



SOUND
Financial Group

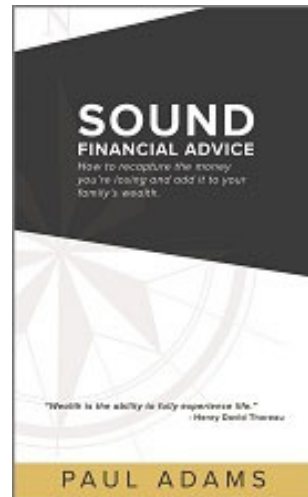
Design and Build a Good Life™

Sending Your Money To College

Forbes

Entrepreneur.

Inc.





Design and Build a Good Life™



True: 529 Plans can be used to pay for college.

False: The only way a responsible parent can pay for college is a 529 plan.



What is a 529 Plan?

- A College savings plan that parents can set up for their kids.
- 529 plans have significant restrictions on the mutual funds they can invest in.
- The money grows tax deferred and can be deployed tax free... if it pays for the college of a designated beneficiary.
- If it is not used for college you have to pay tax and penalty on the gain.

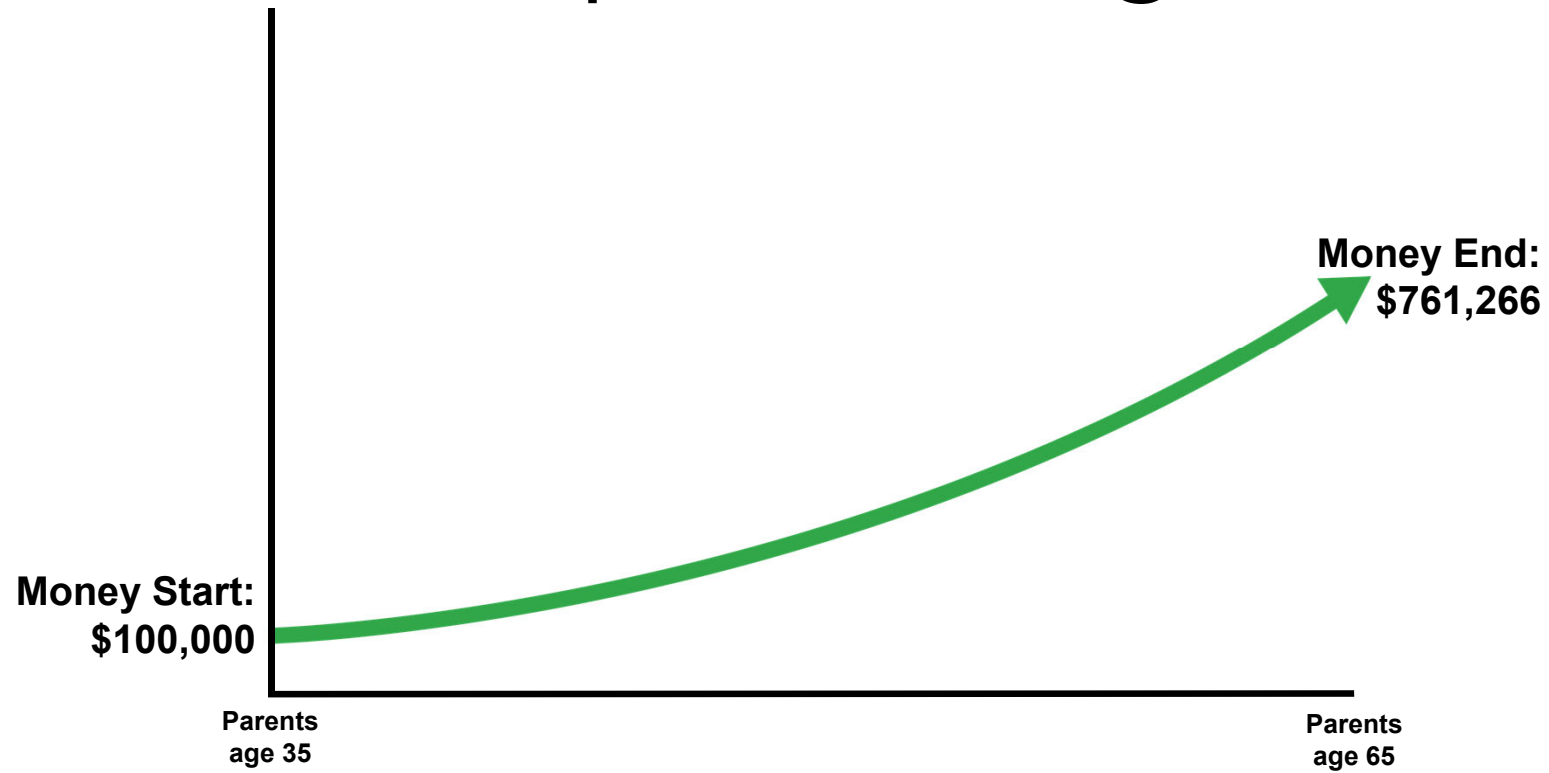


Problems with 529 Plans

- Planning for college \neq buying a college savings plan
- The power of investment compounding cannot work
- Prudence says you must be “risk off” four years out from college
- Single-use dollars are always lost
- People spend what is budgeted

