AFM: College Planning Project (60 points) – To be done individually OR in pairs.

You are a Financial Planner for college! You must determine the rising costs of tuitions at public and private schools, develop a savings plan, and present this to your client.

1. *You work as a financial planner for a very reputable company. Your clients are beginning a family and want to start saving for the upcoming child’s college education. By starting now, they will have approximately 20 years to save since a college education can be expensive. Your job is to use today’s costs to estimate the cost of a college education in 20 years. You should then examine various savings and investment strategies to present options to your clients.*
2. *To make this simpler, find the 2013-2014 tuition cost for 1 NC public school, 1 NC private school, and one “out of state” school (either public or private – your choice). (We will ignore room/board, food, book fees, bills, etc. for now and focus just on tuition.)*
3. *Record the names of the schools. (2 pt)*
4. *Record the tuition cost for 2013-2014 school year. (4 pts)*
5. *Cite your source for finding this information. (2 pt)*
6. *It was published in the US Journal that tuition costs for a 4 year private university has been increasing exponentially by 5.9% annually and 7.1% annually for a 4 year public school.*
7. *If this pattern continues, make predictions on the amount of money necessary for an education in 20 years at both a private and public NC institution along with your out-of-state school. Record your exponential equations for all three. Show your work to give me a total cost for all four years. (12 pts)*
8. *Finally, you will present various deposit strategies to your client.*
9. *You need to choose a bank in which you work with to determine ways in which to best invest for your client. Record the bank’s name. Then record the types of investment strategies you will explain to your client. For example, there is a savings (shares) account, a money market share, a certificate of deposit (share-term account), etc. You need to give your client at least 3 options. Be sure to clearly indicate rates for each along with compounding information. (16 pts)*
10. *Based on the information you found in question 3 (the amount of money it will cost for college in 20 years), use your formulas from question 4, and find out how much money your client should invest, based on the interest given at this time (I know it will change, but let’s assume with the interest we have today) that in 20 years, they will have enough money to pay for their child’s education. You need to consider each option from question 4. (12 pts)*
11. *You need to think of how to present your data to your client. Create a visual display. Do you want tables and graphs, a pamphlet comparing information, power-point, etc? Be creative and interesting. (12 pts)*

This is two-thirds of a test grade, so sloppy, poorly thought out, or otherwise low grade material will result in just that! Please turn in an end product that you will be proud to display.

**The final product will be due by Tuesday, 3/11/14.**