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**FOR IMMEDIATE RELEASE**

## ***Saving for College? Practical Advice on How to Weather a Volatile Market***

**LEXINGTON, Ky. (October 29, 2008)** – If you are like most people, the current market conditions can cause concern when you see your long-term investment accounts, including college savings and retirement plans, losing their value. The College Savings Plans Network (CSPN) – the leading voice in the 529 industry – cannot provide specific investment advice, but encourages people to keep the following principles in mind when making decisions about their college savings accounts during tough economic times:

1. **Stay focused on your long-term objectives.** The market will always move in up and down cycles. Don't let emotions affect your financial decisions. It's important to stay focused on long-term investment returns versus reacting to short-term losses. Look at the performance of your college savings account since inception of the funds or over the past three years, as well as shorter-term performance.
2. **Diversify your investments.** Invest in a mix of stock, bond and cash investment options, or in an age-based option which typically provides this sort of mix. Age-based options manage the risk for you by automatically shifting the asset allocation of your investments to more conservative options as your child nears college age. Ready-made balanced options invest in a pre-determined mix of funds. You can also create your own diversified mix of investments by selecting from individual stock, bond and cash-based options (such as money market, certificate of deposit, or guaranteed principle options) your plan may offer.
3. **If you must make changes – make them gradually.** It can be tempting to react to market volatility by making a spur-of-the moment decision to reallocate your funds (exchanging one investment option for another) especially if you have a child close to college age and you are not in an age-based option or a conservative investment option. If you feel you are overly invested in equities (stocks) and your child is approaching college age, you could consider two options to help you diversify: 1) invest any new funds into more conservative options; 2) reallocate your equity options to more conservative options. You may want to consider moving the funds gradually so as to not lock in, or realize, all of your losses and to be able to take advantage of a market recovery.

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## **ADD ONE: Practical Advice on How to Weather a Volatile Market**

4. **Understand the limitation on reallocations.** All 529 plans have a **one-time-per-calendar year** rule on making reallocations between investment options. If you have already made a reallocation on your account this year, you cannot make another change until 2009. However, you can redirect new contributions at any time.
5. **Make regular investments.** Making regular contributions in fixed amounts through bank account drafts or payroll deduction can help you reduce market risk. Often referred to as “dollar-cost averaging,” this approach lessens the risk of investing a large amount in a single investment at the wrong time. By buying smaller amounts over a longer period of time, more shares are purchased when prices are low, and fewer shares are bought when prices are high. Eventually, the average cost per share will become smaller and smaller.
6. **Invite family to help.** Still feel as though you are losing ground? Ask your family and friends to help build your college savings by contributing to your account as a holiday or birthday gift. Many plans offer gift certificate forms or contribution slips to facilitate making a contribution as a gift.
7. **Talk to your plan provider.** If you have specific questions about your 529 savings or prepaid plan, call your plan provider. They can address your questions or concerns directly over the phone. For contact information, visit [CollegeSavings.org](http://CollegeSavings.org) and click on the “My State’s 529 Plan” button.

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### ***SOURCE: College Savings Plans Network (CSPN)***

*Founded in 1991, the College Savings Plans Network (CSPN) is an affiliate of the National Association of State Treasurers. CSPN is a non-profit association representing states’ who administer 529 college savings and prepaid plans. One of the Network’s primary purposes is to educate families about the importance of saving for college and the benefits of 529 programs. Additionally, CSPN monitors federal activities and promotes legislation that will positively affect Section 529 plans.*

*To learn more about CSPN and 529 college savings plans across the country, visit ***CollegeSavings.org***.*