Financial Resources for College Education

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Abstract: This paper presents a case study demonstrating the efficacy of Coverdell and §529 College Savings Plans. The paper also discusses other less advantageous vehicles for saving funds for the purpose of financing a child's higher education. Among other benefits, the paper demonstrates the substantial tax benefits to a family with about $200,000 in gross income while the family saves the money needed to fund the higher education of the family's two children.

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This article considers various vehicles for funding a college education. The vehicles discussed include the American Opportunity Tax Credit, the Lifetime Learning Credit, Prepaid §529 Plans, §529 College Savings Plans, Coverdell Education Savings Accounts (CESA), Series EE and Series I Savings Bonds, traditional and Roth IRAs, and transfers of assets to children pursuant to the Uniform Gift to Minors and Uniform Transfers to Minors Acts. The rest of this article discusses these vehicles for funding college education in the context of the fictitious case of the Smith family described below.

Facts of the case

The year is 2022 and John and Mary Smith recently came to Tom Jones, a licensed financial planner, for financial counseling and advice. In the context of preparing a comprehensive financial plan, Tom's meetings with the Smiths have revealed a particular concern with the development of funds needed to provide their three children with a college education. This case focuses on that aspect of their financial plan.

John works as a history lecturer at the University of Pennsylvania and currently earns \$80,000 per year, while Mary works as a pharmacist at the University of Pennsylvania Hospital and currently earns \$120,000 per year. The Smiths report that during 2022 they expect to spend \$115,560 of their pre-tax earnings before considering any investment in college savings plans. Assuming John and Mary each contribute 5% of their salaries to employer-sponsored retirement plans, Tom estimates a total obligation of \$53,558 for the combined amount of federal income tax, state income tax, social security tax, and Medicare tax.[1] This leaves the Smiths with $30,882 (= $200,000 – 115,560 – 53,558), which they can invest in accounts offering tax-advantaged savings towards the college education of their three children, Nancy (age 4), Dan (age 3), and Robert (age 1).[2]

In terms of 2022 dollars, the Smiths anticipate total college expenses of $27,000 per year per child, broken down as follows: undergraduate in-state tuition and fees, $12,000; room and board, $14,000; books and supplies $1,000. They expect each child to work part-time during the school year and full-time in the summer to fund their own entertainment and other expenses. The Smiths can reasonably expect a 6.5% per year increase in the cost of tuition, fees, and room and board and a 13% per year increase in the cost of books and supplies. The Smiths expect each child to graduate after four years of post-secondary school education, and while John and Mary will help their children through graduate school if they can, they do not intend to save for that. Each child will shoulder the financial responsibility for their own education at the graduate level. Table 1 depicts the timeline of undergraduate college expenses for the three children, assuming

[1] The Smiths MAGI amounts to $200,000 in earned income less a $10,000 deduction for the Smiths' tax deferred contributions to their employer-sponsored pension plans. Taxable income is further reduced by the $25,900 standard deduction for their filing status (married filing jointly). Given, the 24% marginal tax rate, federal income tax amounts to $33,220 (= $15,214 + [$200,000 – 10,000 – 25,900 – 89,075]*0.24). Estimated Pennsylvania state tax is $5,038 (= 3.07% of $164,100 in estimated federal taxable income), social security tax is 6.2% of gross income and medicare tax is 1.45% of gross income). Combining all of these amounts produces an estimated $53,558 in total taxes.

