

Wealth News

October 2011

Information from SACU and CFS* to help keep your financial life in balance

Consumer Sense

Unemployment Rate

In August 2011 the unemployment rate remained unchanged at 9.1 percent, according to the Bureau of Labor Statistics (BLS). Millions of Americans are still out of work and analysts are talking about a double dip recession, you might be concerned about how to provide for your own child's education. It's only natural to be concerned about the future when it doesn't look positive yet.

Lower Unemployment for Grads

According to a recent study by the BLS, an inverse relationship exists between education and unemployment. In 2010, the unemployment rate for those with a Bachelor's degree or higher was less than 5.4 percent.

Saving for college can be a challenging task but there are many federal, state and private programs that may assist you in meeting those educational needs. One such program is called the 529 Education Plan.

529 Education Plan

In order to aid families in financing the costs of education, all states now sponsor a college savings plan. Assets in 529 plans grow tax-deferred and

distributions to pay for qualified college expenses are generally not subject to federal taxation. Once the child reaches college age, funds can be with-drawn tax-free to cover expenses such as tuition, books, supplies, and room and board. One significant benefit of a state-sponsored college savings plan is that it can be used to fund education at any accredited college or university.

Should your child decide not to attend college, you have a couple different options in terms of funds accumulated. The *first* option is to transfer the plan to another family member. Funds can be transferred to and used by siblings, parents, grandparents and other relatives. The *second* would be to cash out the plan. Most states assess a penalty of 10 percent of the earnings on any with-drawal that is used for non-educational purposes. Federal penalties and income tax on the growth of the account may also be imposed. Should the recipient of the 529 Plan die or become disabled, no penalties will be incurred.

Who Can Assist Me?

With all the educational savings options available today, choosing the right one might seem like an over-whelming task. Now may be a great time to visit your credit union, and meet with their financial professional for a review.

Schedule a complimentary appointment with a CFS* investment representative at SACU to review your investment objectives, and to discuss any questions you might have.

We look forward to speaking with you. To schedule your appointment, call **U.S. Toll Free 1-800-234-7228** extension 1071 or extension 1442 today. In San Antonio please call **258-1071 or 258-1442**.

Read about our CFS* [Investment Professionals](#) on [sacu.com](#).

Source: <http://www.bls.gov/bls/unemployment.htm>

SACU

Your Dream Is Our Mission...

At SACU, our CFS* financial advisors are committed to providing products and services that help you and your family build your personal financial wealth and financial well being.

Interested in learning more? Call 1-800-234-7228 ext 1071 or ext 1442.

*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member [FINRA/SIPC](#)) and SEC Registered Investment Advisor. Products offered through CFS: **are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal.** Investment Representatives are registered through CFS. SACU has contracted with CFS to make non-deposit investment products and services available to credit union members.

Have You Read...

The Best Way to Save for College: A Complete Guide to 529 Plans 2011-12 by Joseph F Hurley. This has become the one book college-bound families and professional planners must have. This is a great resource for 529 programs and other college savings strategies (including Coverdell Education Savings Accounts).