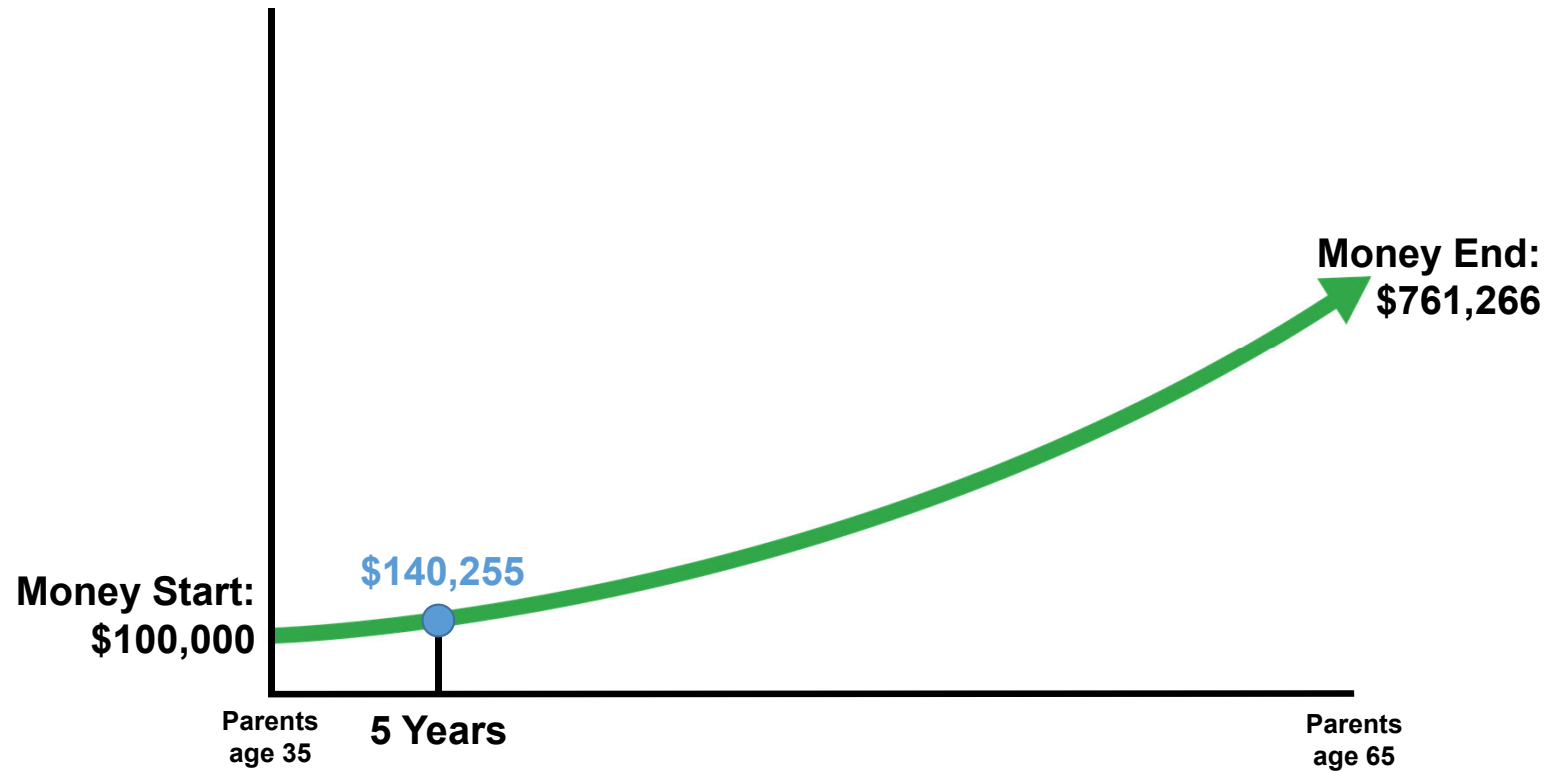


Exponential Growth @ 7%



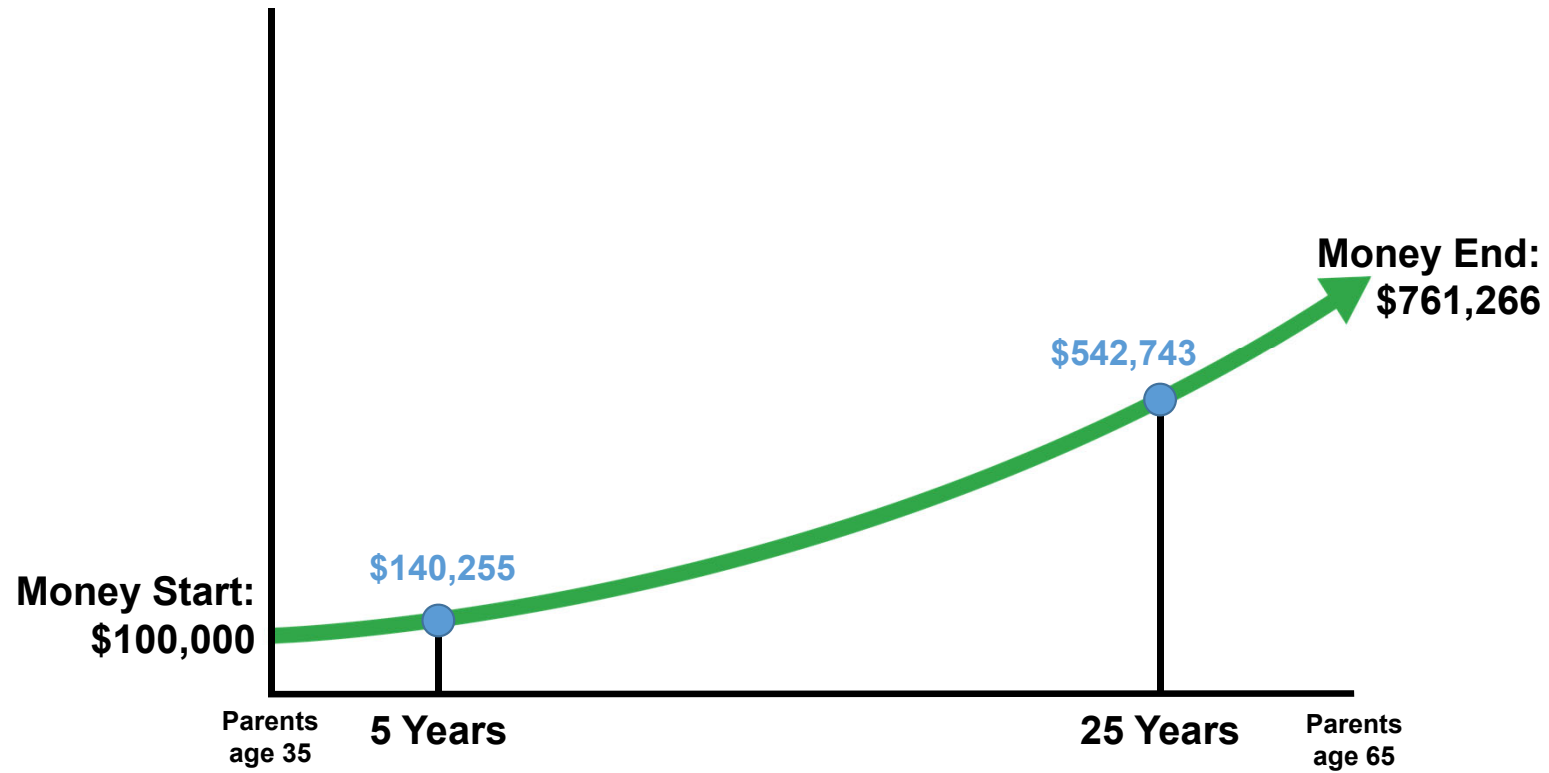


Exponential Growth





Exponential Growth



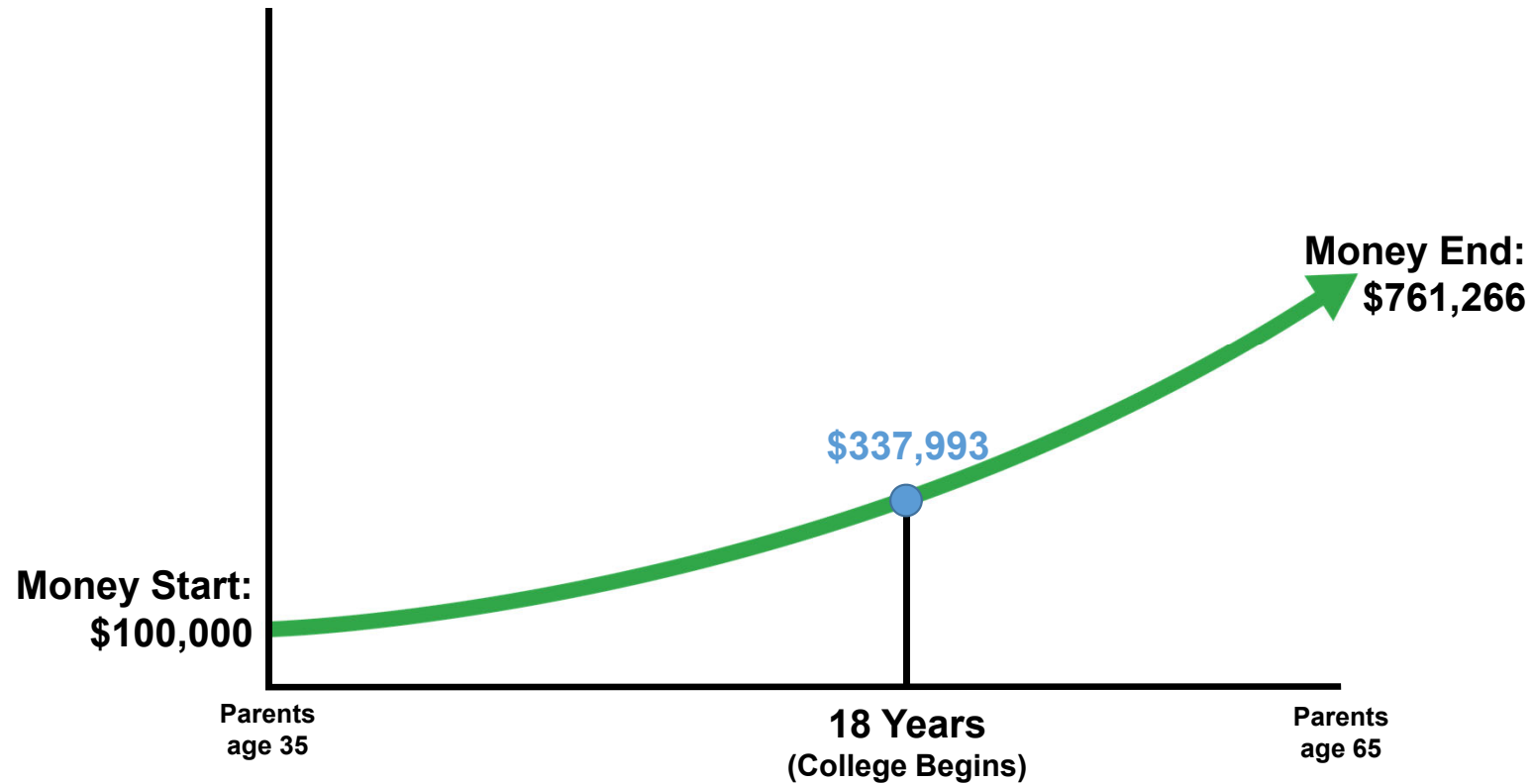


This compounding can continue *even into retirement*

(a healthy couple at 65 will likely make it to 93+)



How much for College?

