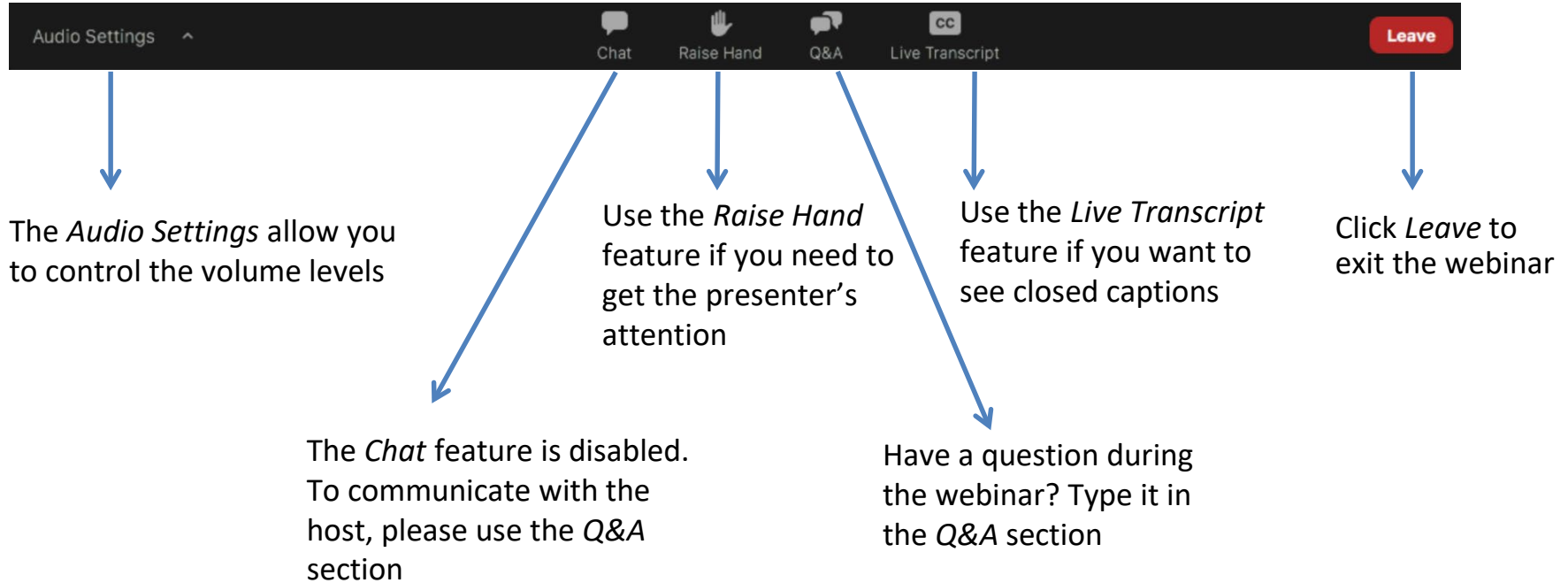




## College Planning for Middle School Families

# How to Participate in This Webinar



## About MEFA



*mefa*<sup>®</sup>

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?



# Academic Planning

- Review the MassCore guidelines to graduate ([doe.mass.edu](https://doe.mass.edu))
- Review admissions standards for MA state colleges ([mass.edu](https://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](https://mefa.org/high-school-academics)



# MEFA Pathway

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

Resources include:

