

# Monthly College Planning (Form 13)

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In order to have enough for college, you must aim at something. Your assignment is to determine how much per month you should be saving at 12% interest in order to have enough for college.

If you save at 12% and inflation is at 4%, then you are moving ahead of inflation at a net of 8% per year.

**Step 1:** In today's dollars, the annual cost of the college of your choice is:

Amount per year      \$ \_\_\_\_\_

X 4 years =              \$ \_\_\_\_\_

(hint: \$15,000 to \$25,000 annually)

**Step 2:** To achieve that college nest egg, you will save at 12%, netting 8% after inflation. So, we will target that nest egg using 8%.

**Nest Egg Needed**              \$ \_\_\_\_\_

**Multiply by Factor**            X \_\_\_\_\_

= \_\_\_\_\_

Note: Be sure to try one or two examples if you wait 5 or 10 years to start.

**8% Factors**  
(select the one that matches your child's age)

Child's Age	Years to Save	Factor
0	18	.002083
2	16	.002583
4	14	.003287
6	12	.004158
8	10	.005466
10	8	.007470
12	6	.010867
14	4	.017746