

How To Gift Wrap A College Education

by Keith Bernhardt

(NAPSA)—Every year—whether around the holidays, birthdays, graduations or other events—parents, grandparents, aunts and uncles want to get the perfect gift for the children in their lives. To help, here's a gift idea that can be far more valuable to their future than toys and games: money for their college education.

The rising cost of college means families need to discuss and implement savings goals and strategies early. One way is by opening and contributing to a dedicated college savings account, such as a 529 plan. These plans are tax-advantaged accounts designed specifically to help families save for college.

Families with children of any age—from newborns to those getting ready to head to campus—can open a 529 account in a child's name and manage how the savings are used for higher education expenses such as tuition, room and board, books, and other qualified fees and supplies at accredited institutions.

According to a recent Fidelity study, 33 percent of U.S. families saving for college are investing in a 529 account, up from 18 percent in 2008. However, research also shows that the typical American family is on track to cover just a third of its college savings goal.



Contributing to a college savings fund is easy to do and can have a big effect down the road—it's a gift that can last a lifetime: the gift of education.

Monetary gifts can add up over time and make a difference in the years to come.

In fact, 19 percent of parents have asked friends and family to contribute to their children's college savings and 65 percent expect to get monetary gifts specifically from grandparents.

For more about 529 college savings plans, opening and contributing to an account and other savings strategies, visit www.Fidelity.com/college and go.fidelity.com/givetograndkids.

• *Mr. Bernhardt is vice president of college planning at Fidelity Investments, one of the world's largest providers of financial services.*