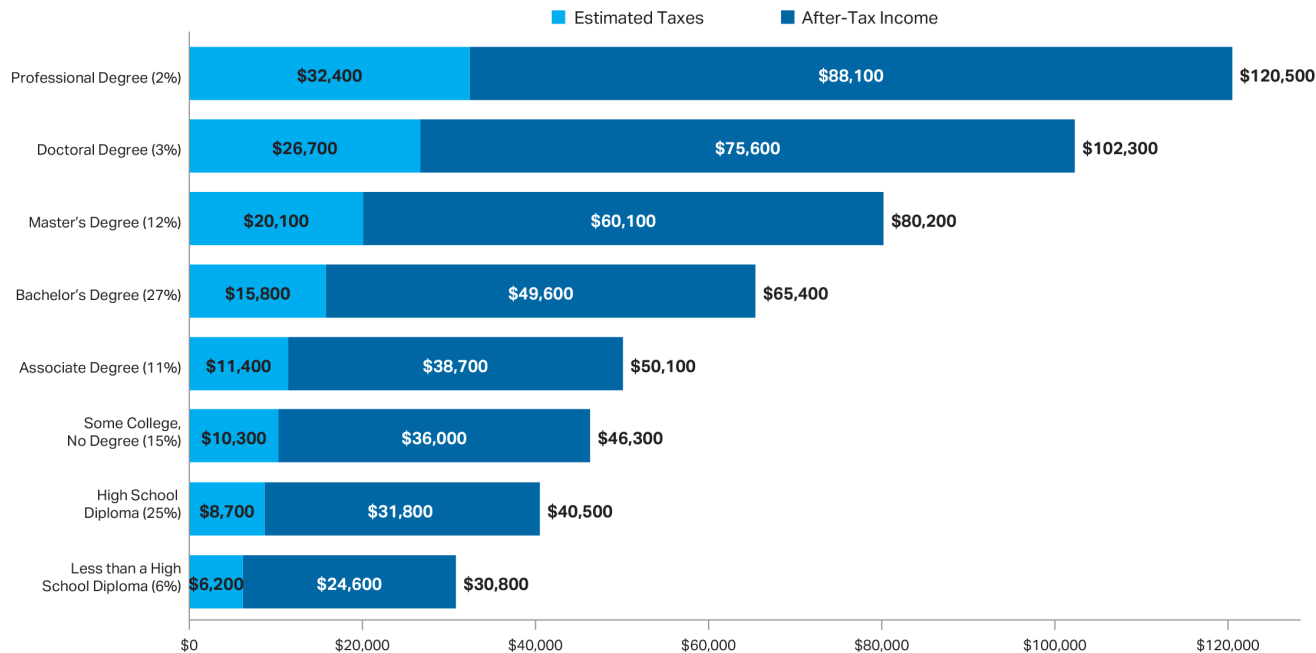
- Skills and interests assessments
- Career exploration
- College search
- Financial aid and scholarship information
- Personalized digital portfolio
- Visit [mefapathway.org](https://mefapathway.org) to get started



