

**Scenario 1**

End of Year	Grade	Age	Contributions	Investment Gain	Investment Income	Distribution	Ending Balance	Taxes due if using a taxable account
2018		0	\$100,000	\$4,000	\$2,000	\$0	\$106,000	\$740
2019		1	\$0	\$4,240	\$2,120	\$0	\$112,360	\$784
2020		2	\$0	\$4,494	\$2,247	\$0	\$119,102	\$831
2021		3	\$0	\$4,764	\$2,382	\$0	\$126,248	\$881
2022		4	\$0	\$5,050	\$2,525	\$0	\$133,823	\$934
2023	K	5	\$0	\$5,353	\$2,676	\$10,000	\$131,852	\$1,391
2024	1	6	\$0	\$5,274	\$2,637	\$10,000	\$129,763	\$1,449
2025	2	7	\$0	\$5,191	\$2,595	\$10,000	\$127,549	\$1,501
2026**	3	8	\$0	\$5,102	\$2,551	\$10,000	\$125,202	\$1,615
2027	4	9	\$0	\$5,008	\$2,504	\$10,000	\$122,714	\$1,657
2028	5	10	\$0	\$4,909	\$2,454	\$10,000	\$120,077	\$1,693
2029	6	11	\$0	\$4,803	\$2,402	\$10,000	\$117,281	\$1,725
2030	7	12	\$0	\$4,691	\$2,346	\$10,000	\$114,318	\$1,753
2031	8	13	\$0	\$4,573	\$2,286	\$10,000	\$111,177	\$1,777
2032	9	14	\$0	\$4,447	\$2,224	\$10,000	\$107,848	\$1,796
2033	10	15	\$0	\$4,314	\$2,157	\$10,000	\$104,319	\$1,811
2034	11	16	\$0	\$4,173	\$2,086	\$10,000	\$100,578	\$1,822
2035	12	17	\$0	\$4,023	\$2,012	\$10,000	\$96,613	\$1,829
<b>Total</b>								<b>\$25,992</b>

Initial Contribution*	\$100,000
Capital Return	4.0%
Income Return	2.0%
Income Tax Rate	37.0%
Income Tax Rate 2	39.6%
Capital Gain Tax Rate	23.8%

\*Initial contribution and birth of child assumed to be January 1, 2018.

\*\*Top income tax rate increases

\*\*\*Subsequent contributions or distributions are assumed to happen at the beginning of each year.

\*\*\*\*Taxes are paid from outside the investment account

Source: Vanguard

**Scenario 2**

End of Year	Grade	Age	Contributions	Investment Gain	Investment Income	Distribution	Ending Balance	Taxes due if using a taxable account
2018		0	\$200,000	\$8,000	\$4,000	\$0	\$212,000	\$1,480
2019		1	\$0	\$8,480	\$4,240	\$0	\$224,720	\$1,569
2020		2	\$0	\$8,989	\$4,494	\$0	\$238,203	\$1,663
2021		3	\$0	\$9,528	\$4,764	\$0	\$252,495	\$1,763
2022		4	\$0	\$10,100	\$5,050	\$0	\$267,645	\$1,868
2023	K	5	\$0	\$10,706	\$5,353	\$10,000	\$273,704	\$2,382
2024	1	6	\$0	\$10,948	\$5,474	\$10,000	\$280,126	\$2,496
2025	2	7	\$0	\$11,205	\$5,603	\$10,000	\$286,934	\$2,609
2026**	3	8	\$0	\$11,477	\$5,739	\$10,000	\$294,150	\$2,870
2027	4	9	\$0	\$11,766	\$5,883	\$10,000	\$301,799	\$2,985
2028	5	10	\$0	\$12,072	\$6,036	\$10,000	\$309,907	\$3,100
2029	6	11	\$0	\$12,396	\$6,198	\$10,000	\$318,501	\$3,216
2030	7	12	\$0	\$12,740	\$6,370	\$10,000	\$327,611	\$3,332
2031	8	13	\$0	\$13,104	\$6,552	\$10,000	\$337,268	\$3,449
2032	9	14	\$0	\$13,491	\$6,745	\$10,000	\$347,504	\$3,568
2033	10	15	\$0	\$13,900	\$6,950	\$10,000	\$358,354	\$3,690
2034	11	16	\$0	\$14,334	\$7,167	\$10,000	\$369,855	\$3,813
2035	12	17	\$0	\$14,794	\$7,397	\$10,000	\$382,046	\$3,940
<b>Total</b>								<b>\$49,793</b>

Initial Contribution*	\$200,000
Capital Return	4.0%
Income Return	2.0%
Income Tax Rate	37.0%
Income Tax Rate 2	39.6%
Capital Gain Tax Rate	23.8%

\*Initial contribution and birth of child assumed to be January 1, 2018.

\*\*Top income tax rate increases

\*\*\*Subsequent contributions or distributions are assumed to happen at the beginning of each year.

\*\*\*\*Taxes are paid from outside the investment account

Source: Vanguard

### Scenario 3

End of Year	Grade	Age	Contributions	Investment Gain	Investment Income	Distribution	Ending Balance	Taxes due if using a taxable account
2018		0	\$66,152	\$2,646	\$1,323	\$0	\$70,122	\$490
2019		1	\$0	\$2,805	\$1,402	\$0	\$74,329	\$519
2020		2	\$0	\$2,973	\$1,487	\$0	\$78,789	\$550
2021		3	\$0	\$3,152	\$1,576	\$0	\$83,516	\$583
2022		4	\$0	\$3,341	\$1,670	\$0	\$88,527	\$618
2023	K	5	\$0	\$3,541	\$1,771	\$10,000	\$83,838	\$1,056
2024	1	6	\$0	\$3,354	\$1,677	\$10,000	\$78,869	\$1,097
2025	2	7	\$0	\$3,155	\$1,577	\$10,000	\$73,601	\$1,131
2026**	3	8	\$0	\$2,944	\$1,472	\$10,000	\$68,017	\$1,197
2027	4	9	\$0	\$2,721	\$1,360	\$10,000	\$62,098	\$1,216
2028	5	10	\$0	\$2,484	\$1,242	\$10,000	\$55,824	\$1,229
2029	6	11	\$0	\$2,233	\$1,116	\$10,000	\$49,173	\$1,236
2030	7	12	\$0	\$1,967	\$983	\$10,000	\$42,124	\$1,237
2031	8	13	\$0	\$1,685	\$842	\$10,000	\$34,651	\$1,233
2032	9	14	\$0	\$1,386	\$693	\$10,000	\$26,730	\$1,224
2033	10	15	\$0	\$1,069	\$535	\$10,000	\$18,334	\$1,211
2034	11	16	\$0	\$733	\$367	\$10,000	\$9,434	\$1,196
2035	12	17	\$0	\$377	\$189	\$10,000	\$0	\$1,188
							Total	\$18,207

Initial Contribution\* #####

Capital Return 4.0%

Income Return 2.0%

Income Tax Rate 37.0%

Income Tax Rate 2 39.6%

Capital Gain Tax Rate 23.8%

\*Initial contribution and birth of child assumed to be January 1, 2018.

\*\*Top income tax rate increases

\*\*\*Subsequent contributions or distributions are assumed to happen at the beginning of each year.

\*\*\*\*Taxes are paid from outside the investment account

Source: Vanguard