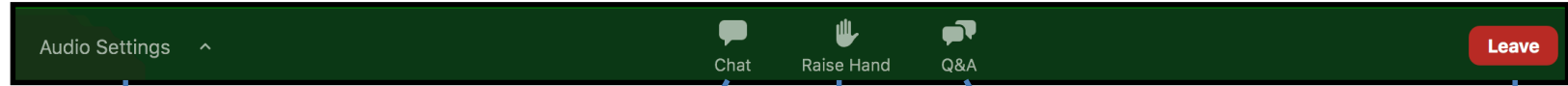




College Planning for Middle School Families

How to Participate in This Webinar



The *Audio Settings* allow you to control the volume levels

Use the *Raise Hand* feature if you need to get the presenter's attention

Click *Leave* to exit the webinar

The *Chat* feature allows you to send a message to the presenter

Have a question during the webinar? Type it in the *Q&A* section

About MEFA



Not-for-profit state authority created in 1982
helping families plan, save, and pay for college

Agenda

- Academic Planning
- College is an important investment
- How much might college cost for my family?
- Paying for college
- Strategies for saving
- Two Massachusetts savings options: U.Fund and U.Plan
- What can students and parents do right now to prepare



Prepare Academically

- Review the MassCore guidelines to graduate (doe.mass.edu)
- Review admissions standards for MA state colleges (mass.edu)
- Know the course options at your high school (AP, IB, Dual Enrollment, etc.)
- Follow our academic success tips at mefa.org/high-school-academics



MEFA Pathway Your Plan for the Future

FREE college and career planning tool for students in grades 6-12

Resources include:

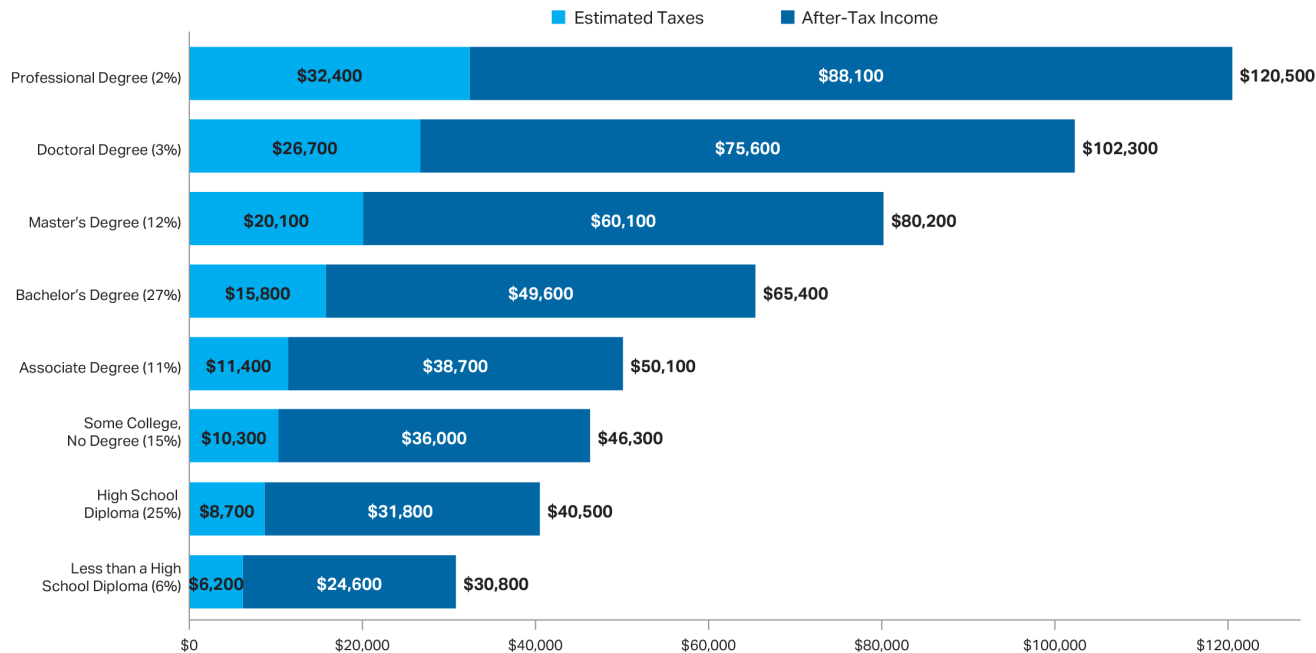
- Skills and interests assessments
- Career exploration
- College search
- Financial aid and scholarship information
- Personalized digital portfolio
- Visit mefapathway.org to get started



