

OUTLOOK

APRIL 2011

The Sound of Wedding Bells: Ka-ching!

Too often, the sweet sound of wedding bells is obscured by the ringing of cash registers. If a wedding is in your future, the good news is that a weak economy has driven costs lower.

The bad news is that the average cost of a wedding with 150 guests is \$25,000. If your child cannot be persuaded to elope, then it's a good idea to set a budget and start saving for the big day. Here are a few tips that can help you get organized and manage costs:

- **Coordinate, communicate and save with a wedding Web site.** Setting up a wedding Web site is easy — and it can save you time and money. Many wedding Web site providers offer tools for communicating with guests, budgeting, tracking gifts and other tasks. Just sending electronic “save-the-dates” and having guests RSVP online can reduce postage and stationery expenses significantly. Mywedding.com and Theknot.com offer free sites, while Weddingwindow.com and Wedquarters.com charge a fee.
- **Understand venue and reception costs — all of them.** The largest expense at most weddings is the reception, which accounts for about 50 percent of the total cost.¹ When negotiating the cost of your reception, it's essential to know that the venue's cost estimate for location rental and food and beverages may not be the full price. There are usually additional charges for service, cake cutting and corkage, as well as linen, china and tableware. Before you pay a deposit, make sure you have an itemized estimate that includes all charges.



(continued on page 2)

DID YOU BENEFIT?

Do you know someone else who could benefit from the guidance of a financial representative and this information? Why not pass this newsletter on to him or her?



(continued from page 1)

- Record your big day — and let your guests help.**
 Photographers and videographers cost an average of \$4,000 — or about 15 percent to 25 percent of the wedding budget.² One way to save is by choosing a minimal professional package and renting a photo kiosk, which can be provided by companies like Kedai or PictureThis. Your guests can download their digital photos into the kiosk while still at the wedding! Some kiosk providers will also take candid shots of guests and provide additional services.

If a wedding is in your future, take advantage of the planning resources available online. Web sites like Realsimple.com, Theknot.com and others offer tools and information that can help you get organized and control the cost of the wedding. ■

¹ The Knot, *Wedding Budget 101*, Theknot.com

² Kiplinger, *6 Easy Ways To Save \$10,000 On Your Wedding*, Kiplinger Slide Shows, Kiplinger.com



Wedding Expenses Across the Country

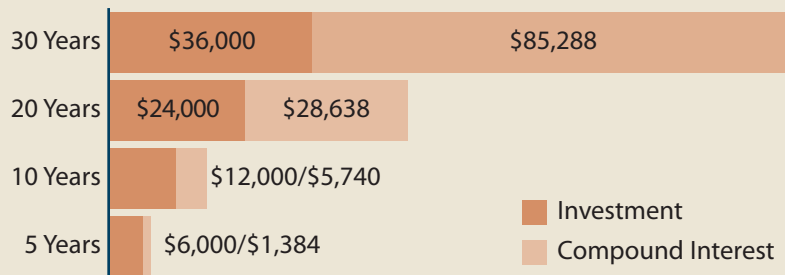
If you would like to review average wedding costs in your state, try the Wedding Cost Calculator at Realsimple.com

Budget Item	Average Cost		
	Pennsylvania	Texas	California
Attire:	\$2,600	\$2,300	\$2,800
Ceremony:	\$3,000	\$2,700	\$3,200
Entertainment:	\$3,300	\$2,400	\$3,500
Flowers:	\$2,100	\$1,900	\$2,200
Gifts/Favors:	\$1,000	\$900	\$1,100
Invitations/Stationery:	\$1,000	\$900	\$1,000
Jewelry:	\$6,300	\$5,700	\$6,800
Honeymoon/Planning:	\$5,100	\$4,700	\$5,600
Photographer/Videographer:	\$3,600	\$3,200	\$3,900
Reception:	\$16,000	\$14,400	\$17,400
Transportation:	\$1,000	\$900	\$1,000

Source: Real Simple, *Wedding Cost Calculator*, Realsimple.com

The Power of Compound Interest

Saving \$100 a month and earning 7% average annual return



Source: CalcXML, *Compound Interest Calculator*, Calcxml.com

Put Compounding to Work for You

Compounding is what happens when you reinvest any interest your account earns and it then also earns interest. As you can see in the chart, compounding can have a powerful effect on the value of your savings over time. ■

College Trends: Students' Share of Costs is Increasing

Many people believe that a college education is important. If you're not sure, consider the average annual earnings of American high school graduates compared to those of college graduates and students earning advanced degrees:

- High school graduate: \$31,283/year³
- College graduate: \$58,613/year³
- Graduate with advanced college degree: \$83,144/year³

While income levels emphasize the importance of college, the unfortunate reality is that the cost of college may soon be out of reach for many American families. According to the White House Task Force on the Middle Class, from 1979 through 2009, tuition increased by 154 percent at private institutions and by 186 percent at public universities, while the median family income increased by just 10 percent.⁴

Dramatic Cost Increases

Tuition at both public and private institutions has risen faster than inflation for many years.⁵ In fact, the steadiest source of new revenue for universities from 1998 through 2008 has been tuition. According to the Delta Cost Project study, tuition increases from 1998 through 2008 partially offset lost state and local funding,⁶ as you can see in the chart.

The recession has caused additional belt-tightening by federal, state and local governments, and that may cause further reductions in funding for public colleges and universities. If it does, tuition may continue to increase faster than inflation.

Start Saving Early

It's more important than ever to start saving for college early — and let the magic of compounding work for you. ■

³ U.S. Census Bureau News, *Census Bureau Reports Nearly 6 in 10 Advanced Degree Holders Age 25-29 Are Women*, April 20, 2010, Census.gov

⁴ White House Task Force on the Middle Class, *Real Median Family Income for Families With at Least One Child*, Whitehouse.gov

⁵ The College Board, *Trends in College Pricing, 2010*, Trends.collegeboard.org

⁶ Delta Cost Project, *Trends in College Spending, 1998-2008*, Deltacostproject.org



Public Research University		
	1998	2008
	\$ Value (in 2008 dollars)	
Net Tuition	\$5,195	\$7,563
State and Local Appropriations	\$9,981	\$9,492

Source: Delta Cost Project, *Trends in College Spending, 1998-2008*, Deltacostproject.org

Financial Literacy: 529 Plan

A 529 Plan is an education savings plan designed to help families save for college. Typically, these plans are run by a state or an educational institution. Some states offer incentives to invest in a 529 plan, such as tax-deductible contributions; however, contributions to 529 plans are not federally tax-deductible. When you save and invest through a 529 plan, any earnings grow tax-deferred and distributions used to pay qualified education expenses are federally tax-free. ■