**mefa**  
**pathway** YOUR PLAN  
FOR THE FUTURE®

# Education Pays

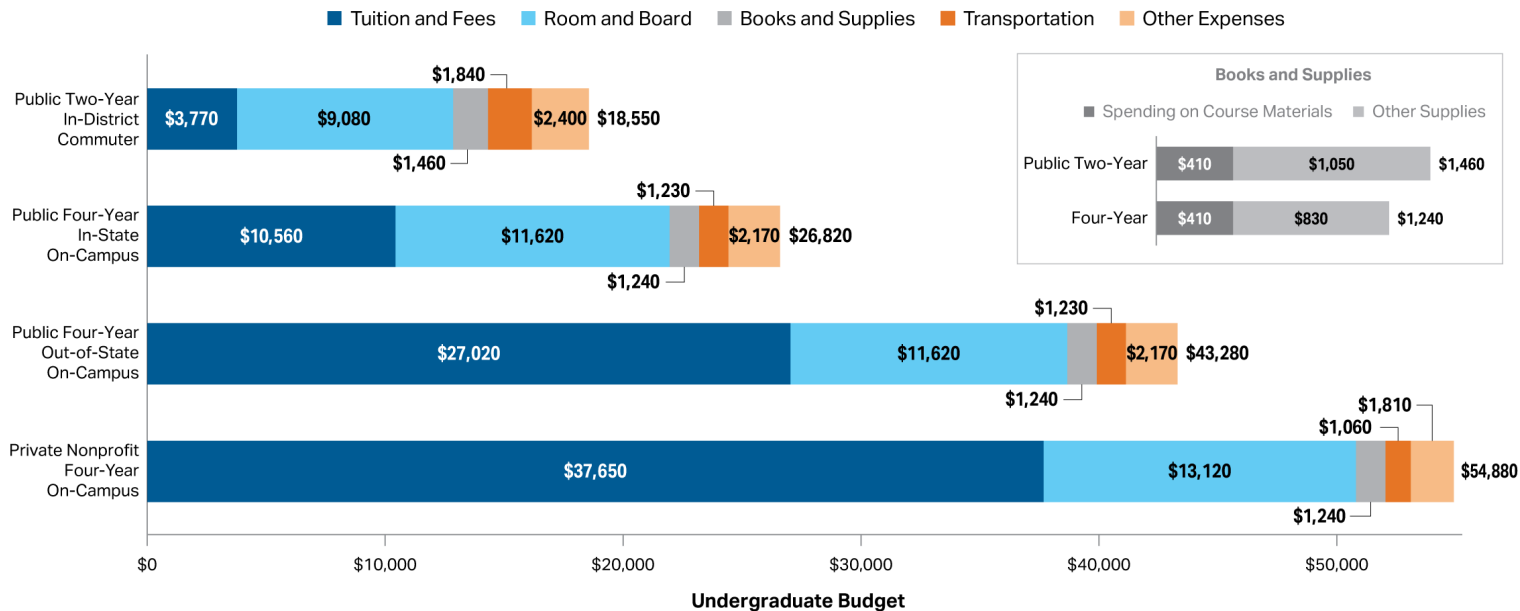
## Median Earnings and Tax Payments of Full-Time Year-Round Workers Age 25 and Older, by Education Level, 2018



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



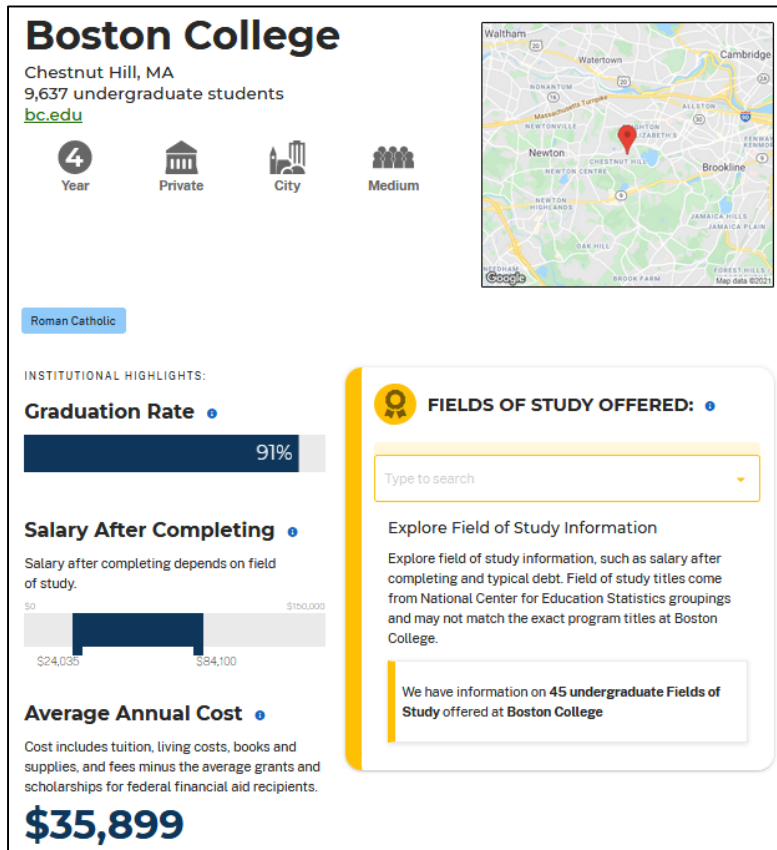
# Understanding College Affordability

What is the real cost to you as a family?