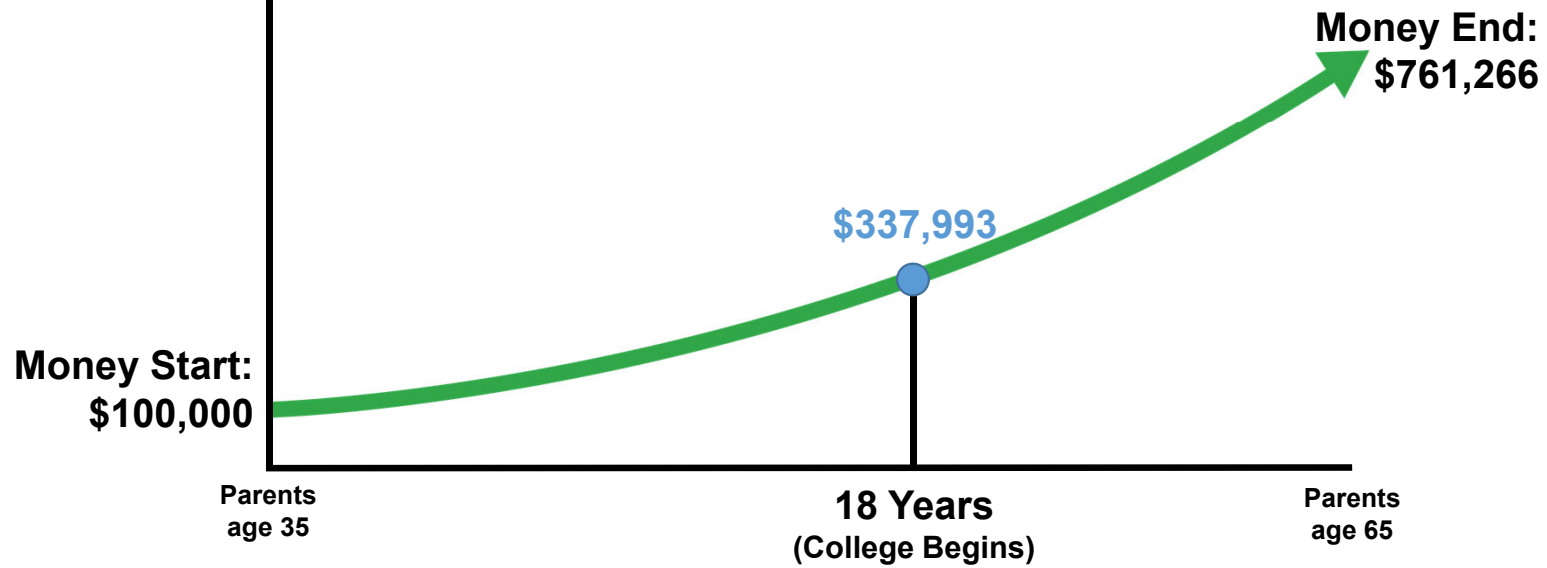




**Though, can you keep taking risk like
this right up to and while funding
college?**



Exponential Growth



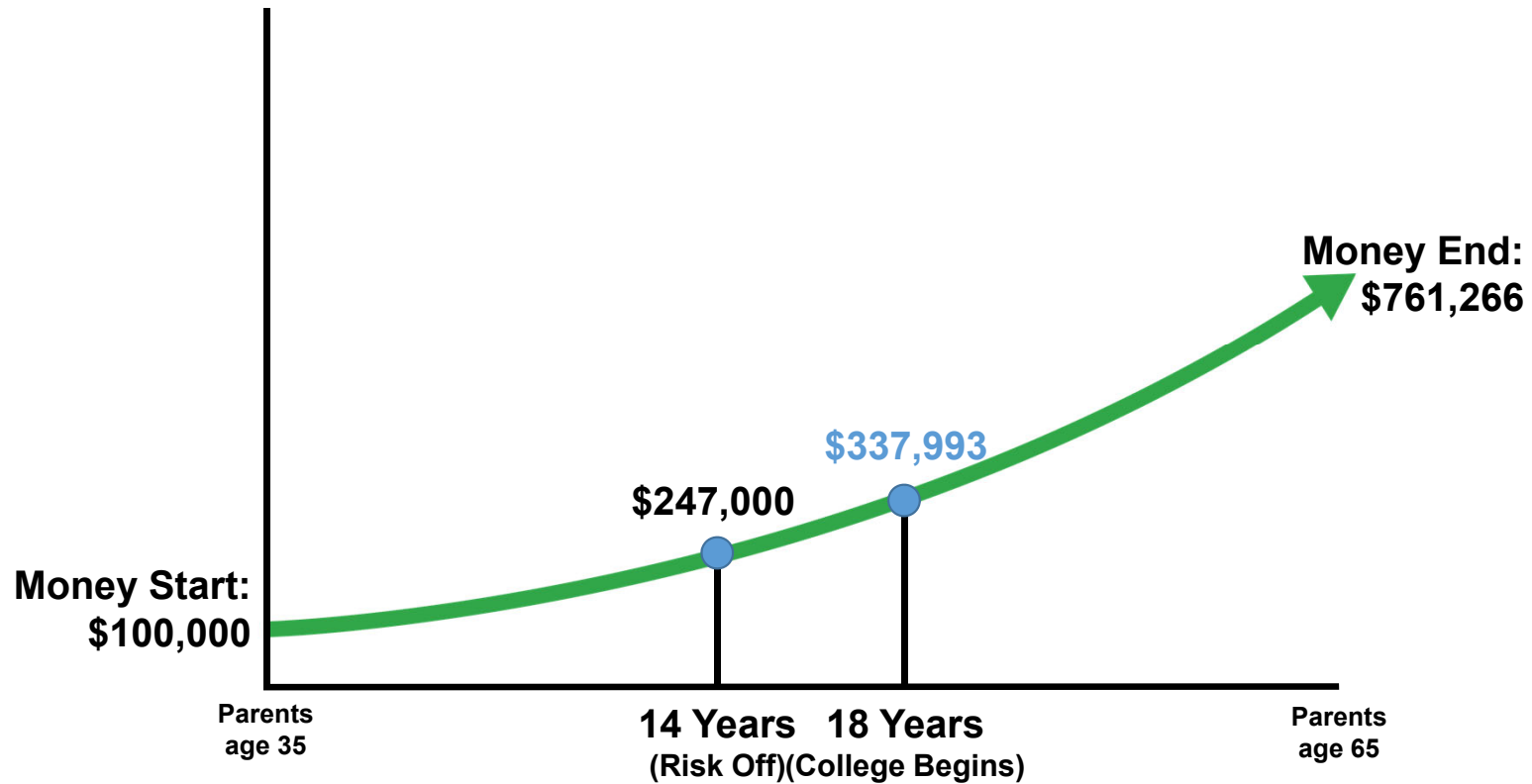


**With this math you think you have
\$337,000 for college.**

(People forget you have to go “risk off” leading up to school so that a market downturn does not wipe out your college funds.)

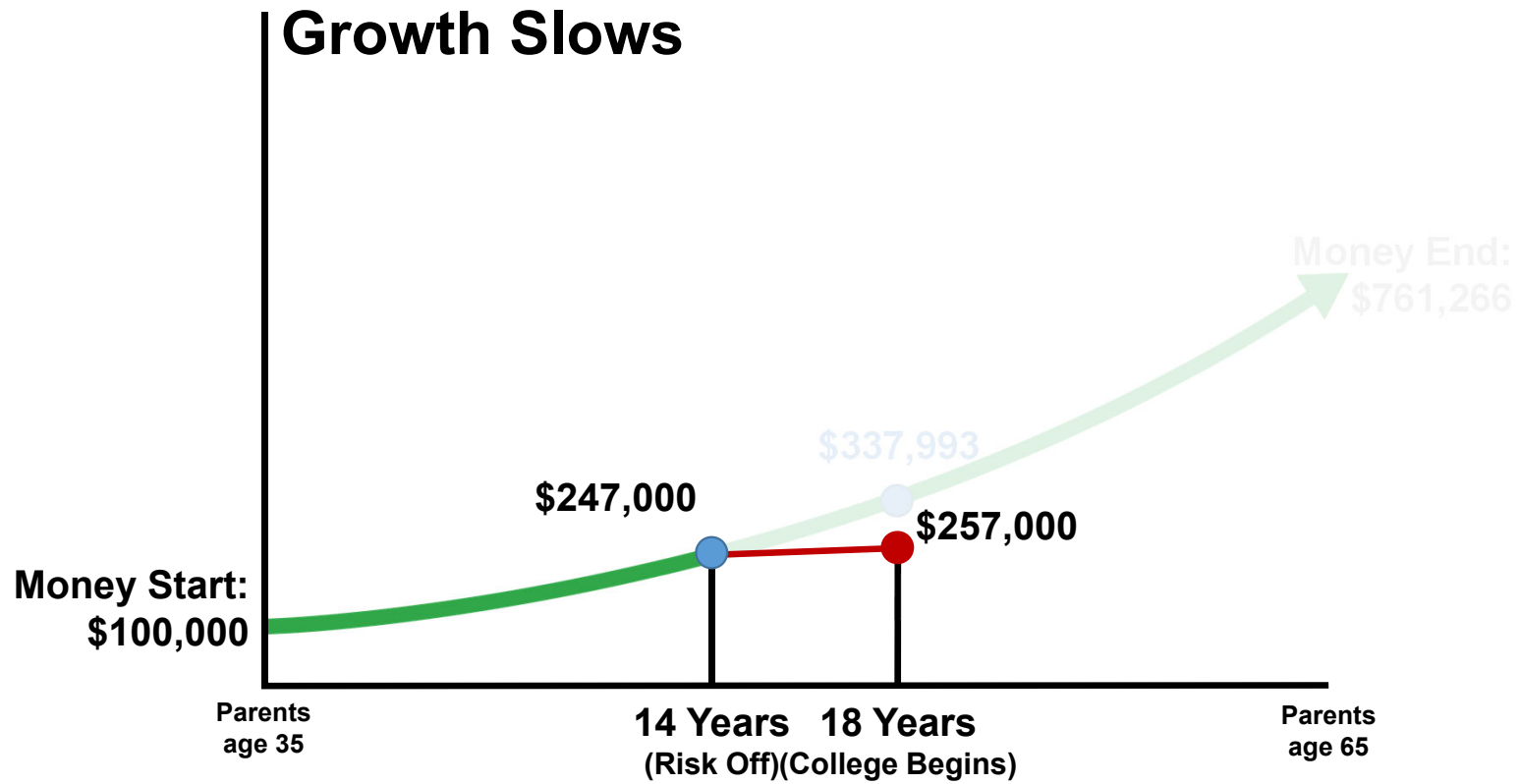


Reduce risk before spending





Growth Slows

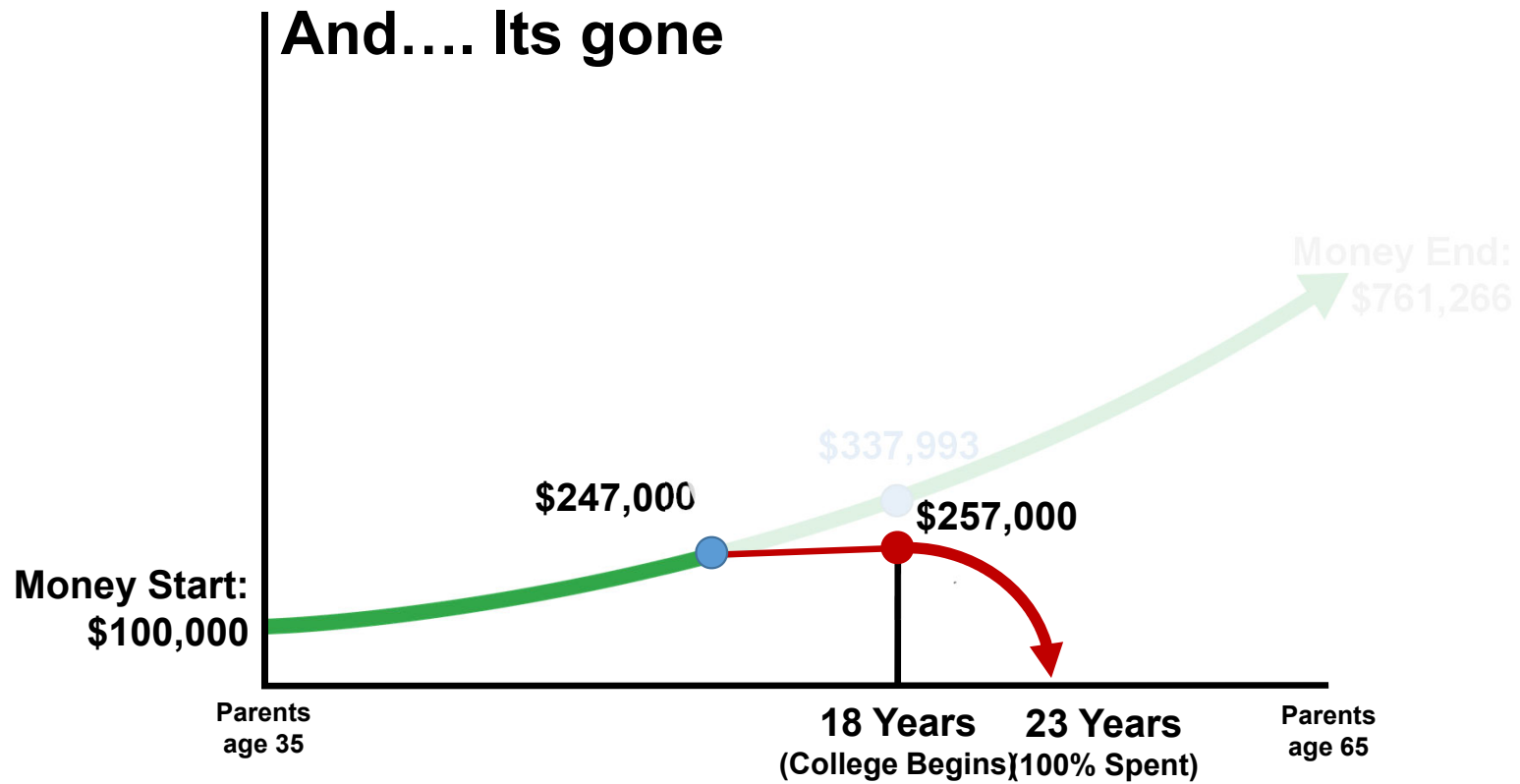




**If someone gave you a budget to
spend on a house, commercial
building or vacation.
How much of it would you spend?**



And.... Its gone





DON'T Send Your Money to College?? | Your Business Your Wealth

10 views

3 0 SHARE SAVE ...