mefa
pathway YOUR PLAN
FOR THE FUTURE®

Education Pays

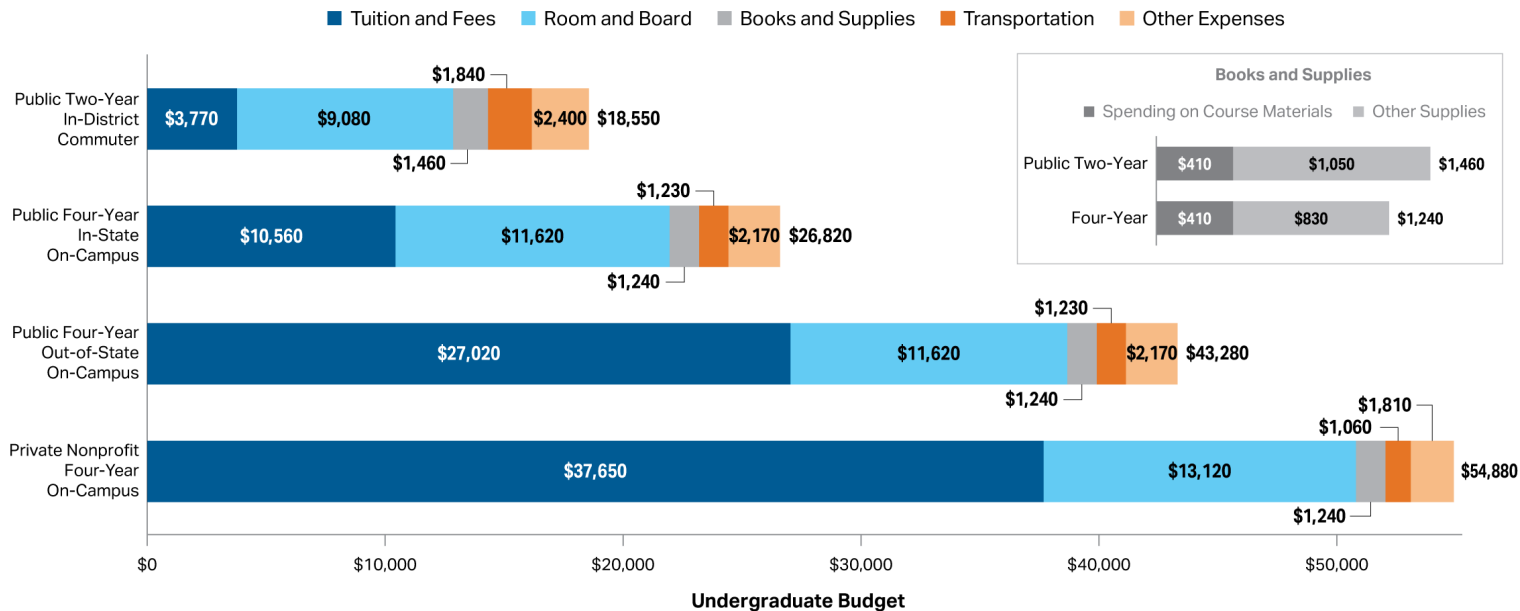
Median Earnings and Tax Payments of Full-Time Year-Round Workers Age 25 and Older, by Education Level, 2018



Source: *Trends in Higher Education Series, Education Pays 2019*, Figure 2.1, The College Board

Current College Costs by Type

Average Estimated Full-Time Undergraduate Budgets (Enrollment-Weighted) by Sector, 2020-21



Source: *Trends in College Pricing, 2020*, The College Board

Understanding College Affordability

What is the real cost to you as a family?

