



Deciding at what age to begin a “Start Smart College Plan”



When should I begin my Start Smart College Plan?

The sooner you start, the better. The Gerber Life Start Smart College Plan is available to adults aged 18 to 60. You can select a maturity period of 10 to 20 years.

There are advantages to starting sooner rather than waiting. Here's why:

1. The more time you have to save, the smaller the annual contribution you will have to make to reach the same goal. For example, let's say your goal is to have \$25,000 when your child starts college at age 18. If you were to contribute \$1,000 per year for 18 years (starting when your child is born) Start Smart would provide \$25,000 in 18 years, when your child will be entering college. However, if you delay three years (don't start saving until your child is 3), you will have to contribute \$1,377.50 per year for 15 years to get the same \$25,000 when your child is 18. (This example assumes a female in good health between the ages of 18 and 25.)
2. Starting earlier gives you the advantage of having time to make adjustments as your savings goals change.
3. The easiest way to make sure you can reach your goal is to start early and save regularly.
4. Think of savings contributions as if they were a monthly bill that must be paid. Another way to look at it: You are paying yourself. You pay all the other people who request payment from you, so why not pay yourself, too, by putting away savings each month. In time, this will accumulate to a substantial sum and provide you with the security of knowing the money is there.

Which would you rather pay—\$1,000 per year or \$1,377.50 per year—to reach \$25,000?*

| | Contribute each year | To reach goal |
|-------------------------------|------------------------|---------------|
| Start NOW | \$1,000 for 18 years | \$25,000 |
| Start 3 years from now | \$1377.50 for 15 years | \$25,000 |

* For a healthy 25-year-old female with an 18-year policy and making an automatic (EFT) monthly premium payment.

