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EDUCATION FUNDING GOALS

AUGUST 21, 2013

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This information may help you analyze your financial planning needs. It is based on information and assumptions provided by you regarding your goals, expectations and financial situation. This service shall not infer that company assumes any fiduciary duties. In addition, such service should not be relied upon as the only source of information. This information is supplied from sources we believe to be reliable but we can not guarantee its accuracy. Hypothetical illustrations may provide historical or current performance information. Past performance does not guarantee nor indicate future results.

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Introduction

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THE VALUE OF A COLLEGE EDUCATION

According to The College Board's annual report, Trends in College Pricing 2010-2011, median annual income for bachelor's degree recipients is 60 percent higher than median income for those with only a high school diploma. Over a lifetime that difference exceeds \$1,000,000.

While a college education can be expensive, it is clearly an investment that will pay off in the long run.

COLLEGE IS EXPENSIVE

Inflation: The U.S. Department of Education estimates that slightly more than one-quarter of fulltime undergraduate students live on campus. According to The College Board, the average in-state tuition costs for 2010-2011 were \$7,605 and \$27,293 per year for four-year public and private universities, respectively. That represents a 7.9% increase over the prior year.

Taxes: Room and board charges averaged \$8,535 for public and \$9,700 for private universities. These are real costs that should be looked at carefully when preparing to set aside funds for college.

THE COSTS ARE INCREASING

College tuition and fees in the United States experienced an average annual inflation rate of 8.7% over the past 20 years, according to Department of Labor statistics.

THE SOONER YOU SAVE, THE BETTER

Often times, because it seems far off in the future, little thought is given as to how to save and plan financially for a college education. However, it is much easier to save while the child is growing up and pay for college from our savings than to attempt to pay for college as the expenses are incurred, out of income. In addition, advance planning can often provide significant income tax benefits which may not be available if you postpone saving.

YOUR CURRENT SITUATION

Accumulation planning makes your goals specific and tries to fund them using the most cost effective method of saving and taxation of income available to you. If you have a plan, your long-term goals are much more likely to be met.

By looking at the numbers, future plans become more real and significant cost savings methods may be found to save you money. Significant tax savings may also be available through proper planning. You have indicated the following goals, objectives and assumptions:

DEPENDENT FUNDING INFORMATION

NAME	AGE	SCHOOL	CURRENT ANNUAL COST	AMOUNT SET ASIDE (TAXABLE)	AMOUNT SET ASIDE (529)	% YOU PAY	STARTING AGE	YEARS NEEDED
Andrew	19	University of Nebraska	\$15,000	\$500	\$400	80%	20	4
Jamie	17	Creighton	\$18,000	\$0	\$0	100%	20	6
Thomas	15	UCLA	\$20,000	\$0	\$0	80%	20	6

Marginal Tax Rate (Combined fed and state)	25%
College Cost Inflation Rate	6%
Annual Increase in Contributions	3%
Before-Tax Investment Return	5%

IMPACT OF INFLATION

As you can see in the table below, there is a dramatic difference between what college would cost today, and what it may cost in the future.

NAME	COLLEGE COSTS WITHOUT INFLATION		COLLEGE COSTS AT 6% INFLATION	
	FIRST YEAR COST	CUMULATIVE COST	FIRST YEAR COST	CUMULATIVE COST
Andrew	\$12,000	\$48,000	\$12,720	\$57,314
Jamie	\$18,000	\$108,000	\$21,438	\$154,025
Thomas	\$16,000	\$96,000	\$21,412	\$153,833

COLLEGE COSTS WITHOUT INFLATION

\$252,000

COLLEGE COSTS AT 6% INFLATION

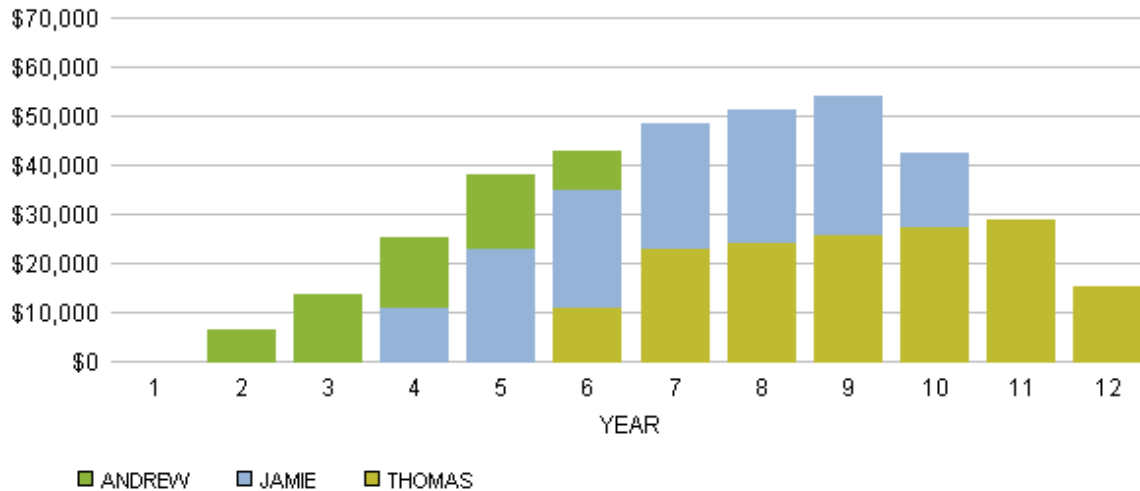
\$365,173



SUMMARY OF COSTS

The following chart and table illustrate the estimated annual inflation-adjusted cost of your education funding goals.