- Expected Family Contribution (EFC) Calculator: mefa.org
- Net Price Calculators on college websites
- College Navigator: CollegeNavigator.gov
- College Scorecard: CollegeScorecard.ed.gov
- MEFA's [College Cost Forecaster](#)

College Scorecard

10

Boston College

Chestnut Hill, MA
9,639 undergraduate students
bc.edu



Year



Private



City

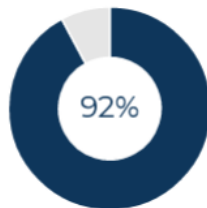


Medium



Roman Catholic

Graduation Rate



Salary After Completing

Salary after completing depends on field of study.



Average Annual Cost

Cost includes tuition, living costs, books, and fees minus the average grants and scholarships for federal financial aid recipients.

\$33,562

Net Price Calculator on Each College's Website

Net Price Results	
The estimate provided using this net price calculator does not represent a final determination, or actual award, of financial assistance.	
<div>Estimated net price for Academic Year 2020-2021 \$23,810</div> <div><small>Results as of 11/4/20, 4:55 PM</small></div>	
Estimated Cost of Attendance	
Tuition & Fees	\$10,520
Room & Board	\$12,210
Books & Supplies	\$2,200
Transportation	\$750
Personal Expenses	\$1,830
Total	\$27,310
Estimated Grant/Gift Aid	
Institutional Grant	\$2,500
Institutional Merit Scholarship	\$1,000
Total	\$3,500
Estimated NET PRICE	\$23,810
Calculated Family Contribution	
Parent Contribution	\$7,850
Student Contribution	\$0
Potential Self-Help Opportunities	
Student Loans	\$5,500
Student Work	\$1,600
Total	\$7,100
Estimated REMAINING COST	\$8,860



Paying for College in MA: You Have Options

MassTransfer

- Makes transfer from community college to a 4-year public MA college more affordable
- Benefits include guaranteed credit transfer, tuition credit, & freeze on tuition
- mass.edu/masstransfer



Tuition Break

- Reduction on out-of-state tuition costs at New England schools for certain programs
- Nebhe.org/programs-overview/rsp-tuitionbreak/overview



What is Financial Aid?

Financial Aid is money to help students pay for college



3 main types

- Grants and scholarships (gift aid)
- Work-study
- Student loans

\$184 Billion Awarded to Students Each Year

Merit-Based Aid

- Awarded in recognition of student achievements (academic, artistic, athletic, etc.)
- Criteria differs from school to school
- Often has requirements for renewal



Need-Based Aid

- Awarded based on family's financial eligibility
- Determined by standardized formula
- Very likely not to receive full amount of eligibility
- Includes most federal, state, and institutional (college) aid