[2] Investing up to $30,882 per year in college savings plans is reasonable, given a combined family income of $200,000. As described on the elitepersonalfinance.com website (https://www.elitepersonalfinance.com/average-household-budget/), the Bureau of Labor Statistics Consumer Expenditures Survey reveals that the average family of five spent $81,146 in total household expenditures during the year 2020. That total includes all categories: Food, Alcoholic beverages, Housing, Apparel and services, Transportation, Healthcare, Entertainment, Personal care products/services, Reading, Education, Tobacco products/smoking products, Miscellaneous, Cash contributions, and Personal insurance and pensions. When organized by income level, families with income between $150,000 and $200,000 spent $100,484 on average in the year 2020. Also, according to the Bureau of Labor Statistics, the Consumer Price Index rose 15% between 2020 and 2022. Thus, $115,557 (= 1.15*$100,484) is a reasonable estimate of the Smiths' annual household expenditures in 2022 dollars before investing in college savings plans.

that the estimated $27,000 in annual per child college expenses based on 2022 costs grows at a weighted average annual rate of 6.74% (= 6.5%*26,000/27,000 + 13%*1,000/27,000). Assuming a 7% annual return on investments, Table 2 shows the amounts John and Mary would need to invest over the course of the asset accumulation and disbursement periods in order to meet the cost of undergraduate college education for their three children. Tax-advantaged vehicles for saving for college education include Coverdell education savings accounts, Uniform gift to minors (UGMA) and transfer to minors (UTMA) custodial accounts, Series EE and Series I U.S. savings bonds, Traditional and Roth IRAs, and §529 college savings accounts. The following paragraphs discuss these saving options.

Coverdell education savings accounts

A Coverdell education savings account (CESA) facilitates saving for college, as well as elementary and secondary school (K-12). As long as the Smiths' modified adjusted gross income (MAGI) does not exceed $190,000 (in 2022), they can take full advantage of tax-advantaged savings for K-12 and college education.[3] Let's assume that in 2022 the Smiths begin investing the maximum allowed $2,000 per year in a CESA account for each of their three children until they reach the maximum age of 18. Thus, of the amounts listed in Table 2, the Smiths will contribute a total of $6,000 to three CESA accounts (one for each child) during each of the years 2022 through 2035, $4,000 to each of two CESA accounts (one for Dan and one for Robert)

[3] Observations in this paper are based on the tax law as it exists in 2022. Of course, the law can change over the time between 2022 and 2035, when the oldest Smith child begins college. For example, with reference to contributions to Coverdell and §529 College Savings Accounts, changes can occur in features such as the deductibility of contributions, contribution limits, taxability of distributions, and constraints on transfers from one beneficiary to another.

during each of the years 2036 and 2037, and $2,000 to Robert's CESA account in 2038 and 2039.[4] Distributions are tax-free.

Series EE and Series I U.S. Savings Bonds

Series EE and Series I U.S. Savings Bonds provide another vehicle for saving for a college education. However, the Smiths would not qualify for the tax breaks, because their joint adjusted gross income will likely exceed the maximum of the phase-out range when the Smiths begin using the accumulated savings for education expenses 13 years hence. The Smiths have $190,000 in adjusted gross income, which exceeds the $158,650 phase-out limit in 2022. Thus, using U.S. savings bonds as a vehicle for saving for their children's college education offers no tax advantage in this case.

UGMA and UTMA Accounts

Some taxpayers use Uniform Gift to Minors Act (UGMA) and Uniform Transfers to Minors Act (UTMA) accounts to fund the costs of education. These savings vehicles have the following disadvantages. First, earnings on funds contributed to the accounts are taxable. Second, all gifts to the accounts are irrevocable and cannot be assigned to another beneficiary. Third, the child gains ownership and complete control of the funds as soon as the child reaches the age of majority (usually 21 years old, but as young as 18 years old in some states and as old as 25 in others). Finally, if the child dies before consuming the funds in the account, then the funds belong to the child's estate and are distributed through probate according to state law.

[4] Note that grandparents and anyone else can contribute to each child's CESA account, but the total invested from all sources cannot exceed $2,000 in any given year. Anything more than that is subject to a 6% excise tax.

Roth IRAs

Some taxpayers use Roth IRAs as vehicles for accumulating funds for their children's education. Roth IRAs have the following disadvantage in this case. The Smiths will not have reached age 59½ by the time their youngest child graduates from college. Therefore, if the Smiths use funds in the Roth IRAs to cover college expenses, after withdrawing the principal from the accounts on a FIFO basis, they will have to pay tax on earnings withdrawn from the account.

