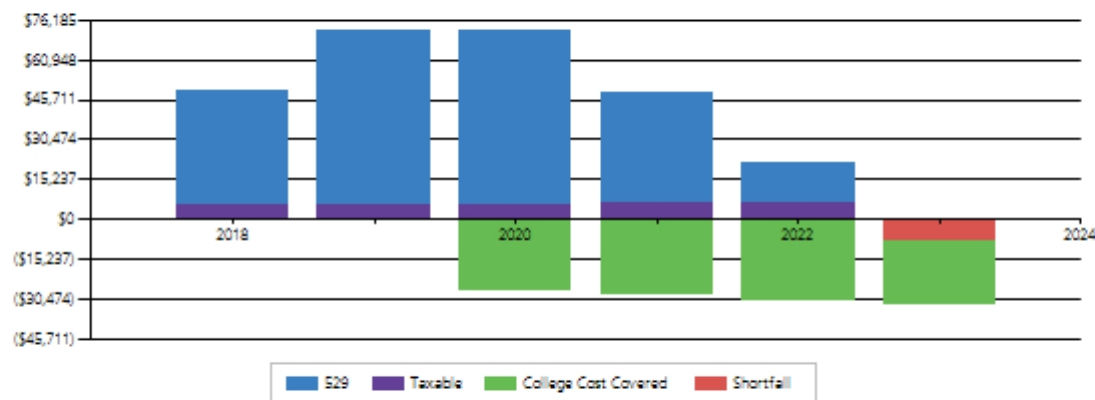
## Path to a 4 Year College Degree



Shortfall of \$7,946

Amount you need to save each year in a 529 Plan: \$20,786  
 Amount you plan to save each year in a 529 Plan: \$18,786  
 Additional Funds Needed: \$2,000

## Annual College Funding



	Required Savings		
	Annually	Monthly	Lump Sum
529	\$20,786	\$1,732	\$60,342
Taxable	\$21,550	\$1,796	\$63,316

See Important Disclosures section in this Report for explanations of the methodology, assumptions, and limitations.

## College Investments and Expenses - Sample Student

Year	Beginning Value		Savings	College Cost	Grants/ Scholarships	Student Pays	You Want to Pay	Shortfall	Ending Value	
	529 Plan	Taxable							529 Plan	Taxable
2018	\$22,236	\$4,922	\$18,786	\$0	\$0	\$0	\$0	\$0	\$43,680	\$5,177
2019	\$43,680	\$5,177	\$19,350	\$0	\$0	\$0	\$0	\$0	\$67,114	\$5,446
2020	\$67,114	\$5,446	\$19,930	\$27,652	\$0	\$2,765	\$24,887	\$0	\$66,185	\$5,728
2021	\$66,185	\$5,728	\$0	\$29,311	\$0	\$2,931	\$26,380	\$0	\$42,385	\$6,025
2022	\$42,385	\$6,025	\$0	\$31,070	\$0	\$3,107	\$27,963	\$0	\$15,357	\$6,337
2023	\$15,357	\$6,337	\$0	\$32,934	\$0	\$3,293	\$29,640	\$7,946	\$0	\$0

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Company Name : Advisor Firm Name