Lost Opportunity Cost to the family of \$761,266

If the parents live to age 95, the **LOST OPPORTUNITY COST**
to the child in their inheritance is **\$5,794,644**



So What's the Alternative?

**We can invest and plan for our child's education
WITHOUT using a college savings plan**



Let's start by focusing on wealth building, rather than just education funding.



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Build toward having enough wealth for you to reach Definite Financial Independence, then pay for college from the most effective part of your balance sheet.



**Is your intent to pay for college when
they do not finish?**



**Is your intent to pay for college when
they do not finish?**

52% do not graduate.



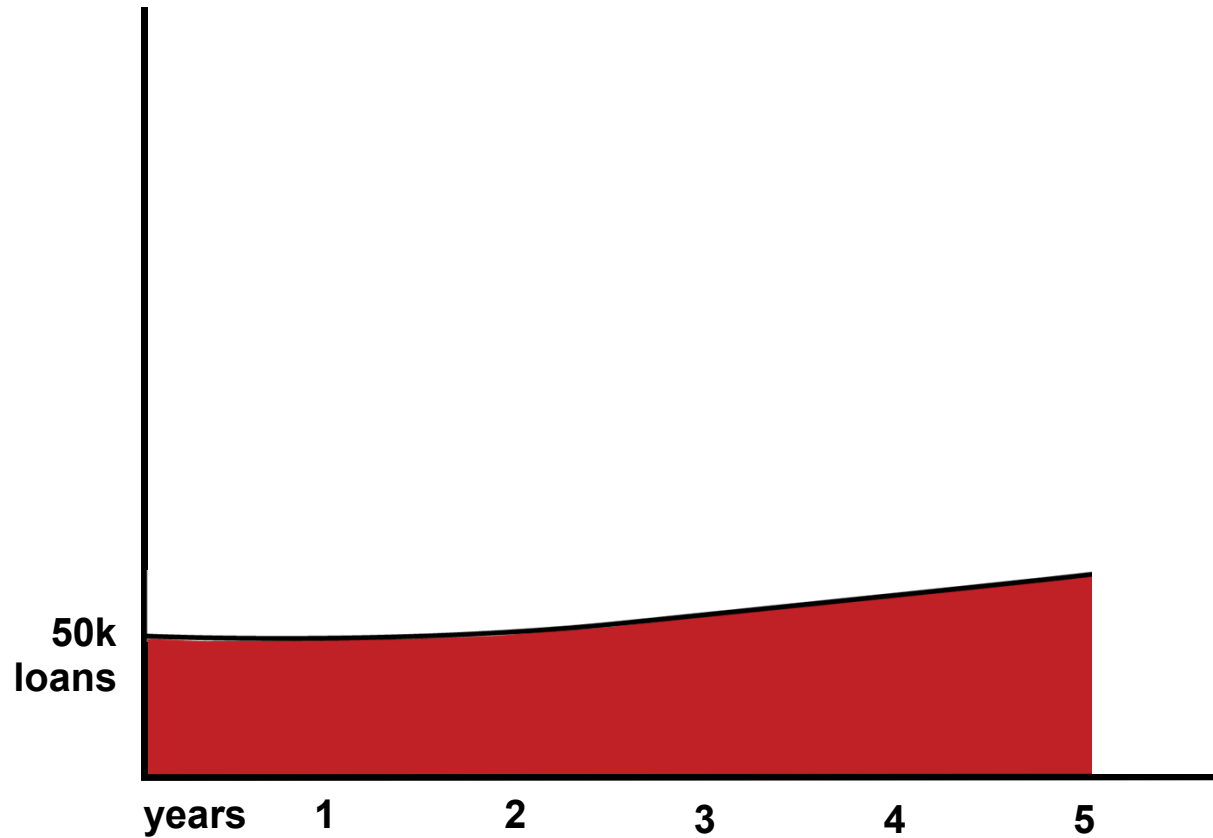
Who should pay for your child's education if they do not graduate?