§529 College Savings Accounts

Since contributions to CESA accounts are limited to $2,000 per year per child, and the investment amounts scheduled in Table 2 exceed $6,000 per year, another tax-deferred investment vehicle is needed.[5] §529 College Savings Accounts are available for that purpose. These accounts are administered at the state level. The federal government waives all tax on distributions from the account used to cover qualified education expenses, and virtually all states do the same. In addition, most states allow state income tax credits or tax deductions for all or some portion of amounts contributed to the accounts.[6] Table 3 shows how the Smiths can accumulate and disburse the $958,537 needed to fund college education for their three children.

[5] For example, we calculated $30,882 as the amount of the Smiths' 2022 income that remains after covering their regular expenses. Of that amount, Table 2 shows that they need to invest $30,560 in college savings plans during 2022. The Coverdell limit is $6,000 for the three children, combined. Thus, Table 3 shows that the Smiths will invest $6,000 in Coverdell accounts and the remaining $24,560 in §529 accounts.

[6] Colorado, South Carolina, New Mexico, and West Virginia allow a state income tax deduction for the full amount of any contributions to §529 accounts; Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming have no state income tax; California, Delaware, Hawaii, Kentucky, Maine, New Jersey, and North Carolina allow no deduction; and the remaining 30 states plus Washington DC allow deductions within certain limits. Only Wyoming does not offer §529 plans. However, as in any other state, residents of Wyoming can open a §529 account in any other state and, since Wyoming does not have a state income tax, there's no need for a state-level income tax deduction or tax credit.

As shown in Table 3, over the course of the period from 2022 through 2042 the Smiths will invest \$499,900 in CESA and §529 college savings plans in order to generate the \$958,537 needed to fund their three children's college education. Thus, the strategy generates \$458,637 (=\$958,537 – 499,900) of tax-free earnings. Of the \$499,900 investment, Tom recommends first investing the maximum allowed each year in Coverdell accounts, one account for each child. The maximum is \$2,000 annually per child until the child's 18th birthday.[7] In accordance with this constraint, Table 3 lists the annual contributions to the Coverdell accounts. The total across all years amounts to \$96,000, leaving \$403,900 to invest in §529 accounts. Coverdell accounts have one big advantage over §529 plans: the "responsible party" (in this case, John or Mary) has complete control over how the money in the plan is invested.[8] For this reason, Tom recommends investing the full \$96,000 limit in Coverdell accounts, as outlined in Table 3. The investment options include all investment options offered by the plan "custodian." The custodian must be: a bank or savings and loan association, as defined in IRC Section 408(n); any person who may serve as a custodian of a Traditional IRA; or any entity who has the approval of the IRS to act as custodian. The following IRS website provides a list of approved non-bank custodians: https://www.irs.gov/pub/irs-tege/nonbank-trustee-list.pdf. The list includes discount brokers (e.g., Charles Schwab, TD Ameritrade), mutual funds (e.g., Buffalo Funds, Thrivent Mutual Funds), full-service investment banks (e.g., Goldman Sachs, J.P. Morgan, Raymond James), and insurance companies (e.g., State Farm, Variable Annuity Life Insurance Company). Discount

[7] Contributions during the year in which the child turns 18 are allowed as long as they enter the Coverdell account before the child's 18th birthday.