ANNUAL INFLATED COST BY DEPENDENT



Year	Andrew	Jamie	Thomas	Total
1	0	0	0	0
2	6,360	0	0	6,360
3	13,483	0	0	13,483
4	14,292	10,719	0	25,011
5	15,150	22,725	0	37,874
6	8,029	24,088	10,706	42,823
7	0	25,533	22,696	48,230
8	0	27,065	24,058	51,123
9	0	28,689	25,502	54,191
10	0	15,205	27,032	42,237
11	0	0	28,654	28,654
12	0	0	15,186	15,186
13	0	0	0	0
14	0	0	0	0
15	0	0	0	0
16	0	0	0	0
17	0	0	0	0
18	0	0	0	0
19	0	0	0	0
20	0	0	0	0
21	0	0	0	0
22	0	0	0	0
23	0	0	0	0
24	0	0	0	0
25	0	0	0	0
26	0	0	0	0
27	0	0	0	0
28	0	0	0	0
29	0	0	0	0
30	0	0	0	0



RESULTS AND RECOMMENDATIONS

There are several savings and investment strategies that can help you accrue money for college, lowering the total cost of your funding goals. The sooner you begin to accumulate assets for your goals, the less your "out-of-pocket" cost will be. Below are some savings ideas that may help you better prepare for the task of funding your children's college educations.

THE CHOICE IS YOURS

- 1

Pay As You Go—The most expensive way to pay for your dependent needs is to simply wait for the bills to start rolling in, then paying them out-of-pocket.

\$365,173
- 2

Save Annually (Taxable Account)—By setting aside funds each year beginning now you can take advantage of earning interest, saving you money in the long run.

\$31,124*
- 3

Save Annually (Tax Advantaged)—In addition to setting aside funds on an annual basis you may want to consider saving into a tax-advantaged account such as a Section 529 plan.

\$30,496*
- 4

Invest a Lump Sum (Taxable Account)—You can further reduce the cost of paying for your dependent goals by setting aside a lump sum today.

\$287,295
- 5

Invest a Lump Sum (Tax Advantaged)—The least expensive means of paying for your dependent goals is to save a lump sum in a tax advantaged account.

\$266,402

DEPENDENT NAME	PAY AS YOU GO	SAVE ANNUALLY		INVEST A LUMP SUM TODAY	
		TAXABLE SAVING	TAX-ADVANTAGED 529 PLAN	TAXABLE SAVING	TAX-ADVANTAGED 529 PLAN
Andrew	57,314	8,538	8,475	50,309	48,488
Jamie	154,025	12,698	12,448	122,927	114,337
Thomas	153,833	9,889	9,573	114,059	103,578
TOTAL	365,173	31,124	30,496	287,295	266,402

* The annual savings amounts vary from year to year based on your estimated funding needs. See tables on the following page for a breakdown of the estimated annual savings amounts.

These projections are hypothetical. This information is meant to provide you with a general idea about your retirement income needs. The results given are for illustrative purposes only and do not represent the actual performance of any current or future investment. Rates of return will vary over time, especially for long-term investments.

