

Plan Early for College

By Dan Benson
Copley News Service

How can parents tuck away that many pennies for their child's education?

One approach is a savings plan. But it would take \$20,000 put away today, earning 6 percent interest, to pay for your 6-year-old's education by the time he is 18. Or you could stick about \$275 in a savings account every month for the next 12 years to accomplish the same thing.



But there are more subtle strategies that can work for a family. The toughest way for anyone to cover his or her share of educational expenses is to try to squeeze them out of a current household budget.

The earlier a family gets started on a college-funding plan the better.

The sooner people start to plan to meet college costs, the more choices they have about how to finance their share of these costs.

But families whose children are quick-

ly nearing higher education need not despair.

With planning, anybody can afford to pay for college. This is true for families whose children are already high school juniors and seniors, and even truer for families whose children are still quite young.

As costs keep on rising, some institutions and state governments have created investment plans that will pay for today's babies' college educations.

For instance, the Duquesne Plan was created by a Pittsburgh insurance man. It requires that \$5,802 invested now in a zero-coupon bond for a 1-year-old baby will pay for the child's education at Duquesne University 18 years from now.

The state of Michigan has approved a similar plan for its state colleges. California and other states have considered similar legislation.

Here are some books and resources to help in planning for your children's educational future:

- "The College Cost Book;" The College Board, Dept. H99, Box 886, New York, N.Y. 10101-0886.

- "The Student Guide — Five Federal Financial Aid Programs;" Consumer Information Center, Dept. DEA-86, Pueblo, Co. 81009.

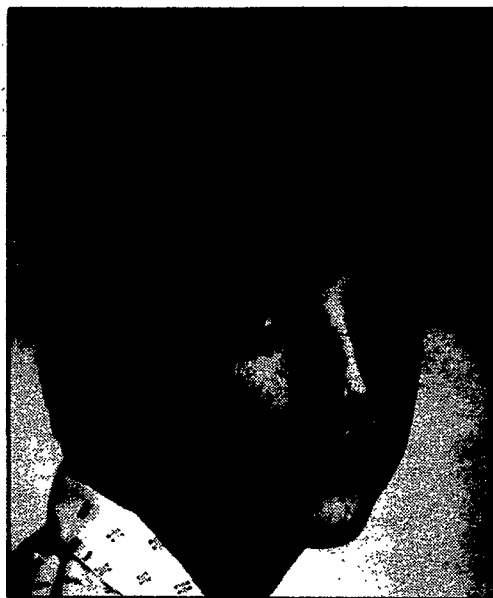
- "Chronicle Student Aid Annual;" Chronicle Guidance Publications Inc., Aurora Street Extension, P.O. Box 1190, Moravia, N.Y. 13118-1190.

- "As and Bs of Academic Scholarships;" by Robert Leider and Dale McClelland. Octameron Associates, P.O. Box 3437, Alexandria, Va. 22302.

- "Your Own Financial Aid Factory;" by Robert Leider. Also published by Octameron.

- "How to Put Your Children Through College Without Going Broke;" Research Institute of America, 589 Fifth Avenue, New York, N.Y. 10017.

DeSales to recognize 33 seniors



Katherine Oyler
Valedictorian



Stacy Marsteiner
Salutatorian

Rev. Albert J. Shamon will preside over the 73rd commencement of DeSales High School in Geneva on Sunday, June 26. Commencement exercises for the 33 seniors will be held at 2 p.m. in the school gymnasium.

Valedictorian Katherine Oyler of Waterloo has chosen to attend Geneseo State University for business studies. The 1988 class salutatorian is Stacy Marsteiner. She will be pursuing an engineering degree from Clarkson College.

Michael Bradley
Ronald Buckley
Ronald Buckley
Carin Caravita
Lisa Chelenza
Jennifer Clark
Christopher Claxton
Cynthia Colizzi
Maira Connolly
Heather Cooke
Michael Feldmeyer
Michele Hughes

Joseph Jenkins
Joshua Jensen
Karen Liberio
Karna Loudin
Tammy Lyon
Michelle Malcuria
Stacy Marsteiner
Jennifer Morgan
Mark McCarthy
Michelle Nelson
Nina Nigro

Alex Onorato
Katherine Oyler
MaryDoris Peters
Julie Pinkerton
Matthew Quigley
John Sears
Karen Sheflin
Karen Smith
Laura Stahl
Sean Sturgeon
Mark Walters

College Cost Worksheet

What will college cost? To estimate how much college will cost, and how much you will need to invest to meet your target, complete the following worksheet.

	Year Child	June Switch
1. Enter your child's age	_____	6
2. Years to college; time to invest (18 minus child's age)	_____	12
3. Annual college costs* a. Enter your own estimate or b. \$8,000, public school c. \$10,000, private school	_____	\$6,000
4. College Inflation Factors: According to the College Board, college costs are increasing 6% per year. Refer to Table 1 for the inflation factor based on your time horizon	_____	3.1
5. Future annual cost of college Step 3 x Step 4	_____	\$18,600
6. Future total cost of college Step 5 x number of years of college	_____	\$74,400

*According to the College Board, these are approximate annual costs of public and private colleges for the 1986-1987 school year.

How much should I invest?

7. Assumed rate of return (10%)** Take the number of years your child has until college, refer to Table 2, and enter applicable return rate factor	_____	21.38
8. Annual target amount to invest Divide Step 7 into Step 6	_____	\$ 3,480
9. Monthly amount to invest Divide Step 8 by 12	_____	\$ 290

**Assumed 10% rate of return. This is the average rate of return of the S & P 500 for the 20 years ended 6/30/87.
Source: Fidelity Investments

Table 1: Inflation Factors

The current yearly rate of college inflation is 6% according to the College Board. To find the factor by which inflation will increase college costs over the years, select the appropriate figure in the left column, find the inflation factor to the right, and enter factor on line 4 of the worksheet.

Years to Start of College	Factor: Rate of Inflation (6%)	Years to Start of College	Factor: Rate of Inflation (6%)
1	1.1	10	2.6
2	1.2	11	2.8
3	1.3	12	3.1
4	1.5	13	3.4
5	1.6	14	3.8
6	1.8	15	4.2
7	1.9	16	4.6
8	2.1	17	5.0
9	2.4	18	5.6

Source: Fidelity Investments

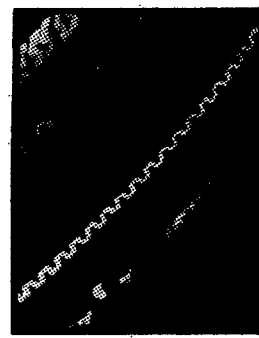
Table 2: Return Rate Factors

While no one can predict the future value of an investment, you must assume some rate of return to estimate your investment target. To determine the factor by which a 10% rate of return, compounded annually, increases your investment, select the appropriate figure from the left column, find the return rate factor to the right, and enter rate on line 7 of the worksheet.

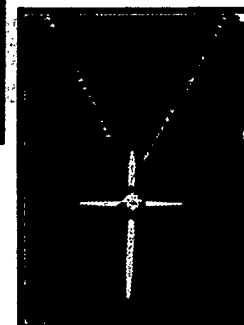
Years to Start of College	Factor: Rate of Return (10%)	Years to Start of College	Factor: Rate of Return (10%)
1	1.00	10	15.94
2	2.10	11	18.53
3	3.31	12	21.38
4	4.64	13	24.52
5	6.10	14	27.98
6	7.71	15	31.77
7	9.49	16	35.95
8	11.43	17	40.55
9	13.58	18	45.60

Source: Fidelity Investments

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