



Monthly Strategies to Help Keep Your College Savings and Planning Resolutions in 2014

Finding the money to invest for college can be a challenge, but with careful budgeting and creative thinking it may surprise you how quickly a little savings can add up. The following are month-by-month ideas to help your family “make the grade” when it comes to saving and overall planning for college.



JANUARY: *New Year's Resolution - Create a Plan and Save Regularly in a Dedicated Account*

It's New Year's resolution time, and saving for college is a good one to add to your list. Step one is evaluating your finances, college savings priorities and setting goals that you can work toward throughout the year. Opening a dedicated college savings account – such as a tax-advantaged 529 plan – can help families save and stick to their goals. In fact, Fidelity research finds that 88 percent of 529 plan owners have a financial plan in place to meet their college savings goals¹.

FEBRUARY: *Make Saving Automatic*

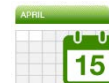
Discipline your savings habits. Saving monthly was the No. 1 strategy noted by parents in a recent survey about 2014 college saving goals. Check with your college savings plan provider to see if you can automate your college savings contributions so that regular monthly payments are transferred directly from your bank account². Or consult the human resources office at work for help, as many companies offer direct deposit as an option to put part of your paycheck into a college savings account. The easier you make it to save, the less likely you may be tempted to skip a payment.

MARCH: *Spring Cleaning - Review Household Finances to Save More for College*



By cleaning out your closets as well as your budget this spring, you could uncover additional funds to boost college savings. Consider selling baby items you no longer use on consignment or at online auctions to produce additional money to save for college. Or review your existing household budget to find new ways to cut back. For instance, packing a daily lunch for work rather than purchasing food could potentially save you \$100 or more a month – dollars that can be redirected to your child's college savings account as a regular contribution.

APRIL: *Tax-Time - Increase Monthly Contributions with Extra Tax Dollars*



Tax season can yield additional money from a tax refund. Consider using a portion of your check from Uncle Sam to increase regular monthly contributions to your child's college savings plan, before splurging at the shopping mall. Not expecting a refund this year? College dollars saved in a 529 plan can grow over time, and earnings can be used federal income tax free for qualified education expenses like tuition and books down the road.

MAY: *Graduating from Day Care? Turn Monthly Expenses into Monthly Savings*



Shifting a regular payment toward an investment goal, like saving for college, is a painless way to turn a former expense into savings. Do you have a child starting school in the fall who will no longer require day care? Are you or your spouse changing jobs and eliminating a commute? Redirect money formerly spent on day care payments or transportation costs to college savings. Since the family budget is accustomed to that outflow, saving for your child's education could be an easy transition.

JUNE: *Have a Summer Baby? Encourage Friends and Family to Help Kick-Start College Savings*



August and July are the two most common months for babies to be born in the U.S.³ If friends or co-workers are throwing you a baby shower, why not have them spread the word that contributions to your baby's college future would be most welcome? Chances are that gift-givers will appreciate the convenience of simply writing a check or pooling funds for a group cash gift. For those with older children planning birthday parties, consider asking friends and family to contribute to your child's future education. College costs have been rising at a faster rate than inflation⁴, so starting to save as early as possible may be the best way to prepare for the cost of higher education.

JULY: *Create Your Own Family College Savings Matching Program*



Parents who choose to save for a child's higher education with a [Fidelity-managed 529 college savings plan](#) can also earn two percent back on all eligible purchases through the Fidelity Investments 529 College Rewards® American Express®⁵ Card, available direct from [Fidelity](#). Card holders can keep their savings working for them by linking the card to an account with their Fidelity-managed 529 Plan. From gas fill-ups and groceries to vacations and day-care, families have another opportunity to add to their college savings.

AUGUST: *Head Back-to-School Early and do Some Homework of Your Own*



Since most families do not cover 100 percent of college costs with savings alone, it's never too early to start your homework on the [different funding options](#) that are available to help finance the difference. Parents of older kids in particular need to take time to understand the ins-and-outs of the financial aid process, as well as the differences between Federal and private loans, scholarships and grants. Familiarize yourself with the Free Application for Federal Student Aid (FAFSA), as well as informational websites such as [FidAid.org](#) and [studentaid.ed.gov](#). Fidelity's [Student Loan Guide](#) can help you get started.

SEPTEMBER: *It's College Savings Month - Are you on track?*



To better understand total college costs and monthly savings needs, take advantage of online planning tools and calculators. By inputting your specific savings goals and projected contributions into a [college planning tool](#), you can get a sense of what your savings plan will require and if your current savings habits are keeping you on track. Other tools are available that compare the benefits of college savings options, looking at features like tax advantages, account maximums and impact on financial aid. Also look into educational workshops and seminars offered by organizations that specialize in college saving and planning.

OCTOBER: *Make College a Family Affair - Have 'The Talk' with Your Kids*



As children approach college age, have detailed discussions about the total cost of college and the implications of college choices. The [College Conversations Checklist](#) is a good resource to kick-start these discussions. It's important that teenagers understand how their college-related choices may affect their own financial future, including the potential student loan debt they may face. Sixty-nine percent of families with older children (age 15+) who had these conversations took action to address how those issues would affect earning potential, job prospects and future student loan debt⁶. As well, asking kids to save some of their own earnings toward future college expenses can get them more engaged and accountable in the college planning process.

NOVEMBER: Revisit How You've Invested Your Child's College Savings



If you have a 529 college savings account, or other investments dedicated to college savings, take this time to revisit your investment strategy to make sure you are properly allocated, factoring in risk tolerance and investing time horizon. Your 529 plan manager or other financial professional can help review your accounts and situation, and work with you to make any adjustments needed to maximize savings and keep you on track.

DECEMBER: Give the Gift of Education



Another great way to add to college savings: encourage family and friends to consider contributing to your child's college savings fund in lieu of or as part of a gift during the holidays. Even small gifts can add up over time and make a big difference in years to come. In fact, Fidelity research finds that more than a third of parents (36%) expect gifts to college savings to play a significant role in paying for college, covering on average, nearly a quarter (24%) of college costs⁷. A check for college savings may not be as flashy as unwrapping yet another video game, but can be far more valuable to their future. Grandparents in particular can play a significant role.

Remember, how you choose to save for college can be as unique as your child. But, whatever strategies you adopt, starting a savings plan now and saving regularly should increase your chances of meeting this important goal in the future.

Need assistance in your college planning? Fidelity can help.

- ◆ Call us at 1-800-544-1914 for complimentary access to dedicated college planning representatives
- ◆ Get our Viewpoints on college planning at www.fidelity.com/viewpoints/college-planning
- ◆ Access our College Savings Resource Center at www.fidelity.com/saving-for-college/overview
- ◆ Find a Fidelity Investor Center near you at www.fidelity.com/branchlocator/

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¹ [2013 College Savings Indicator Study](#), Fidelity Investments, August 2013

² Periodic investment plans do not assure a profit nor protect against a loss in declining markets.

³ [Provisional data from the National Vital Statistics System, National Center for Health Statistics, Centers for Disease Control and Prevention](#), June 2013.

⁴ The College Board, "Trends in College Pricing 2012."

⁵ For information about the rates, fees, other costs, and benefits associated with the use of this credit card, or to apply, click on an Apply Online link above and refer to the disclosures accompanying the online credit card application, or call FIA Card Services toll-free at 866-598-4971. This credit card program is issued and administered by FIA Card Services, N.A., which is not an affiliate of Fidelity Investments.

⁶ [2013 College Savings Indicator Study](#), Fidelity Investments, August 2013

⁷ 2014 College Savings Resolutions Study, Fidelity Investments, January 2014.