[8] The responsible party is generally the account owner, in this case John or Mary. As described by Weinlander Fitzhugh, CPAs (https://www.wf-cpas.com/wf-news/113-who-controls-the-funds-in-a-section-529-plan.html), if a grandparent sets up and funds the 529 account, they may not want to be the responsible party, in which case they can transfer ownership to the parents of the grandchild beneficiary.

brokers generally charges no fees to open a Coverdell account and generally provide the responsible party with the entire array of investment options available to any customer/client.[9]

Coverdell accounts have no formally specified aggregate contribution limits;[10] whereas, aggregate contribution limits in §529 accounts vary across the states administering such plans. Georgia and Mississippi set the aggregate contribution limit at $235,000, and New Hampshire has the highest aggregate contribution limit at $553,098 with Virginia and West Virginia tied for second at $550,000. Residents of any state can open a §529 account in any other state, but state tax deductions for contributions also vary across states and, in most cases, these deductions are limited to residents of that state.[11] Since the Smiths live in Pennsylvania, they can take state income tax deductions for as much as $32,000 in contributions to 529 plans. Pennsylvania limits the aggregate investment in 529 plans to $511,758 and, as shown in Table 3, the Smiths will fall safely short of that limit with the scheduled $403,899 in aggregate contributions to their 529 plans.

In addition to the state income tax deduction, §529 accounts offer the following advantages over a Coverdell account. First, the only limit on contributions is the aggregate contribution limit ($511,758 in Pennsylvania).[12] Thus, much more can be accumulated in a §529 plan as compared to a Coverdell plan. Second, there is no age limit beyond which the beneficiary

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[9] If the Smiths place no value on the additional flexibility in investment options offered by Coverdell accounts, then they could direct the $96,000 toward §529 accounts, as they would still be under Pennsylvania's $511,758 aggregate contribution limit (the total scheduled for investment in §529 accounts would increase to $499,899).

[10] Practically speaking, aggregate contributions to Coverdell accounts cannot exceed $38,000 per beneficiary, as contributions are limited to $2,000 per year per beneficiary and must stop when the beneficiary reaches 18 years old. The first contribution is allowed during the birth year and the 19th contribution occurs during the year the beneficiary turns 18 years old.

[11] Exceptions include Arizona, Arkansas, Kansas, Minnesota, Missouri, Montana and Pennsylvania, all of which allow deductions for contributions to any other state's 529 plan up to certain limits.

[12] The Smiths are not constrained to invest in Pennsylvania's 529 plan, and Pennsylvania is one of the only states that allows the state income tax deduction regardless of which state's 529 plan they choose. The Smiths should do their due diligence in comparing the fee structure and investment options between various 529 plans available in Pennsylvania and other states. Fees can quickly eat up returns and some states inflate fees on one plan and use the revenue to cover costs and obligations of other plans administered by the state (Curtis 2020).

obtains control of the funds in the account. Thus, contrary to the Coverdell account which requires either a transfer to another beneficiary or disbursement to the original beneficiary by the time the original beneficiary reaches the age of 30, the benefactor retains control over the money in the §529 account and can transfer the funds to another beneficiary at any time. Third, the benefactor does not need to stop making contributions to a 529 plan when the beneficiary reaches 18 years old (as in a Coverdell). Fourth, amounts accumulated in 529 plans can be applied to student loans of the beneficiary and the beneficiary's siblings; whereas, Coverdell accounts prohibit such transactions.

John and Mary will have to file a gift tax return (IRS form 709) if they contribute more than $32,000 to a child's Coverdell and §529 accounts in any given year. They can, however, apply their lifetime exclusion and gift up to $24.12 million jointly over the course of their lifetimes without paying any gift taxes.

John and Mary can control investment of the funds contributed to Coverdell and §529 plans, and both plans offer a wide array of investment choices. Anyone with MAGI less than $110,000 (single) or $220,000 (married filing jointly) can open and contribute to a Coverdell account through a brokerage, bank, credit union, or mutual fund company.[13] The investment options depend on the provider. Provider options generally include individual stocks, bonds, exchange-traded funds (ETFs), mutual funds, and real estate investments. Fee structures and transaction costs vary across providers, so these should be compared before selecting the provider who will house the investments and facilitate trades. If distributions apply to