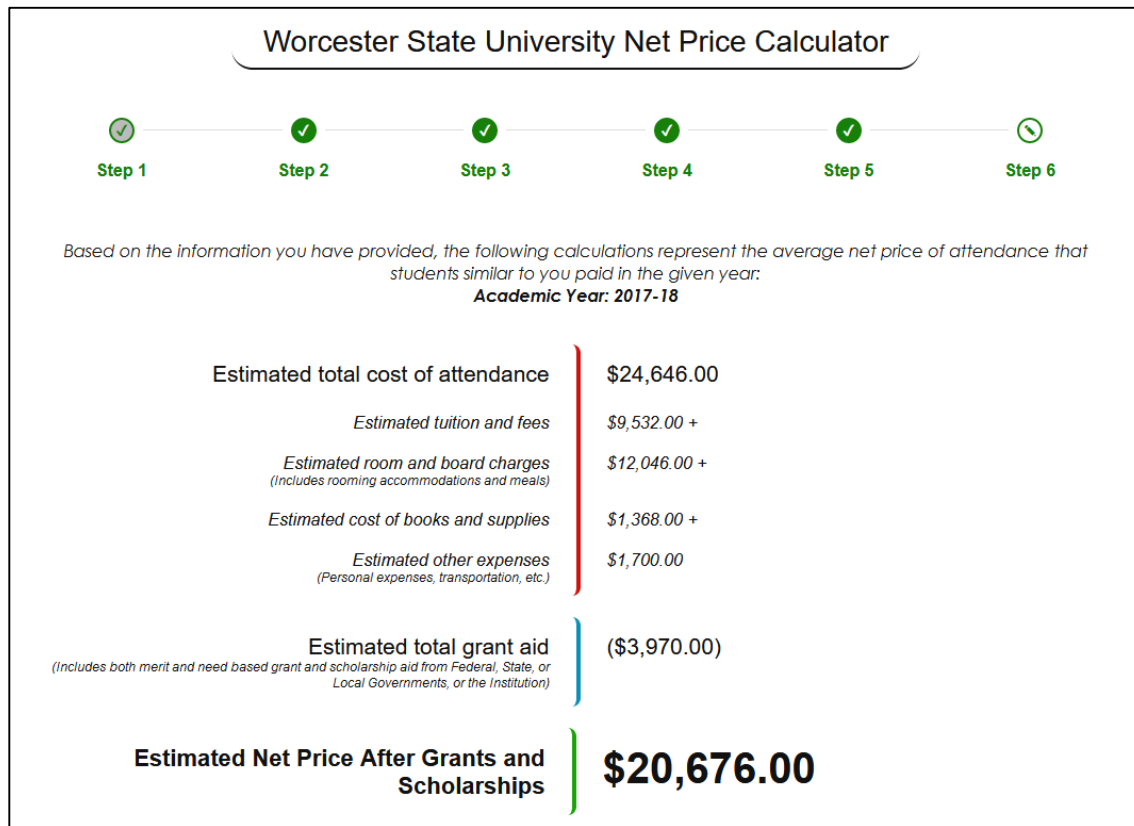
- Expected Family Contribution (EFC) Calculator: [mefa.org](https://mefa.org)
- Net Price Calculators on college websites
- College Navigator: [CollegeNavigator.gov](https://CollegeNavigator.gov)
- College Scorecard: [CollegeScorecard.ed.gov](https://CollegeScorecard.ed.gov)
- MEFA's [College Cost Forecaster](#)

# College Scorecard

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# Net Price Calculator on Each College's Website