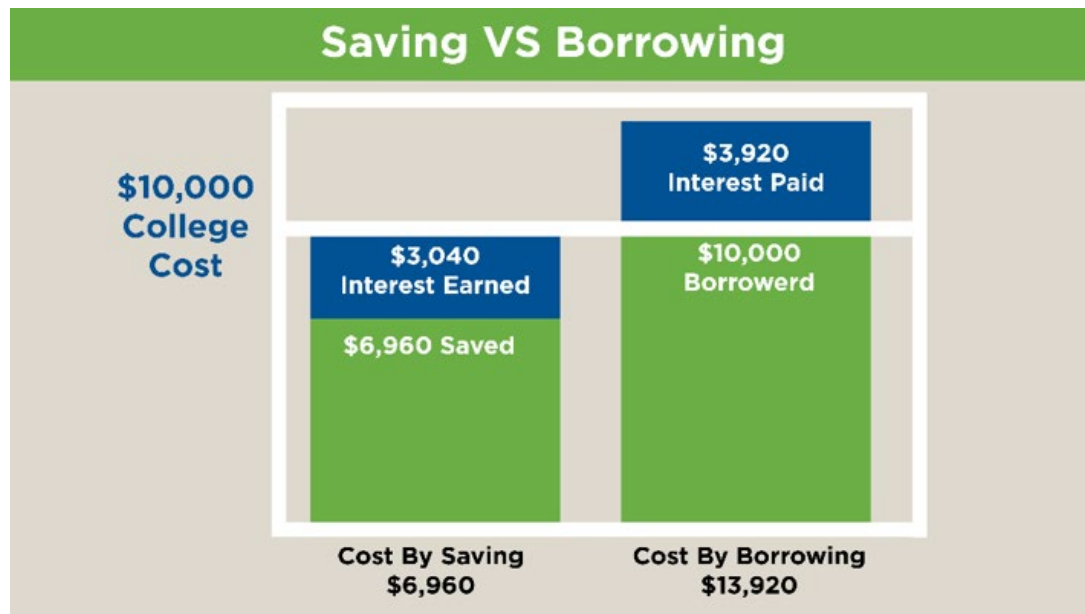


How Do Families Pay for College?

- Financial Aid
- Past Income
 - Savings
 - Other Assets
- Present Income
 - Salary (Payment Plans)
- Future Income
 - Parent Loans
 - Student Loans



Saving vs. Borrowing



This hypothetical example assumes a 7% interest rate over 10 years
This example is an estimate only and market conditions may change.

Myths We've Heard About Saving for College

“My savings will hurt my financial aid.”

The Truth: Income is the biggest factor in determining financial aid eligibility, not savings. Your savings will help you when it comes time to pay for college.

“It's not worth saving for college if I can't save the entire cost.”

The Truth: Every little bit saved toward college will help. Even saving a small amount over time can add up and help cover costs such as books.

Your College Savings Will Help You

- Give you more education options
 - Different types of colleges
 - Special programs such as study abroad
- Reduce or eliminate the need to borrow loans
- Allow the student to work less and study more
- Have a minimum impact on aid eligibility
- Motivate your child



Let's Look at an Example: Case Study #1



- Kyle's parent AGI is \$49,000
- No college savings
- *Grants & scholarships are need-based and merit-based from federal, state, and institutional sources.

Kyle wants to attend a four-year public school to study business. The full annual cost of the school is \$22,500.

Kyle's Financial Aid Award

Grants & Scholarships*	\$13,000
Federal Work-Study	\$2,000
Federal Loan	\$5,500
Total Aid	\$20,500



Kyle's family will need to pay **\$2,000** out of pocket each year of college.

Another Example: Case Study #2



- Expected Family Contribution (EFC) is \$47,199
- Not eligible for need-based grants

Lisa wants to attend a four-year private school to study nursing. The full annual cost of the school is \$60,000.

Lisa's Financial Aid Award

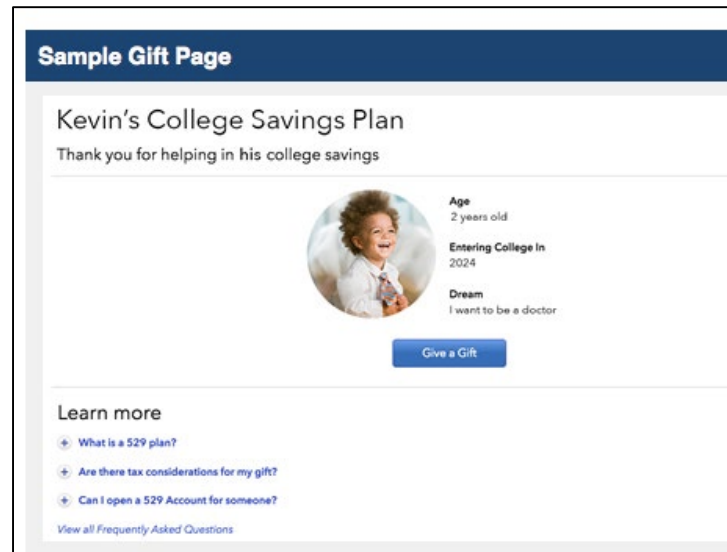
Merit Scholarship	\$20,000
Nursing Award	\$2,000
Federal Loan	\$5,500
Total Aid	\$27,500



