Most 529 programs offer professional money management and portfolios of stock and bond investment options, which become more conservative as college approaches.

Additionally, many states provide additional state income tax benefits. Since each state plan has different features, you can now switch to another state plan once every 12 months without changing the beneficiary.

Build a personal savings program

How much do you need to save now to send your kids to college and retire comfortably later? There's no one-size-fits-all formula—many personal factors make your savings program unique. To get a good idea of how to structure a sound savings program, visit www.choosetosave.org

develop a plan
to reach your goals

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For information on Choose to Save®, we invite you to e-mail us at info@choosetosave.org

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Saving for Your Family's Future

Choose to save today!

You know how important it is to save...

But you're raising children. Paying off your mortgage. Making home improvements. Spending money on a few extras. Enjoying your lifestyle.

*Finding money to save may seem almost impossible...**unless you choose to save today!***

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You do have a lot on your plate right now, and there are only so many ways to divvy up a dollar. But you also need to focus on tomorrow and set some long-term savings goals.

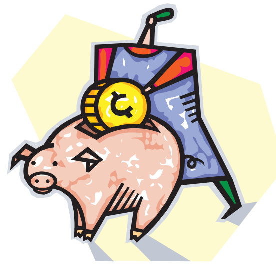
Plan for two-pronged savings

Most people have two major savings goals—to send their children to college and enjoy a comfortable retirement. It ***is*** possible to do both if you make the savings commitment early and develop a plan to reach both goals.

Know how much you need to save monthly and annually to reach each goal, and try to be consistent. Even if you have to reduce your retirement savings as the college years approach, keep saving for retirement. Once the tuition bills are paid, keep putting that money aside but add it to your retirement savings.

Remember the motto, "start small and save big." Don't be overly concerned with the amount you can comfortably save today, because even small amounts count. As you increase your salary, you can earmark more and more money for savings.

Start small
and save big



Think long-term

The choices you make ***today*** have a big impact on your family's financial security ***tomorrow***. Once you're committed to regular savings, you can take advantage of a wide variety of investment vehicles—both through your employer and on your own.

Diversification is one of the most important principles of investing. When you own different types of investments, you increase the chance that some of your holdings will do well if others are doing poorly. Diversification can also help you find an appropriate balance between investment risk and return.

Know your education and retirement savings options

Your employer may offer both a traditional defined benefit pension plan and a 401(k) or similar defined contribution plan. If you stay with one employer for most of your career, a traditional pension can fund part of your retirement. 401(k)s and similar plans allow you to contribute pre-tax dollars right from your paycheck. And your employer may match a portion of your contributions.

Individual retirement accounts (IRAs) also provide tax-advantaged savings. The traditional IRA offers tax-deductible contributions under certain circumstances, and the Roth IRA allows your money to grow tax-free. For your children's future, the Education IRA is an option: contributions are made with after-tax money and tax-free withdrawals are allowed for education.

College savings plans, known as 529 plans, are another way you can save for your children's education. The 2001 Tax Relief Act makes qualified withdrawals from these plans free from federal income tax. Parents, relatives and friends at any income level can invest up to $100,000 in any state's plan for a child's education, with amounts up to $10,000 exempt from gift tax penalties. Five years' worth of these exemptions—up to $50,000— can be used all at once.

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