**Who should pay for your child's
education if they do not graduate?
They should.**

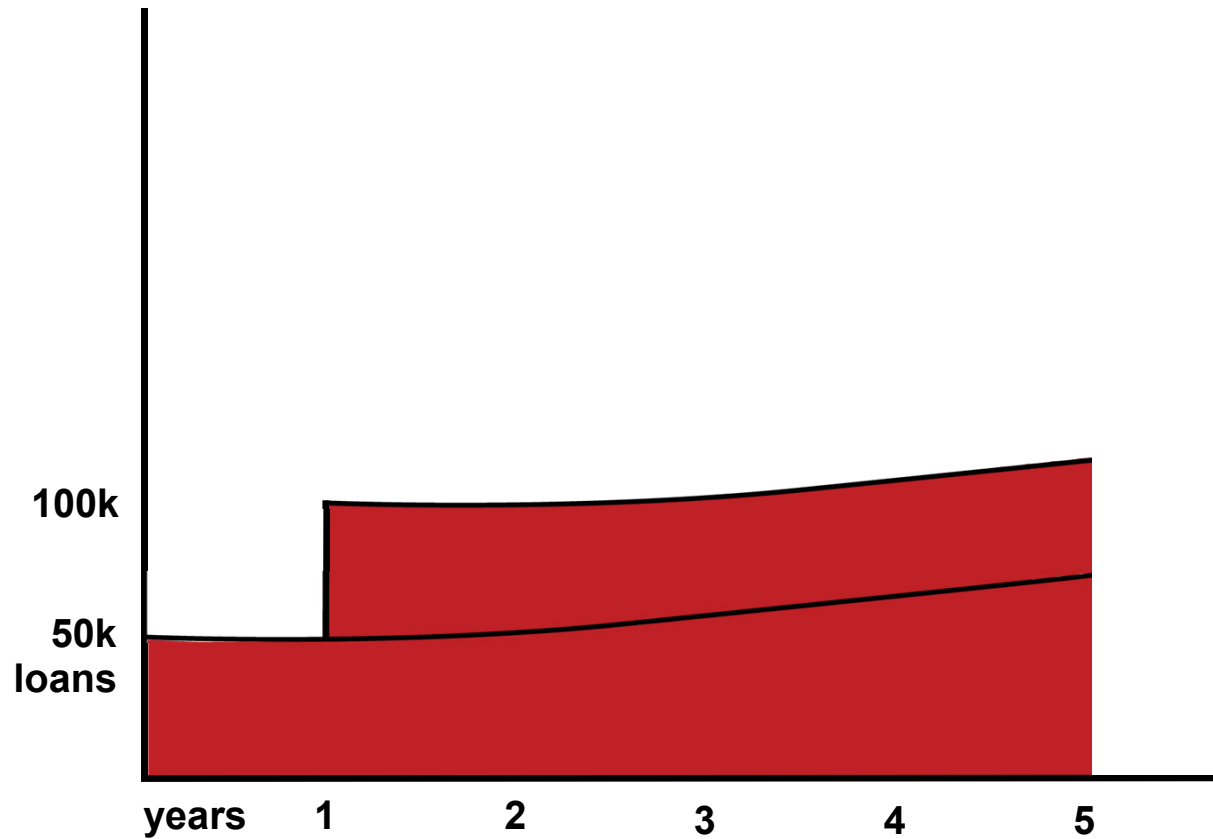


5% Borrowing for College



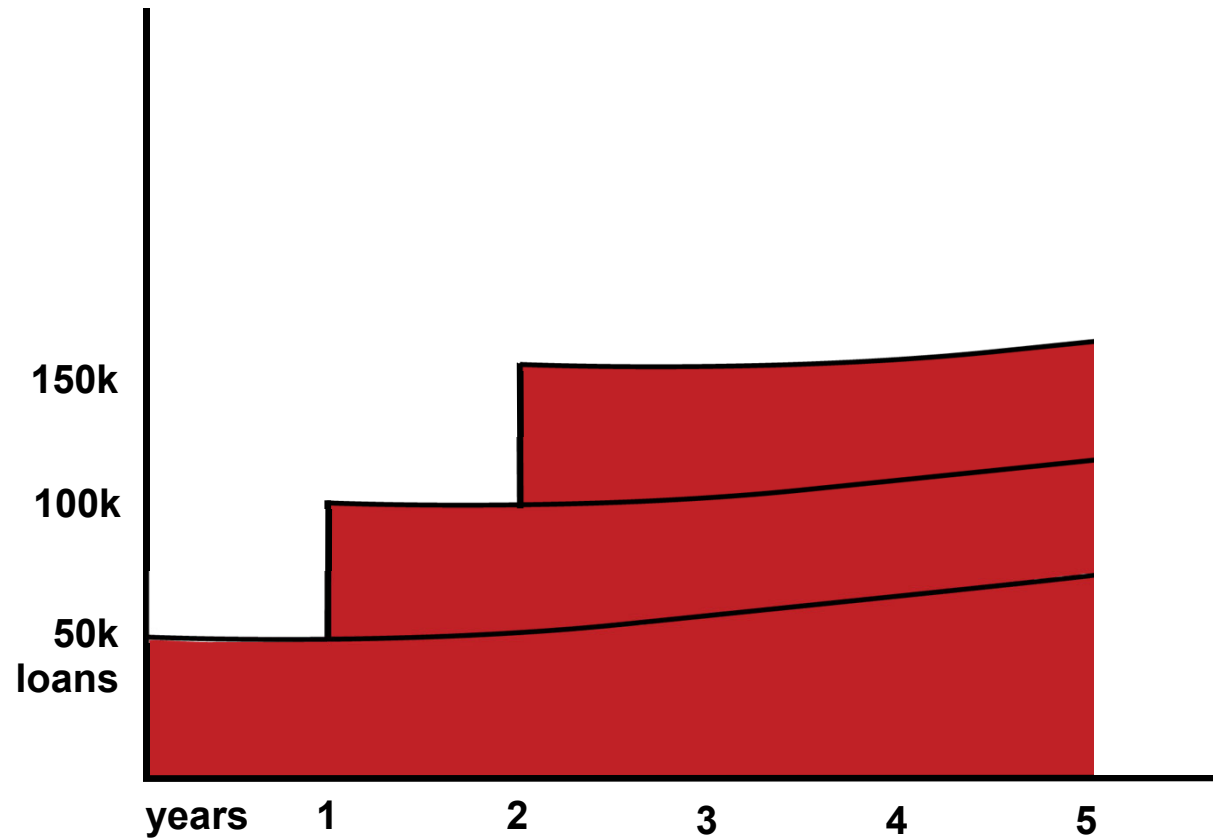


5% Borrowing for College



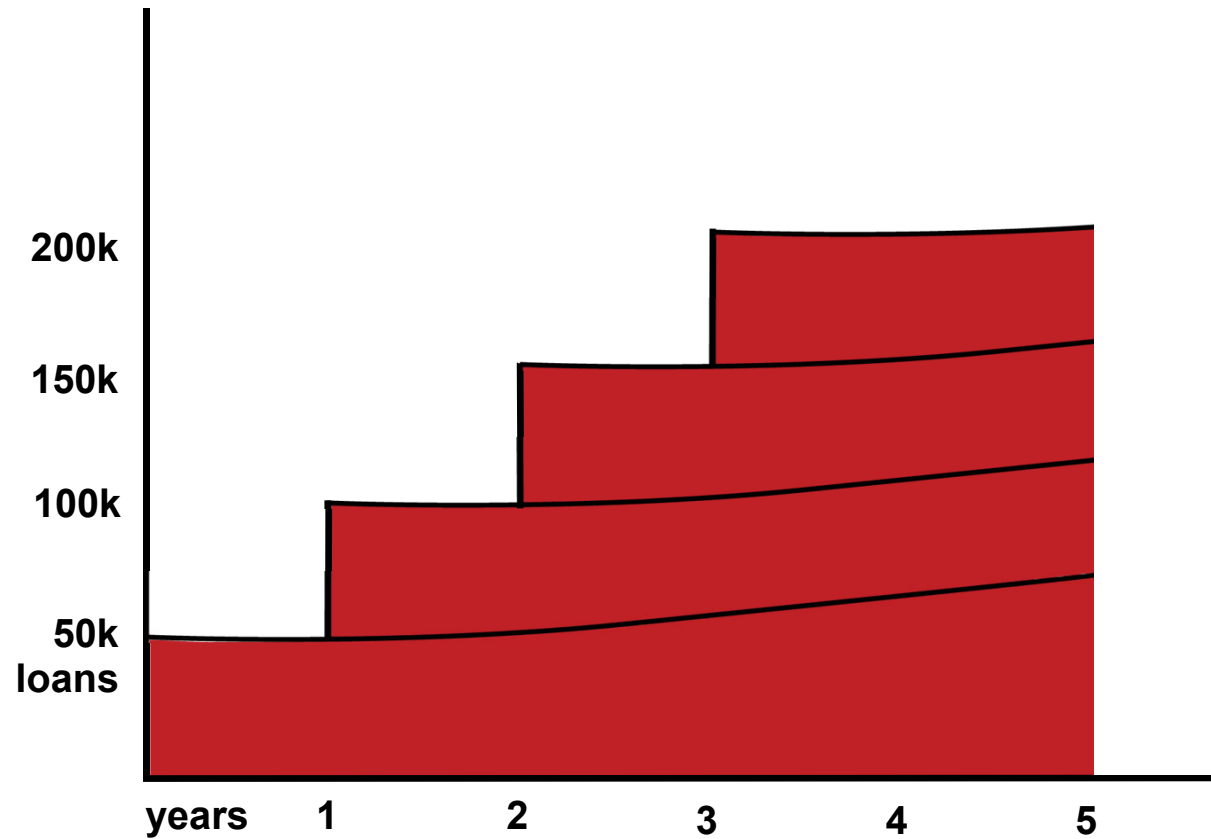


5% Borrowing for College



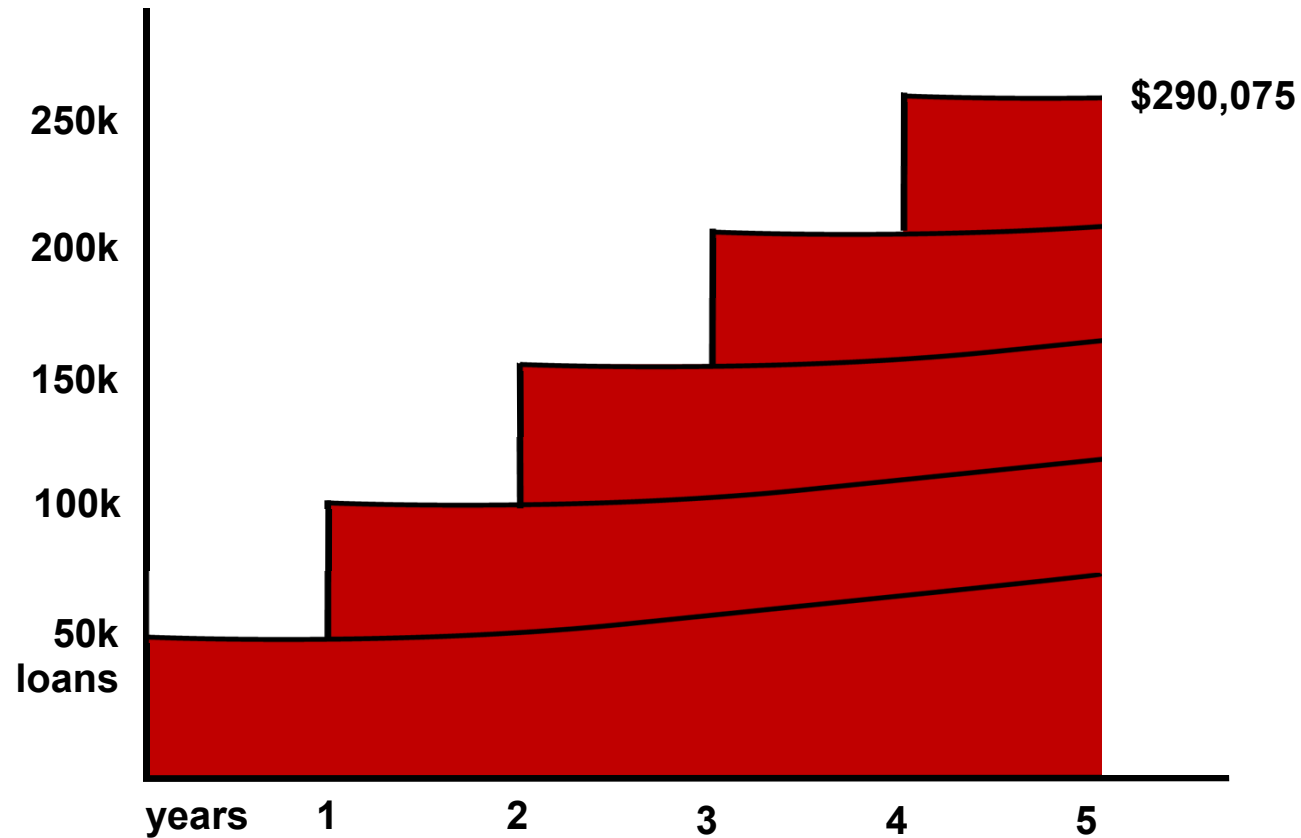


5% Borrowing for College





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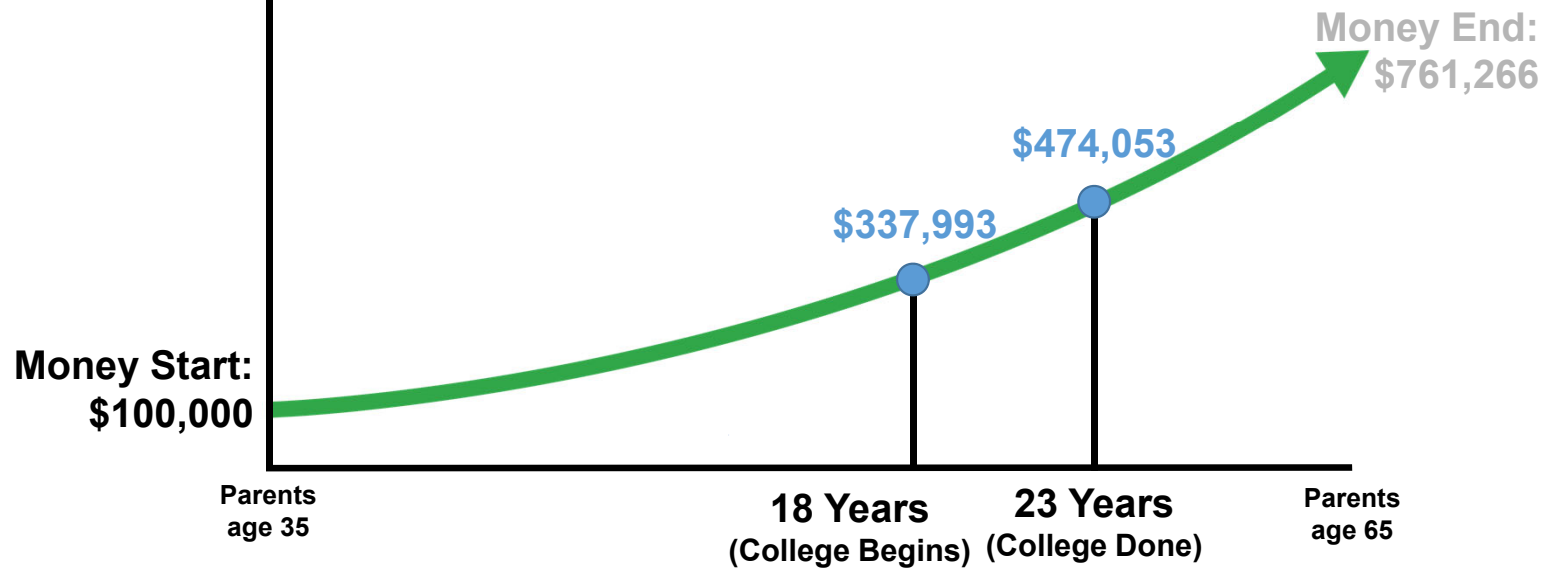


Things that naturally happen

- Child now learns what it is to borrow money
- They will naturally think more clearly about where to attend college, it feels more like they are **spending their own money.**
- Your money can continue to grow
- You now have a different conversation after graduation.
- You can pay for college in radically different ways.