[13] If the individual (couple) has MAGI less than $95,000 ($190,000), then the maximum annual contribution is $2,000. That amount decreases ratably until it reaches zero at MAGI of $110,000 ($220,000). Beneficiaries can have multiple Coverdell accounts and multiple benefactors, but the total of all contributions to a single beneficiary's accounts cannot exceed $2,000 in a given year. Distributions from the account are limited only by the total qualified expenditures incurred at an eligible institution.

nonqualified expenses or if the beneficiary has reached the age of 30, the earnings portion of distributions from Coverdell accounts are taxed to the beneficiary and might also incur a 10% penalty.[14] Coverdell accounts define qualified education expenses as those for tuition and fees, books, room and board (if enrolled at least half-time), transportation, equipment, and supplies (including a computer) at an eligible post-secondary college, university, or vocational school, where eligibility means the post-secondary school can participate in student aid programs administered by the U.S. Department of Education.

While Coverdell accounts are administered by the custodial bank, brokerage house, mutual fund, or credit union, individual states administer §529 accounts, which come in two flavors: prepaid tuition plans and college savings plans. Prepaid tuition plans have fallen mostly out of favor and only nine states still offer them.[15] Wallace (2021) suggests the following reasons for declining (rising) popularity of prepaid tuition (traditional) §529 plans.[16] First and foremost, investments in traditional 529 plans will, in most cases, generate higher returns than returns that match tuition increases. A prepaid plan guarantees a return equal to the rate of tuition inflation, subject to the plan's solvency, but, given a long enough horizon, the risk associated with return on traditional §529 plan investments can be effectively managed, with the expected return virtually guaranteed. Second, if a child chooses to attend a college outside the boundaries of the

[14] The age limits do not apply to beneficiaries with special needs; i.e., for special needs students, contributions can continue beyond age 18 and distributions for qualified expenses at an eligible institution can continue beyond age 30. A Special Needs Beneficiary may be defined as one, who because of a physical, mental or emotional condition (including a demonstrable learning disability), require additional time to complete his or her education. Any requirements for being a Special Needs Beneficiary specified in an IRS regulation or ruling defining this term must also be satisfied. Meeting the requirements to make use of special dispensations at an eligible institution should qualify the individual as a special needs student/beneficiary.

[15] The number of states offering §529 prepaid tuition plans has declined from 22 to 9. The states still offering such plans include Florida, Maryland, Massachusetts, Michigan, Mississippi, Nevada, Pennsylvania, Texas, and Washington.

[16] According to Taylor (2022), as of June 2022, $24 billion ($388 billion) was invested in 931 thousand (15 million) prepaid (traditional) §529 accounts.

set of schools (e.g., in-state community colleges; state-supported universities) that determined the cost of the prepaid credits, accessing the funds in the account can be problematic. For example, in some cases, the state refunds only the original cost of the credits and the benefactor loses all earnings on the original investment. Second, either the benefactor or beneficiary, in most cases, must be a resident of a given state to enroll in its prepaid plan. Third, the state might require that money invested in the plan must stay in the plan for a minimum number of years before reaping any benefits. Fourth, benefactor contributions to the plan may need to occur only at certain specified times a year. Fifth, generally speaking, the state does not commit to bailing the fund out; i.e., the prepayments and earnings are uninsured. Sixth, many plans have hidden fees in the form of surcharges added to the current cost of tuition, one-time enrollment fees, and ongoing service charges. Finally, though the funds in conventional 529s can be used to pay for room and board, funds in most prepaid plans will only cover tuition and mandatory fees. In summary, Walace (2021) advises, "for most college savers, a conventional 529 college savings plan is better option, as prepaid plans lack flexibility and offer inferior return potential."

