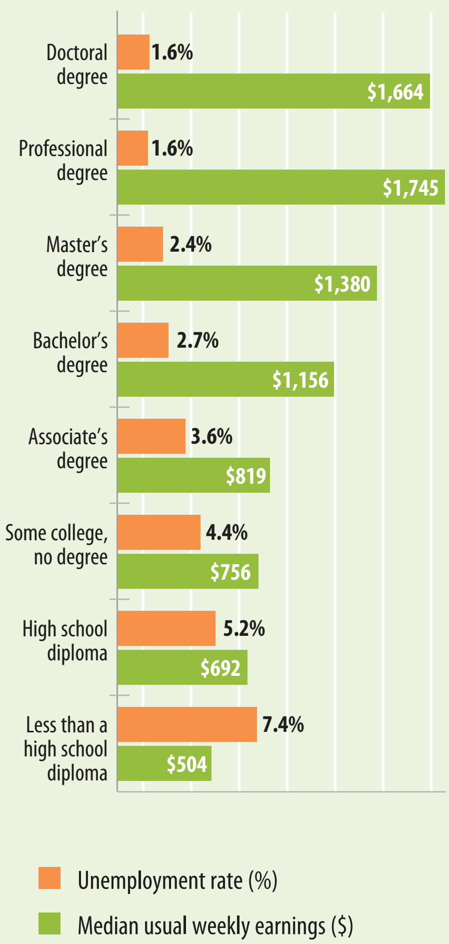
Perspective

OCTOBER 2017

Is College Worth The Cost? You Decide.

Unemployment rates and earnings by educational attainment, 2016



Note: Data are for persons age 25 and over.
Earnings are for full-time wage and salary workers.

Source: Bureau of Labor Statistics, current population survey

College Can Have A Profound Impact On Well-Being

When our grandparents and great grandparents were young, school often ended in eighth grade. That's a few years shy of a complete education by today's standards.

Of course, in the early 1900s, school days were short because learning wasn't a child's primary responsibility. Many children worked on farms or in factories or stores.[1]

Today, having a college education may make a profound difference in the life of a young person. Studies have linked higher levels of education to higher earnings and lower levels of unemployment. For instance, in 2016, the median income for American workers was[2]:

- $692 a week with a high school diploma
- $1,156 a week with a bachelor's degree
- $1,745 a week with a professional degree

Clearly, higher education offers advantages, even if the cost can be daunting. For some students, financial aid will help but it rarely pays for everything.

If you have children or grandchildren, you may want to open a 529 College Savings Plan for each one and begin contributing. The savings grows even faster when you invite others to contribute instead of buying holiday or birthday gifts.

Sometimes, it takes a community to make college possible. Call us today to learn more.

[1] Library of Congress. *'Children's Lives at the Turn of the Twentieth Century.'* www.loc.gov/teachers Cited September 28, 2017.

[2] Bureau of Labor Statistics. *'Employment Projections.'* www.BLS.gov. September 7, 2017

Participation in a 529 College Savings Plan (529 Plan) does not guarantee that contributions and investment return on contributions, if any, will be adequate to cover future tuition and other higher education expenses or that a beneficiary will be admitted to or permitted to continue to attend an institution of higher education. Contributors to the program assume all investment risk, including potential loss of principal and liability for penalties such as those levied for non-educational withdrawals.

Depending upon the laws of the home state of the customer or designated beneficiary, favorable state tax treatment or other benefits offered by such home state for investing in 529 college savings plans may be available only if the customer invests in the home state's 529 college savings plan. Consult with your financial, tax or other adviser to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits and limitations of that state's 529 college savings plan.

For more complete information, including a description of fees, expenses and risks, see the offering statement or program description.

Retirement Tactics: Automate Your Savings

In *Pooh's Little Instruction Book*, Piglet advises, "Don't underestimate the value of doing nothing, of just going along, listening to all the things you can't hear, and not bothering."

It's a thought-provoking concept. It's also good advice when it comes to retirement planning – as long as you do nothing after you've taken steps to automate your savings!

Setting up contributions to retirement plans so they occur automatically, every week or every month, can be a powerful retirement savings tactic. Once automated, you can do nothing (except review your retirement plan with us each year) and still progress toward your goal.

Whether it's an employer-sponsored 401(k), 403(b), or another type of qualified retirement savings plan, you should enroll and contribute a specific amount of each paycheck. Even if you can't save much, the earlier you begin to save, the more you may have for retirement. And, if you have the option to increase your plan contribution automatically each year, do it.

You can also set up automatic payments to an IRA. If you deduct your contribution and would like a tax advantage now, you may want to choose a Traditional IRA. Another option is to save in a Roth IRA. Contributions to a Roth IRA are not deductible, but distributions and earnings are tax-free when taken at retirement, as long as you meet the criteria.

If you like the idea of retirement savings that grow effortlessly, then make your contributions automatic!

We'd be happy to discuss additional retirement savings opportunities with you at any time. ■

None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.

Powder Point Wealth Management, LLC
Suite 220
300 Oak Street
Pembroke, MA 02359