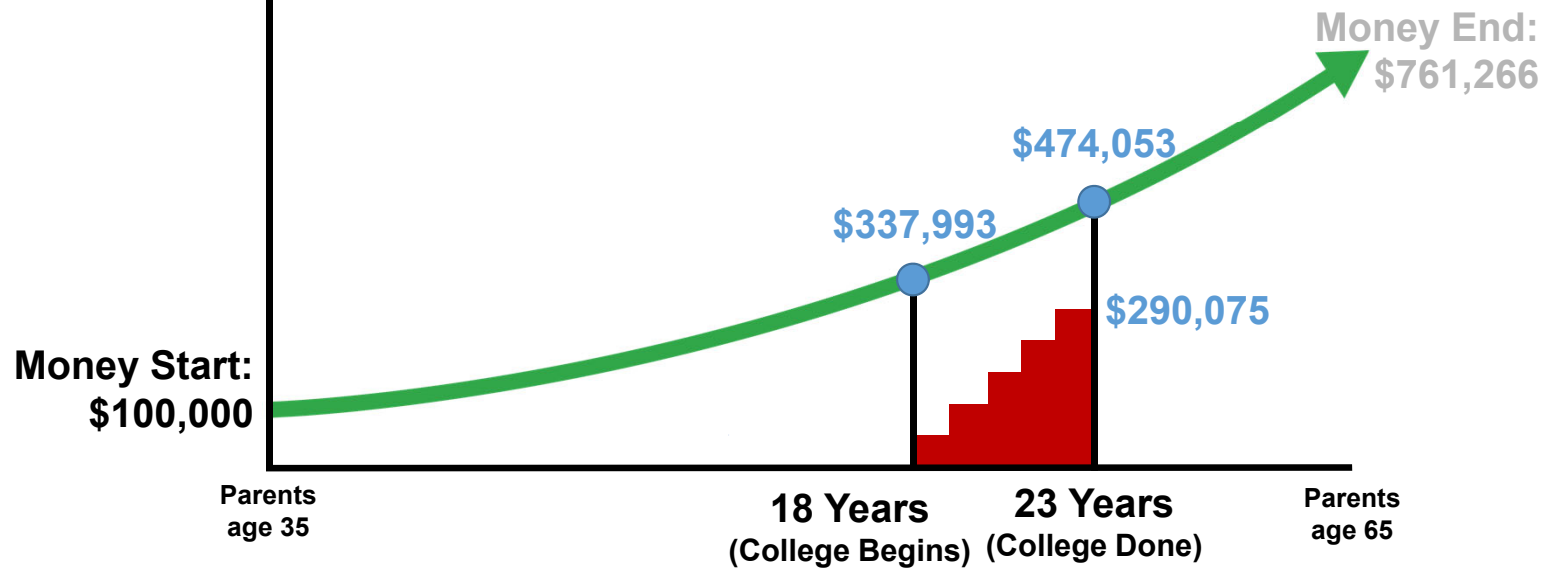


Continue building your wealth





Continue building your wealth

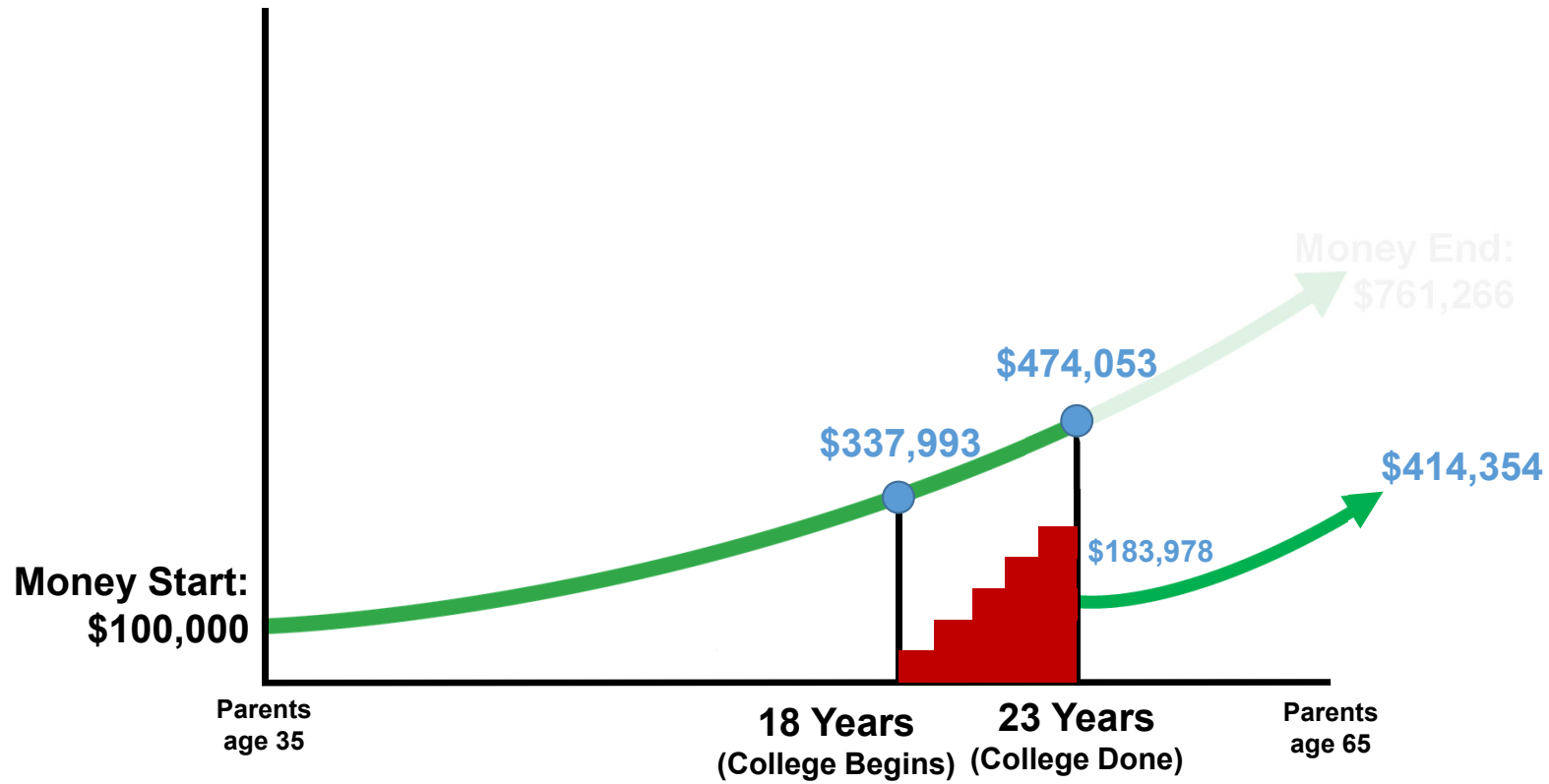




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Even if...





Where else could you take the money from?

**401k
Loan**

**Home
Equity /
Line of
Credit**

**Exercise
Stock
Options**

IRA

**Payout of
current
cashflow**

**Buying an
investment
property
near
campus**



This is \$414,354 more at age 65 for the parents than having paid for college by being sold a 529 plan.



What else could be possible?



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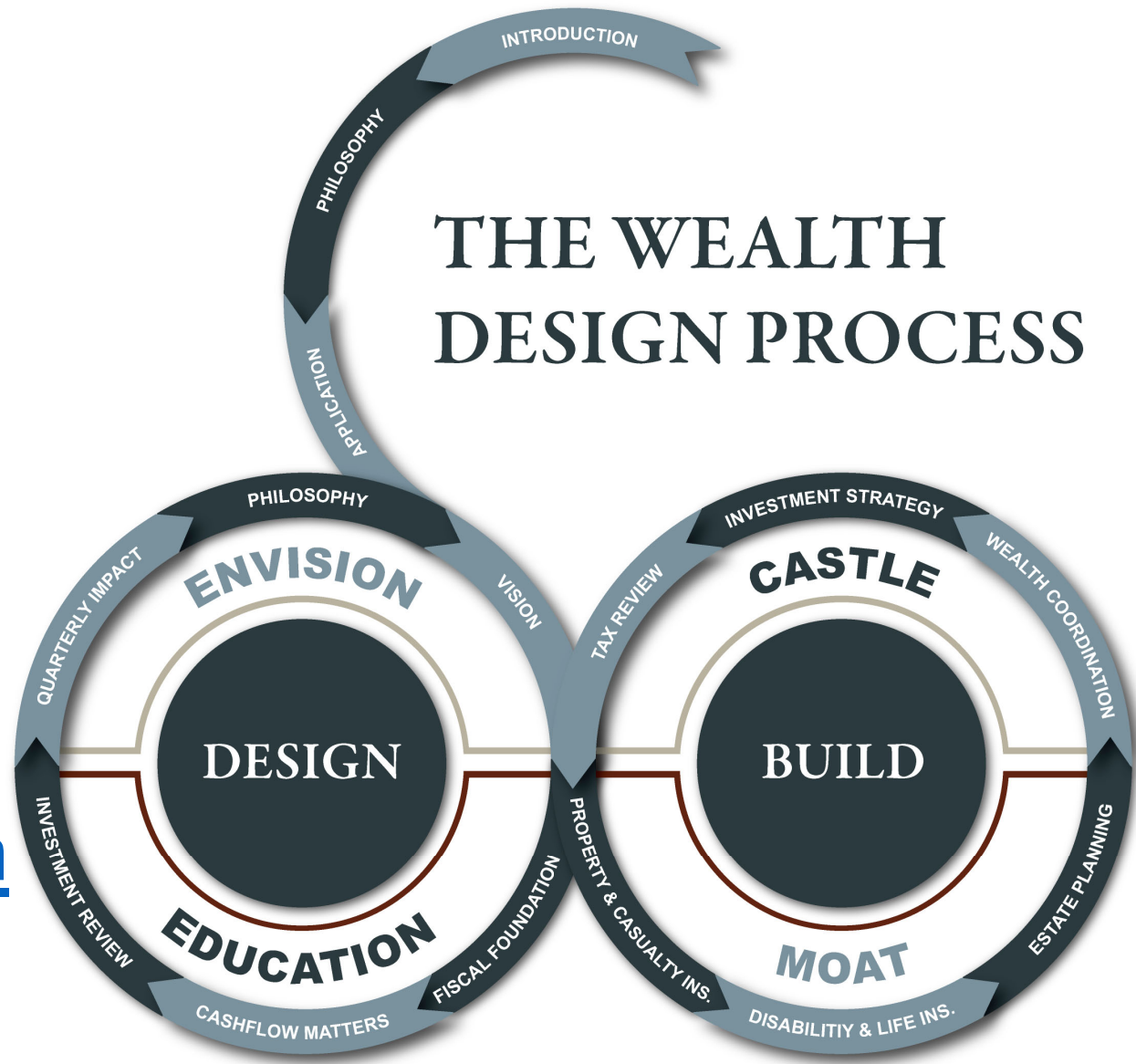