According to the 529 College Savings Plan Network (CSPN) webpages managed by the National Association of State Treasurers, over the past 10 years, assets under management within §529 college savings plans have increased by about 116% (from $190.7 billion in 2012 to $412.5 billion in 2022), while the in-state tuition at Penn State University increased by about 17% (from $16,444 for the 2012-13 academic year to $19,286 for the 2022-23 academic year). Thus, the rate of increase in §529 assets under management have far outpaced tuition inflation, presumably because of a dramatic increase in the number of families taking advantage of these plans. In fact, the nationwide number of §529 college savings accounts under management increased from 11 million in 2012 to 15.7 million in 2022, a 42% increase.

The Smiths have targeted the Pennsylvania State University (Penn State) as representative of the category of schools they hope their children will aspire to attend. Pennsylvania offers a prepaid tuition §529 plan called the Guaranteed Savings Plan (GSP). At 2022 tuition rates, the prepaid tuition plan requires an investment of $835.26 per credit hour for freshman-sophomore years and $954.42 per credit hour for junior-senior years at Penn State. The Smiths understand that they can lock in today's tuition rates even though their oldest child will not attend college until 13 years from now. However, they also understand that they would not have access to any excess funds due to the return on the state's investment of the tuition amounts that the Smiths prepay outpacing tuition inflation. For example, if the plan assets produce an 8% return and tuition increases at only the rate of 2%, the Smiths merely get the tuition credits that they pre-purchased, and the state of Pennsylvania keeps the excess. For this, along with other prepaid tuition plan detractors discussed earlier, the Smiths decide to invest in traditional §529 college savings plans for their three children.

Choosing investment in traditional §529 accounts, as a supplement to investment in Coverdell accounts, brings the Smiths the following benefits. First, the Smiths can keep their costs down and maximize the range of available investment options by enlisting a discount broker to administer each of their three §529 accounts (one per child). Second, since the §529 accounts are not associated with any particular school, the children have flexibility in choosing the college they will attend. Third, based on their married filing jointly filing status and Pennsylvania residency, the Smiths can take state income tax deductions for contributions to the plans in amounts up to $32,000 each year. Fourth, the Smiths have access to Pennsylvania's Sage

Scholars Tuition Rewards Program, which offers tuition discounts to 400+ private colleges nationwide, including over 50 in Pennsylvania.[17]

Fifth, if one or more of their children gets scholarships or chooses not to attend college, the funds in the child's §529 plan can easily be transferred to another family member, including John and Mary themselves, cousins, and siblings of the original beneficiary. The money in the accounts can be used to cover qualified expenses in graduate school as well as undergraduate school and even up to $10,000 per child per year for private K-12 schools, so the Smiths should not have much trouble finding a good use for the money in the account even if it isn't used for the originally intended beneficiary. Sixth, the assets in the §529 account are protected from creditors in Pennsylvania and are not counted when determining financial aid. Finally, the investments generate tax-free earnings, and distributions from the plan are not taxed, as long as the distributions are applied to qualified education expenses. Unlike prepaid tuition plans, traditional §529 college savings plans include room and board (as specified in the college's cost of attendance), books, and supplies (including computers), along with tuition and fees, as qualified expenses. The funds could also be used to pay up to $10,000 of principal and interest on a qualified education loan for the §529 beneficiary or sibling or to pay up to $10,000 for tuition at a private K-12 school. If the funds turn out to exceed the family's education needs, the Smiths can get a non-taxable refund of their contributions to Coverdell and §529 accounts;

[17] The Sage Scholars Tuition Rewards (SAGE, https://www.tuitionrewards.com/) is a free scholarship program that helps families earn Tuition Reward Points that reduce the cost of undergraduate tuition at participating private colleges and universities. Each quarter, the participant earns Tuition Rewards equal to 2.5% of the value of their PA 529 account. Each point is worth $1.00 in scholarships at SAGE member schools. SAGE Scholars' Tuition Rewards is an optional service, separate from PA 529, and not affiliated with the Commonwealth or the Treasury Department.

however, the Smiths would have to pay federal, state, and local tax (and perhaps a 10% penalty) on withdrawals of earnings not used for qualified education expenses.

