



A LESSON IN MATHEMATICS

WHAT IT COSTS TO RAISE A CHILD

- Raising a child today to age 18 can cost parents almost \$300,000 – but that's just for the basics. (Source: U.S. Department of Agriculture, Expenditures on Children by Families, 2008) What it does not cover is child care (which according to the National Association of Child Care Resource and Referral Agencies can range from \$4,388 to \$14,647 a year). Nor does the report take into account other expenses involved in raising a child, from soccer cleats and piano lessons to summer camps and video games.
- Four years of college is expected to cost \$225,308 at a Florida public university, \$257,114 at a national public university, and \$483,499 at a national private university by the time today's newborn is ready to enter college. (Source: The College Board, Trends in College Pricing, 2008 and projections from E&Y and Florida State University Cost of Attendance, 2009-2010)
- Youth who grow up to earn a bachelor's degree in college will increase their lifetime earnings on average by \$1 million. Whatever sacrifices are made for a college education in the short term are more than repaid in the long term. (Source: U.S. Department of Labor, Bureau of Labor Statistics, January 2006)

WHY IT'S IMPORTANT TO SAVE FOR COLLEGE

- College costs in Florida and nationally continue rising faster than inflation. The 2009 Florida State Budget put into effect an approved 8% increase in undergraduate tuition rates for all state universities and community colleges starting the fall term 2009.
- Florida's tuition now ranks at or near the bottom nationally. In 2009, Governor Crist also allowed each of the 11 state universities the authority to raise tuition and fees up to 15 percent a year until the state's tuition rates reach the national average.
- 62 percent of parents in a 2009 College savings survey had saved less than \$10,000 per child for college, yet 90 percent said they view sending their kids to college as an essential part of the American Dream.
- Two out of three U.S. college graduates are burdened with student loan debts averaging \$22,700, and student loans now are the largest source of paying for college, surpassing grants and scholarships. (Source: The College Board, Trends in College Pricing, 2007)

WHAT IT COSTS FAMILIES TO SAVE FOR COLLEGE

Tuition Plan	Payment Plan		
	Lump Sum	5 Yrs. of Monthly Payments	Monthly Payment Until College
4-Year University	\$16,647.74	\$317.79	\$107.35
2+2 (Community College/University)	\$14,248.86	\$272.00	\$91.88
2-Year Community College	\$5,794.22	\$110.61	\$37.36

A Florida College Investment Plan** account can be opened with a \$25 per month contribution:

Monthly Contributions	1 st Grader College 2021	Newborn College 2028
\$25	\$5,387	\$11,320
\$50	\$10,775	\$22,640
\$100	\$21,550	\$45,280
\$150	\$32,324	\$67,920
\$200	\$43,099	\$90,560
\$250	\$53,874	\$113,200
\$300	\$64,649	\$135,840

This chart assumes monthly contributions starting in January 2010 until September of the year the child starts college, a 7.5 percent annual return, an annual management fee of $\frac{3}{4}$ of 1 percent and tax-deferred savings. The chart does not reflect actual performance or predict future results of the Florida College Investment Plan. Actual results may differ materially from the results depicted in this chart.

WHAT THE COST OF COLLEGE WILL BE IN THE FUTURE

- By the time a baby born in 2009 enters a Florida public university in 2028, four years of tuition, fees, room and boards, books and transportation will cost at least \$225,308.
- University tuition in Florida over the past 20 years has increased on average 6.5 percent a year. The new tuition differential fee, being charged for the first time in fall 2009 by all Florida's public universities, allows universities to raise regular tuition plus the tuition differential by up to 15 percent a year.

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**The Florida College Investment Plan is not a prepaid plan. Investments in the plan are not insured or guaranteed, and you could lose all or a portion of your investment. Participation in the plan will be sold only by means of a Disclosure Statement and Participation Agreement. A copy of each will be sent upon request. Read them before investing. Nothing within this document should be construed as financial, investment, legal or tax advice. Consult your own advisors before investing.