Lisa's family will need to pay **\$32,500** out of pocket each year of college.

Strategies for Saving

- Start saving as early as possible
 - Use time to your advantage
- Start with a goal in mind
- Take advantage of unexpected funds
- Use automatic transfers
- Get the word out
 - Ask your family and friends to contribute
- Involve your child in the process



Two Massachusetts Savings Options: The U.Plan and the U.Fund

U.Fund 529 College Investing Plan

- How the U.Fund works:
 - Save for qualified higher education expenses
 - Tuition, fees, room, board, books, supplies, and equipment
 - Savings can be used at any accredited college or university nation wide
 - Combined Account Maximum: \$500,000 as of 1/1/21
 - No Annual Account Maintenance Fee or Minimum Investment
 - Multiple investment options
 - Active management, indexed portfolio, individual allocation portfolios, FDIC insured
-
- Enroll online at fidelity.com/ufund or by calling (800) 544-2776

The U.Plan Prepaid Tuition Program

How the U.Plan works:

- Allows you to prepay up to 100% of tuition & mandatory fees at participating schools
 - Large network of MA public and private colleges and universities
- Purchase Tuition Certificates to lock in today's tuition and mandatory fee rates
- U.Plan Tuition Certificates:
 - Represent interest in Commonwealth General Obligation Bonds
 - Are backed by the full faith and credit of the Commonwealth of MA
 - Are not subject to market fluctuation
 - Require \$300 minimum to get started
- Save all year
- Bonds are purchased and percentages locked in July each year

To learn more about the U.Plan visit mefa.org/uplan

Participating U.Plan Colleges & Universities

American International College
Amherst College
Anna Maria College
Assumption College
Babson College
Bay Path College
Benjamin Franklin Institute of Technology
Bentley College
Berklee College of Music
Berkshire Community College
Boston College
Boston University
Bridgewater State University
Bristol Community College
Bunker Hill Community College
Cape Cod Community College
Clark University
College of Our Lady of the Elms
College of the Holy Cross
Curry College
Dean College
Eastern Nazarene College
Emerson College
Emmanuel College
Endicott College
Fisher College

Fitchburg State University
Framingham State University
Gordon College
Greenfield Community College
Hampshire College
Hebrew College
Hellenic College
Holyoke Community College
Laboure College
Lasell College
Lesley University
Massachusetts Bay Community College
Massachusetts College of Art and Design
Massachusetts College of Liberal Arts
Massachusetts Maritime Academy
Massasoit Community College
Merrimack College
Middlesex Community College
Montserrat College of Art
Mount Holyoke College
Mount Wachusett Community College
New England Conservatory of Music
Nichols College
North Shore Community College
Northeastern University

Northern Essex Community College
Pine Manor College
Quinsigamond Community College
Regis College
Roxbury Community College
Salem State University
Simmons University
Smith College
Springfield College
Springfield Technical Community College
Stonehill College
Suffolk University
University of Massachusetts Amherst
University of Massachusetts Boston
University of Massachusetts Dartmouth
University of Massachusetts Lowell
Wellesley College
Wentworth Institute of Technology
Western New England University
Westfield State University
Wheaton College
Worcester Polytechnic Institute
Worcester State University