AOTC and LLC tax credits

The Smiths should also assess the availability of tax credits once their children are attending college. The American Opportunity Tax Credit (AOTC) allows up to a $2,500 tax credit for each qualifying child, and the Lifetime Learning Credit (LLC) allows up to a $2,000 tax credit per tax return, but only for married filing jointly taxpayers with less than $160,000 in MAGI and, for purposes of both the AOTC and LLC, only for expenses not paid with §529 or Coverdell funds.[18] As noted above, the Smiths have $190,000 in MAGI in 2022, so they will not qualify for either one of these tax credits unless the phase-out limits rise faster than the Smiths' earnings.

Government-sponsored financial aid

While this article provides a plan for the Smiths to cover 100% of the cost of their children's education, they should look for ways to reduce this cost through other programs. For example, the Smiths will submit FAFSA forms at the time that their children apply for college admission. These forms provide the basis for consideration of the children for financial aid, including grants, scholarships, and loans. To the extent that applications for scholarships and grants are successful, the Smiths can apply any remaining §529 and Coverdell funds towards

[18] The AOTC is calculated as 100% of the first $2,000 of qualified education expenses and 25% of the next $2,000, up to a total of $2,500. The LLC is calculated as 20% of the first $10,000 of qualified education expenses. The AOTC offers a more liberal definition of qualified expenses, which includes tuition, fees, books, supplies and equipment needed for a course of study. The LLC constrains qualified expenses to only tuition and fees.

graduate school education or to support their other children in case the cost of the other children's education exceeds the amounts saved in Coverdell and §529 plans.

Conclusion

With reference to a case study, this paper provides a blueprint for families to use to prepare for their children's college education. For a family of four with about $200,000 in gross employment-related income, this paper argues for a strategy that combines the benefits of Coverdell and §529 college savings plans. These plans offer substantial tax-sheltered funds dedicated towards the support of the children's pursuit of higher education.

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Table 1		
Year	**Students in college**	**Projected cost**
2035	Nancy	$63,046
2036	Nancy	67,296
2037	Nancy and Dan	143,664
2038	Nancy and Dan	153,348
2039	Dan and Robert	163,684
2040	Dan and Robert	174,718
2041	Robert	93,248
2042	Robert	99,533
Total		$958,537

Table 2							
Year	**Invest**		**Year**	**Invest**		**Year**	**Invest**
2022	$30,560		2029	30,560		2036	24,846
2023	30,560		2030	30,560		2037	19,502
2024	30,560		2031	30,560		2038	14,364
2025	30,560		2032	30,560		2039	9,403
2026	30,560		2033	30,560		2040	4,601
2027	30,560		2034	30,560		2041	2,269
2028	30,560		2035	27,635		Total	$499,899

Table 3							
	Invest In				**Disburse From**		
Year	**CESA**	**529**	**Total**		**CESA**	**529**	**Total**
2022	$6,000	$24,560	$30,560				
2023	6,000	24,560	30,560				
2024	6,000	24,560	30,560				
2025	6,000	24,560	30,560				
2026	6,000	24,560	30,560				
2027	6,000	24,560	30,560				
2028	6,000	24,560	30,560				
2029	6,000	24,560	30,560				
2030	6,000	24,560	30,560				
2031	6,000	24,560	30,560				
2032	6,000	24,560	30,560				
2033	6,000	24,560	30,560				
2034	6,000	24,560	30,560				
2035	6,000	21,635	27,635		$63,046		$63,046
2036	4,000	20,846	24,846		67,296		67,296
2037	4,000	15,502	19,502		15,001	$128,663	143,664
2038	2,000	12,364	14,364		4,280	149,068	153,348
2039	2,000	7,403	9,403		2,140	161,544	163,684
2040	0	4,601	4,601		2,140	172,578	174,718
2041	0	2,269	2,269		0	93,248	93,248
2042	0	0	0		0	99,533	99,533
Totals	$96,000	$403,900	$499,900		$153,903	$804,634	$958,537