# 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](https://mass.edu/masstransfer)



## Tuition Break

- Reduction on out-of-state tuition costs at New England schools for certain programs
- [Nebhe.org/tuitionbreak](https://Nebhe.org/tuitionbreak)



# 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\*

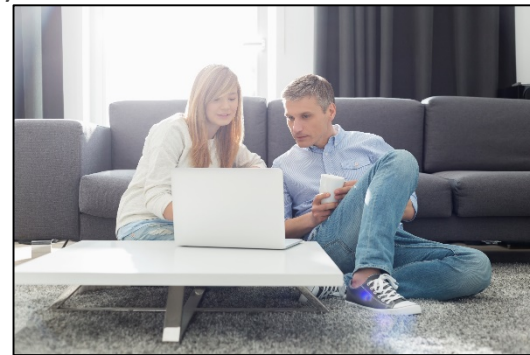
## Merit-Based Aid

- 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



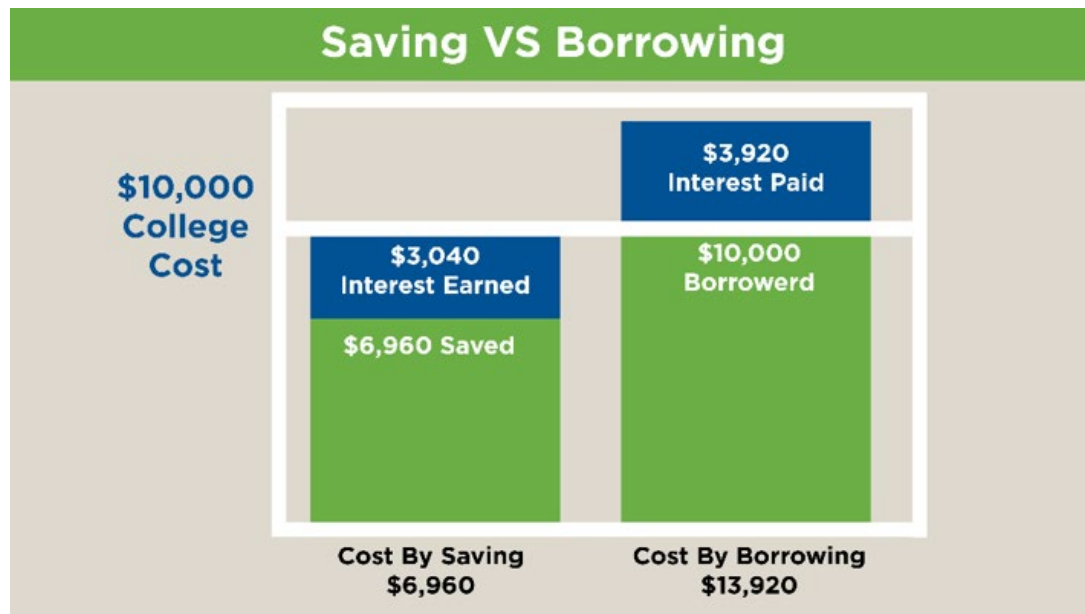
\*Source: The College Board, *Trends in College Pricing and Student Aid 2020*