Saving for College State Tax Benefits

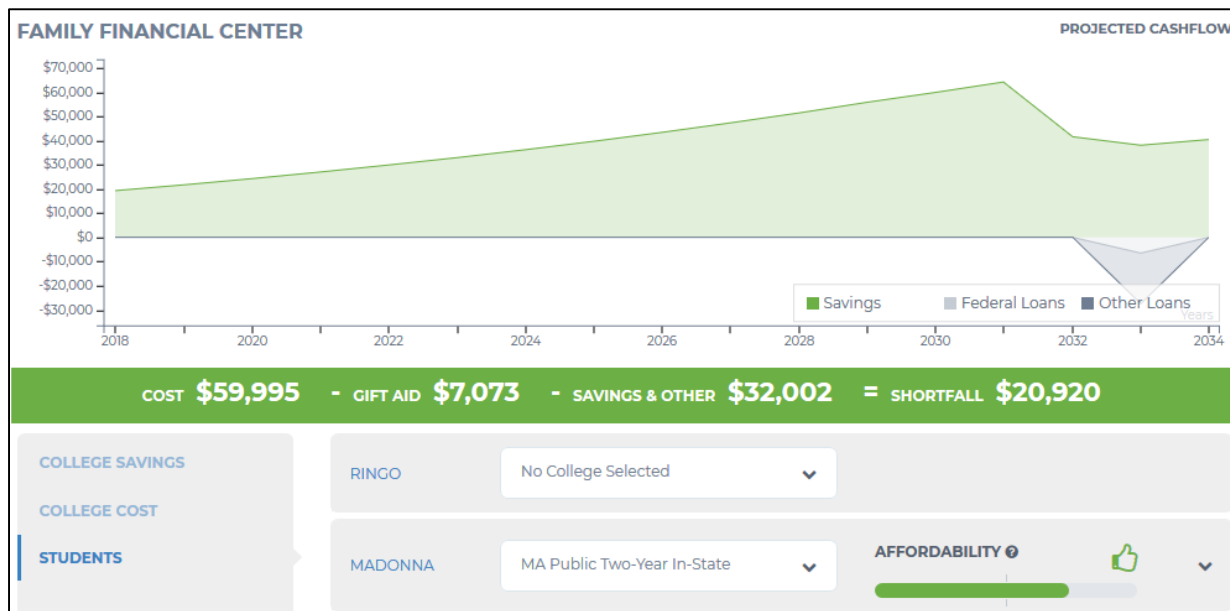
- Contributions to the U.Plan and U.Fund are state tax deductible
- Tax deduction will continue through 2021
 - Up to \$2,000 in payments for married filers
 - Up to \$1,000 in payments for individual filers
- Limits are per filer, not per account



MEFA's College Planning Tool


Create a personal strategy to pay for your child's higher education costs:


- Record your current college savings
- Project your future college expenses
- Receive guidance on meeting your shortfall



Things To Do

- Sign up for MEFA emails on mefa.org →
- Start (on continue) saving for college
- Register for webinars at mefa.org/events
- Watch recorded webinars at mefa.org/videos
- Visit mefa.org/save





Make a college savings plan

Families ask us all the time how much they should be saving for college. And while the answer is different based on each family's circumstances, there are certain guidelines that can help you create a college savings strategy. We've laid them out in our recent post, *How Much Should You Save For College?*

[Read the post](#)

A college planning weekend


MEFA's Penelope Hauck recently took her family to a cousin's college graduation, and the trip provided some perfect opportunities to revisit her college planning checklist. From discussing career dreams to assessing the distance to different schools, the commencement weekend re-focused Penelope on preparing for what's ahead. She explains it all in our recent post.

[Read the post](#)

The value of the U.Fund

The U.Fund, the Massachusetts 529 College Investing Plan, offers tax advantages, flexibility, and several investment options. It can also help you stay consistent with your college savings goals more than other savings programs. We explain how in our short video.

[Hear about the U.Fund](#)



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Thank You

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Questions?

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collegeplanning@mefa.org

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