Takeaways for you

- Keep control of your money, so you can choose how to use it.
- If you have a 529 plan... make some assessments
- Do not create an entitlement for your kids for college.
- When it comes to paying for college, have your child take out a loan, with the promise, you will pay it off, if they finish.
- Build an academically allocated, globally diversified portfolio.
- Protect your family first.

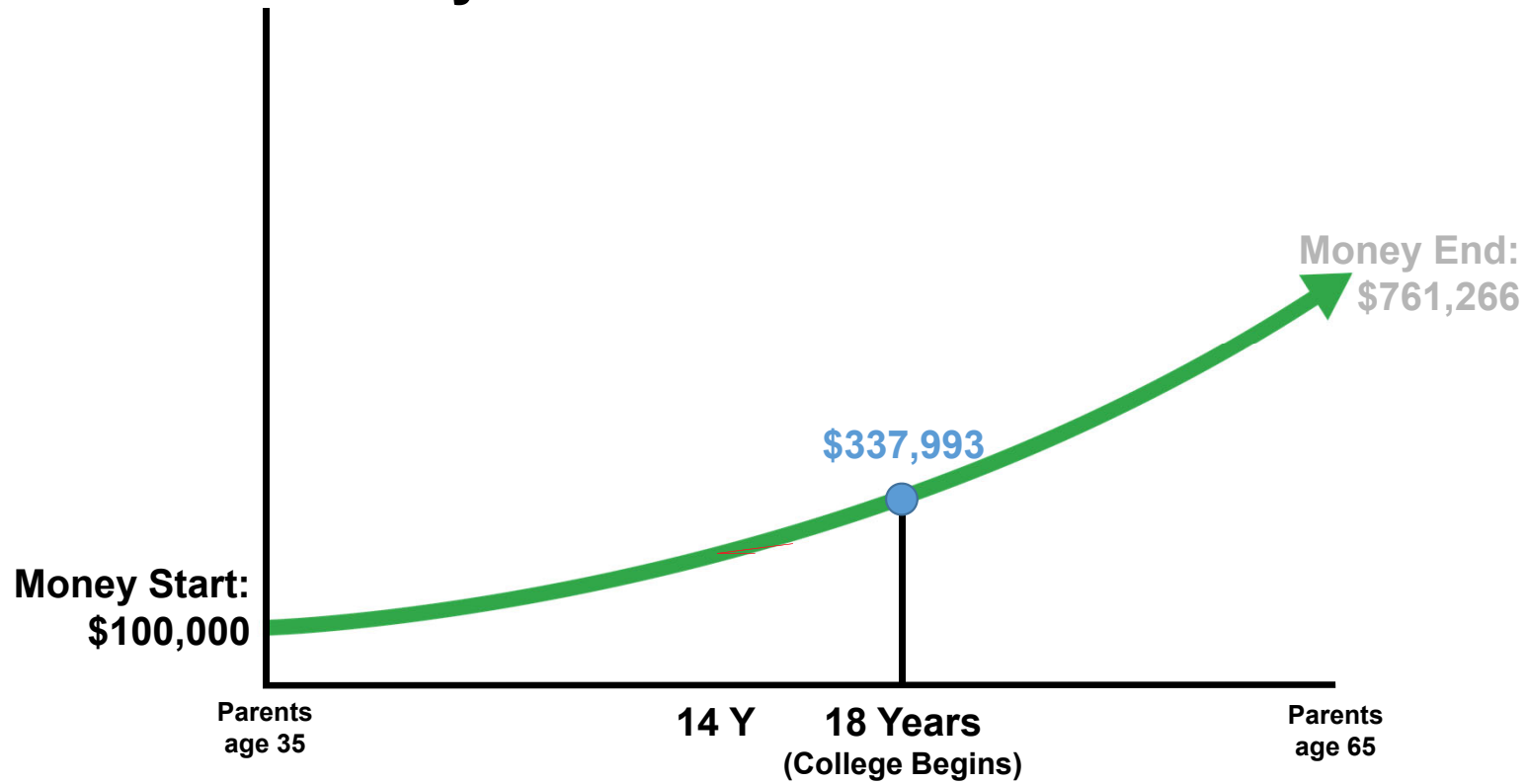
How we help
people...

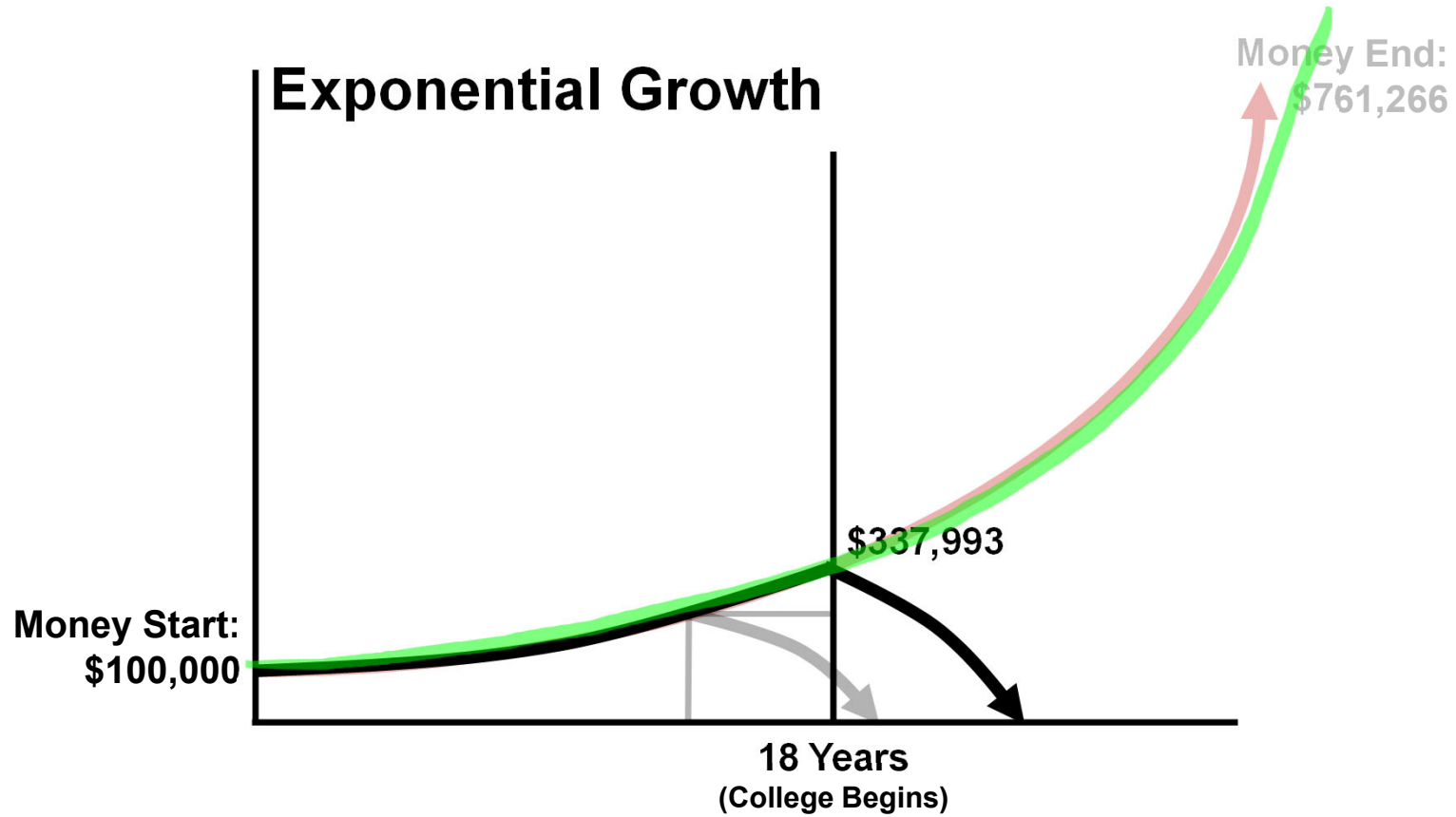
We would be
happy to share
our philosophy.
info@sfgwa.com