# 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

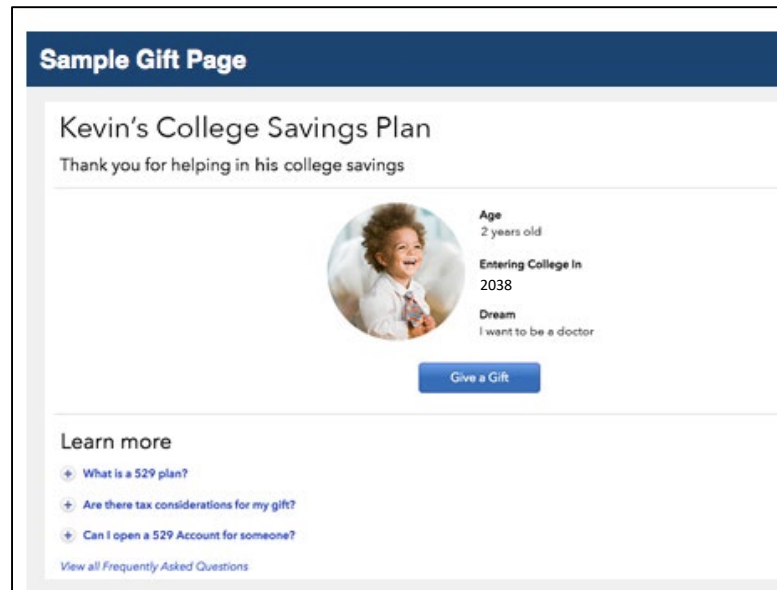
Merit Scholarship	\$20,000
Nursing Award	\$2,000
Federal Loan	\$5,500
Total Aid	\$27,500



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 nationwide
  - Combined account maximum: \$500,000
  - 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](https://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
  - \$300 minimum to get started (but can save this over one year)
- Save all year
- Bonds are purchased and percentages locked in July each year

To learn more about the U.Plan visit [mefa.org/uplan](https://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 the Holy Cross  
Curry College  
Dean College  
Eastern Nazarene College  
Elms College  
Emerson College  
Emmanuel College  
Endicott College  
Fisher College

Fitchburg State University  
Framingham State University  
Gordon College  
Greenfield Community College  
Hampshire 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

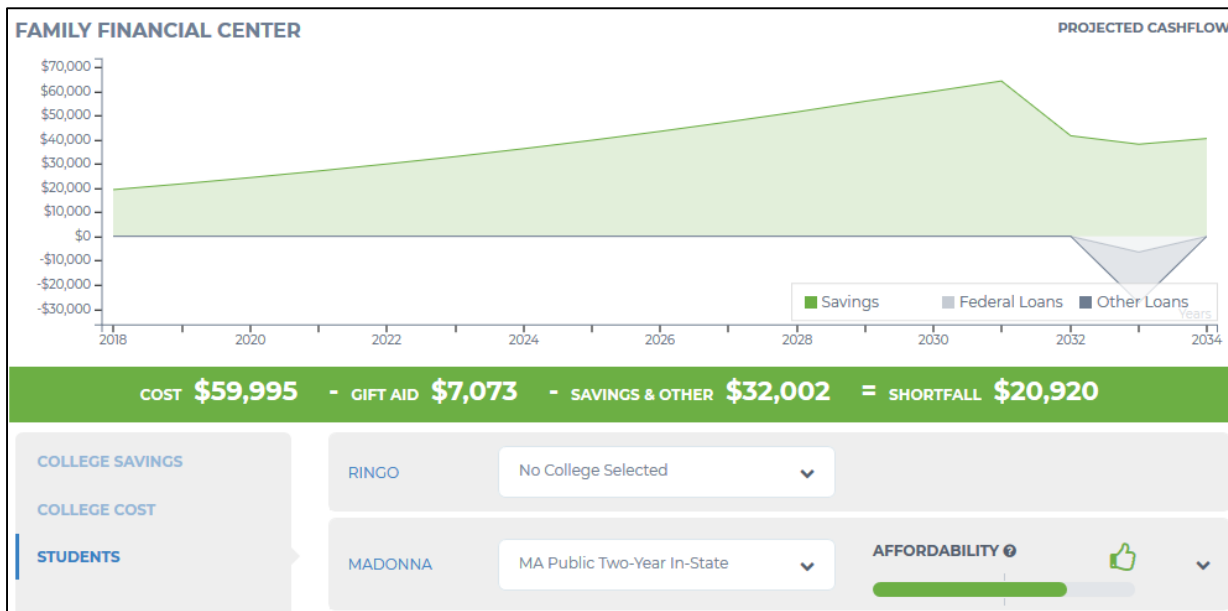
- Contributions to the U.Plan and U.Fund are state tax deductible
- State tax deduction
  - Up to \$2,000 in payments for married filers
  - Up to \$1,000 in payments for individual filers
- Limits are per filer, not per account



