



Building a secure foundation for your savings strategy



How large of a policy should I buy?

You should choose a maturity amount that best fits your savings goal and your budget. Many parents aspire to pay for their child's entire college education, but for some parents this goal can be difficult to reach. It's important to remember that saving something, even if it's not enough to cover all the expenses, is better than not saving anything. Here are some points to consider:

1. The first step toward reaching a savings goal is to understand what it costs to send a child to college. This includes learning about the differences in cost between public and private colleges, and how much those costs will increase over time.

- *Average estimated undergraduate costs for the 2008-2009 academic year* including tuition, fees, room, board, books, supplies, transportation and other expenses, according to The College Board's "Trends in College Pricing 2008":

Type of School	2008-09 annual college expenses	College cost increase annually
Public 2-year Commuter College:	\$2,400	increase annually by 4.7%
Public 4-year In-State On-Campus:	\$14,300	increase annually by 5.7%
Public 4-year Out-of-State On-Campus:	\$25,200	increase annually by 5.2%
Private 4-year On-Campus:	\$34,100	increase annually by 5.6%

- *Estimates of college costs in the future:* Using data from the College Board and its website (www.collegeboard.com), and assuming that college expenses increase by 5% annually, the anticipated cost of attending an in-state public college or university for four years beginning in 2026 is \$148,000. For private institutions, the anticipated cost is around \$353,000.

Don't be overwhelmed by these numbers. Resources such as scholarships, loans, grants and other forms of financial aid help to reduce these amounts, but rarely cover the full cost of attending college. That's why you should start saving now with the Start Smart College Plan.

2. The next step: Start saving as soon as possible after the birth of your child.

The more time you have to save, the less you need to put aside each year. For example, putting aside \$425 a year for 18 years will get you \$10,000. If you delay and only have 10 years to save, you'll need to put aside \$872 to reach the same goal. While there is no guarantee for success, taking steps early and consistently from a very early date and throughout many years really does make a big difference – and will make it much more likely that you will achieve your goal of helping to pay for your child's college education.



(over, please)



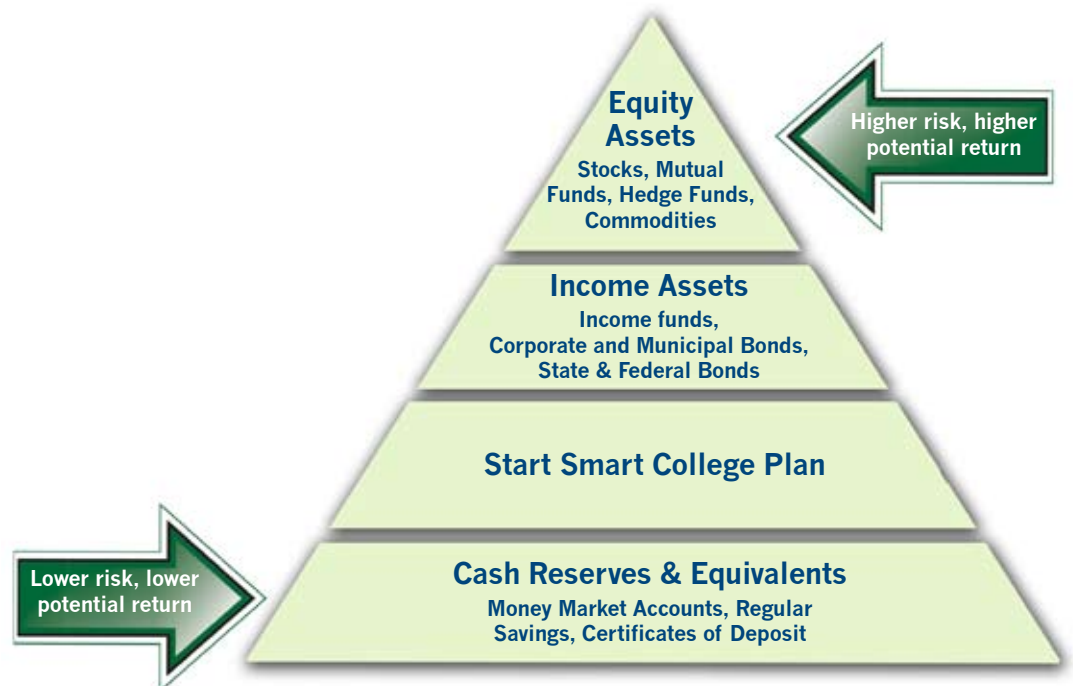
3. Don't necessarily count on scholarships or financial aid. Some parents recognize that they will not be able to pay for their child's entire college education. Instead, they hope that scholarships, grants or other financial aid will fill the gap. The reality is that most financial aid is based on need and that the amount of financial aid available is generally tied to household income. The larger your income, the less financial aid that is available.

Some parents are afraid that if they save money for their child's education they will not qualify for financial aid. Financial aid formulas do take available assets and savings into account when determining the level of need. However, just because you can demonstrate financial need does not mean money is available. If you have the ability to save and can set money aside regularly, even if it is only a modest amount, you will be better prepared to help your child in college.

4. You may want to think of the Start Smart College Plan as one of several savings strategies. One of the most fundamental rules of saving and investing is to diversify your portfolio, since it is rarely a good idea to put all of your savings or investing dollars in one place. Generally, it is a good idea to have a solid foundation for any financial plan. This foundation should consist of safe savings vehicles that have little or no risk. The Gerber Life Start Smart College Plan is ideal, given that the maturity amount is guaranteed as long as you pay all your premiums. (And Start Smart has the added benefit of life insurance protection that guarantees full benefit payment to your beneficiary if you were to pass away prior to maturity.)

On top of a sound foundation, you may want to consider adding other investments or savings alternatives that have more risk, such as 529 Plans or mutual funds. These investments have more potential for growth when the markets are doing really well, but they also have more risk when the markets go down, as we have recently seen.

The following graphic shows how you might use the Start Smart College Plan as a secure foundation upon which to build your savings strategy.



Gerber Life Insurance Company

Home Office: White Plains, NY 10605