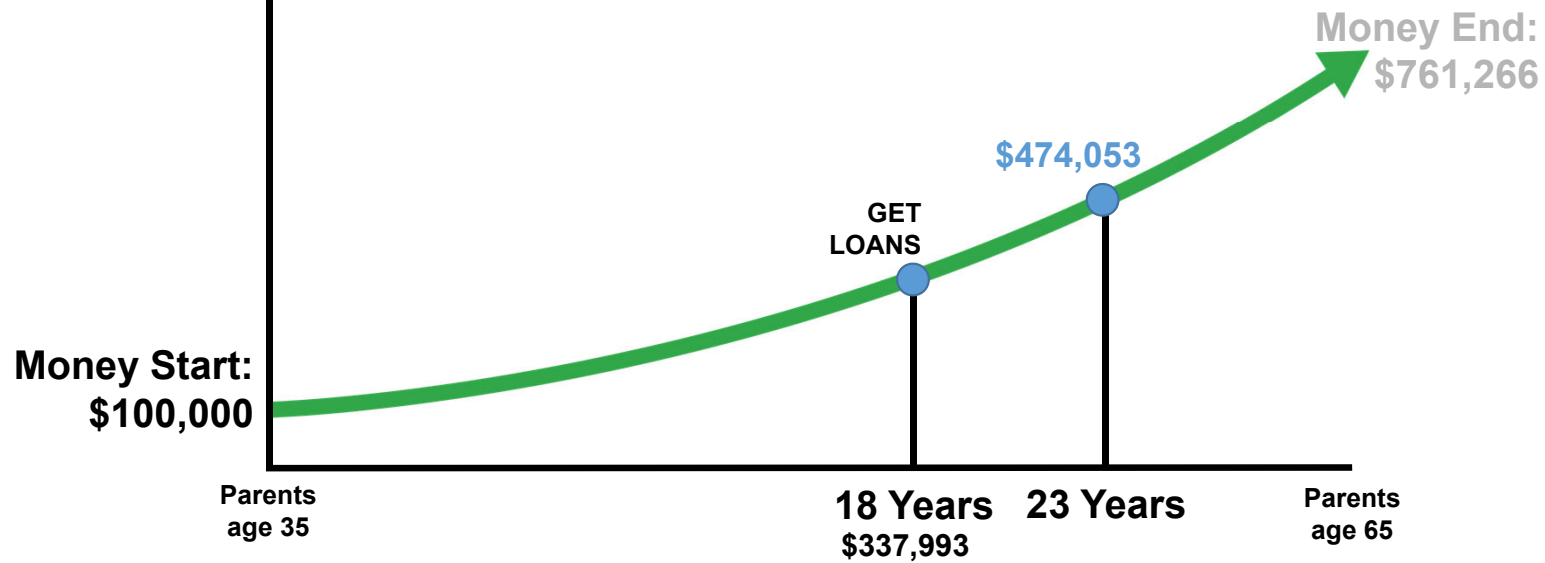
Build your balance sheet first.





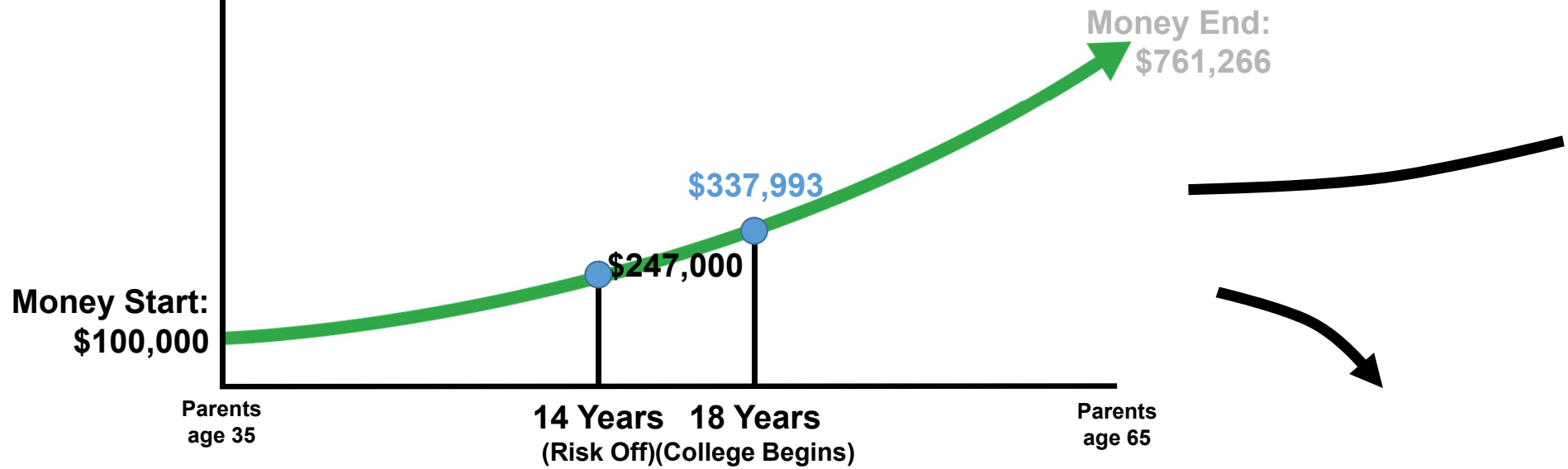


Exponential Growth



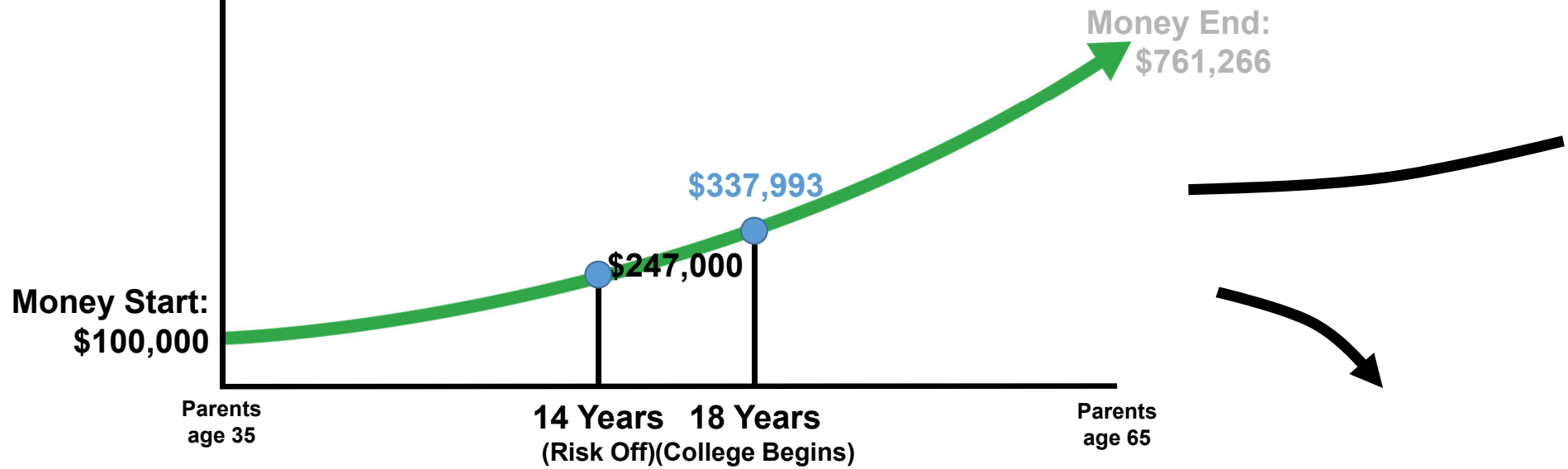


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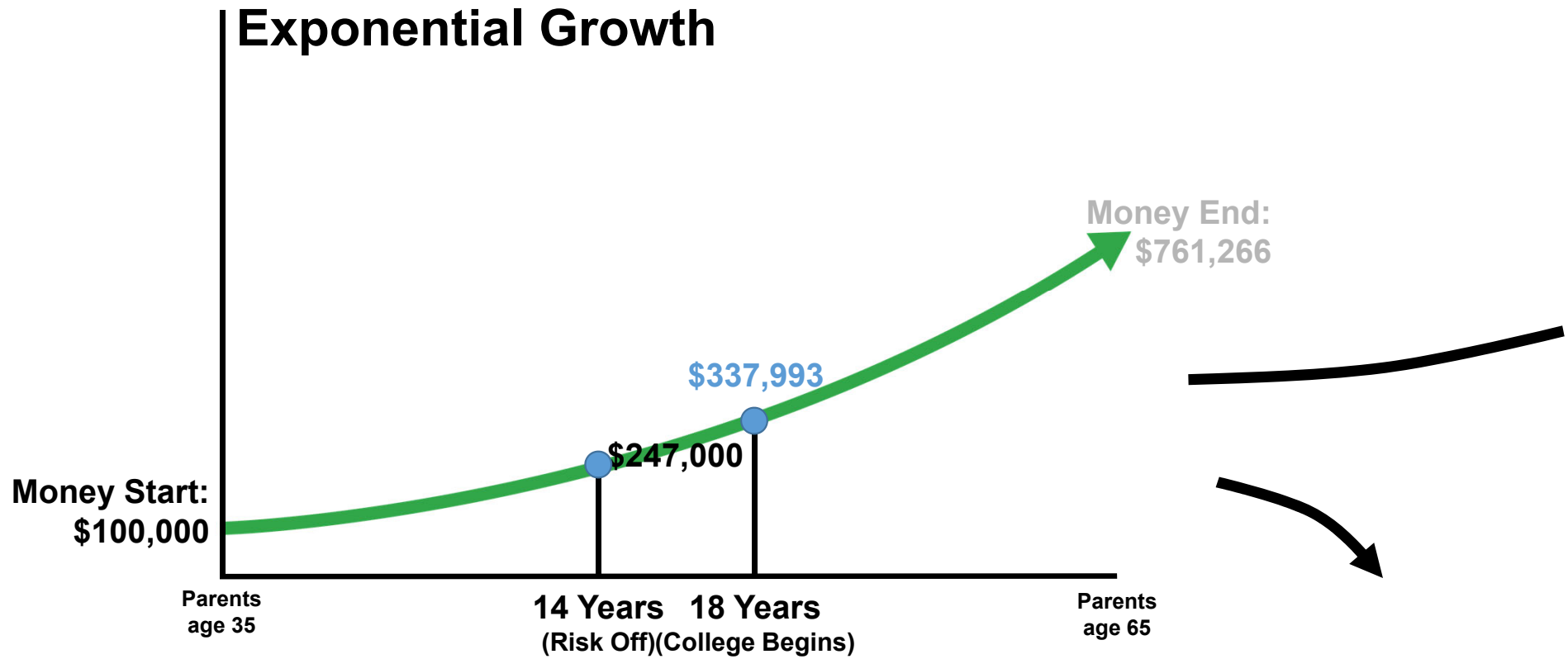


Exponential Growth





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