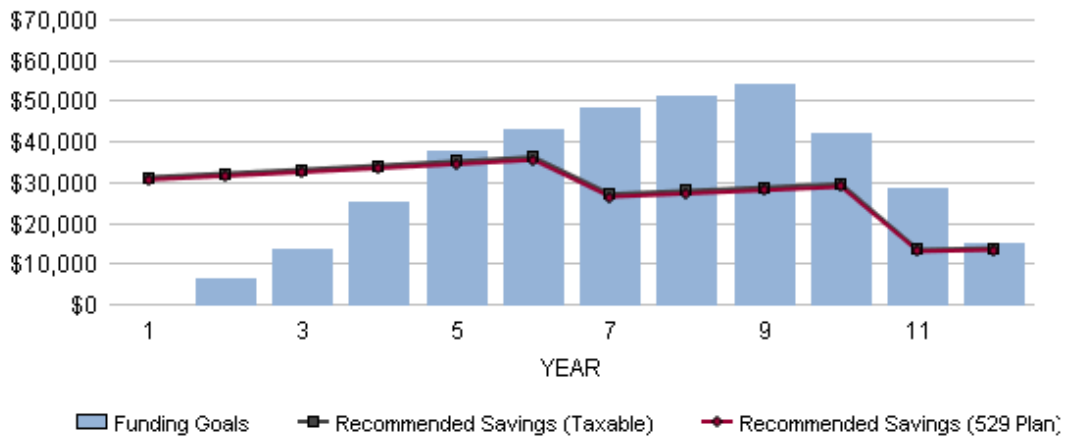
EDUCATION FUNDING GOALS

Details of Annual Savings Alternatives

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August 21, 2013

DETAILS OF ANNUAL SAVINGS ALTERNATIVES

Year	TAXABLE					TAX ADVANTAGED 529 PLAN				
	Beginning Balance	Plus New Savings	Less Withdrawals	Plus Interest	Equals End Balance	Beginning Balance	Plus New Savings	Less Withdrawals	Plus Interest	Equals End Balance
1	900	31,124	0	1,201	33,225	900	30,496	0	1,570	32,966
2	33,225	32,058	6,360	2,210	61,133	32,966	31,411	6,360	2,901	60,918
3	61,133	33,020	13,483	3,025	83,694	60,918	32,354	13,483	3,989	83,778
4	83,694	34,010	25,011	3,476	96,169	83,778	33,324	25,011	4,605	96,695
5	96,169	35,031	37,874	3,500	96,825	96,695	34,324	37,874	4,657	97,802
6	96,825	36,082	42,823	3,378	93,462	97,802	35,354	42,823	4,517	94,849
7	93,462	26,970	48,230	2,708	74,910	94,849	26,295	48,230	3,646	76,560
8	74,910	27,779	51,123	1,934	53,499	76,560	27,084	51,123	2,626	55,147
9	53,499	28,612	54,191	1,047	28,967	55,147	27,896	54,191	1,443	30,295
10	28,967	29,470	42,237	608	16,808	30,295	28,733	42,237	840	17,630
11	16,808	13,290	28,654	54	1,498	17,630	12,866	28,654	92	1,935
12	1,498	13,688	15,186	0	0	1,935	13,252	15,186	0	0
13	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0



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EDUCATION FUNDING GOALS

Details of Lump Sum Alternatives

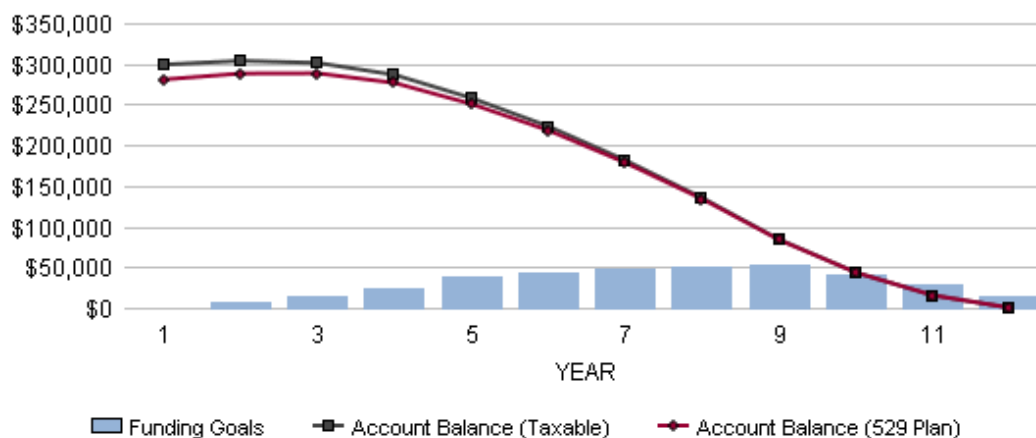
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DETAILS OF LUMP SUM ALTERNATIVES

Year	TAXABLE					TAX ADVANTAGED 529 PLAN				
	Beginning Balance	Plus New Savings	Less Withdrawals	Plus Interest	Equals End Balance	Beginning Balance	Plus New Savings	Less Withdrawals	Plus Interest	Equals End Balance
1	900	287,295	0	10,807	299,002	900	266,402	0	13,365	280,667
2	299,002	0	6,360	10,974	303,616	280,667	0	6,360	13,715	288,022
3	303,616	0	13,483	10,880	301,013	288,022	0	13,483	13,727	288,266
4	301,013	0	25,011	10,350	286,352	288,266	0	25,011	13,163	276,418
5	286,352	0	37,874	9,318	257,795	276,418	0	37,874	11,927	250,470
6	257,795	0	42,823	8,061	223,033	250,470	0	42,823	10,382	218,029
7	223,033	0	48,230	6,555	181,359	218,029	0	48,230	8,490	178,290
8	181,359	0	51,123	4,884	135,119	178,290	0	51,123	6,358	133,525
9	135,119	0	54,191	3,035	83,963	133,525	0	54,191	3,967	83,301
10	83,963	0	42,237	1,565	43,291	83,301	0	42,237	2,053	43,117
11	43,291	0	28,654	549	15,186	43,117	0	28,654	723	15,186
12	15,186	0	15,186	0	0	15,186	0	15,186	0	0
13	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0



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