# 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](https://mefa.org) →
- Start (on continue) saving for college
- Register for webinars at [mefa.org/events](https://mefa.org/events)
- Watch recorded webinars at [mefa.org/videos](https://mefa.org/videos)
- Visit [mefa.org/save](https://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](#)

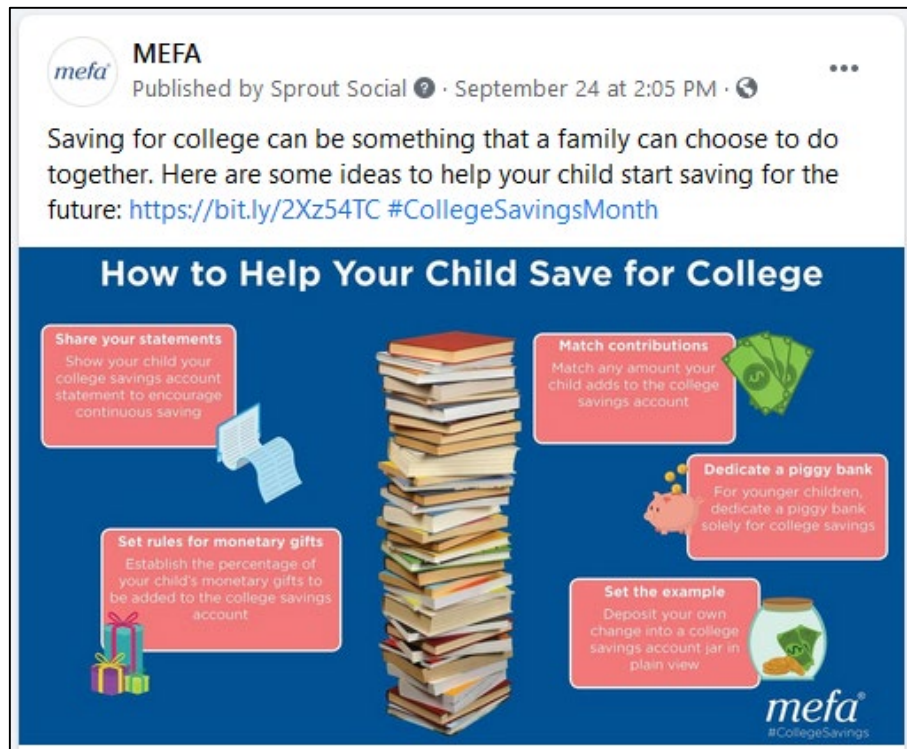
### The value of the U.Fund

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](#)



# Connect with MEFA on Social Media



The image shows a social media post from MEFA. At the top is the MEFA logo and the text 'MEFA Published by Sprout Social · September 24 at 2:05 PM ·'. Below this is a paragraph: 'Saving for college can be something that a family can choose to do together. Here are some ideas to help your child start saving for the future: <https://bit.ly/2Xz54TC> #CollegeSavingsMonth'. The main part of the post is a blue graphic titled 'How to Help Your Child Save for College'. It features a central stack of books and five red callout boxes with icons and text: 'Share your statements' (with a document icon), 'Match contributions' (with a dollar bill icon), 'Dedicate a piggy bank' (with a piggy bank icon), 'Set rules for monetary gifts' (with a gift icon), and 'Set the example' (with a jar icon). The MEFA logo and '#CollegeSavings' are at the bottom right of the graphic.

**MEFA**  
Published by Sprout Social · September 24 at 2:05 PM ·

Saving for college can be something that a family can choose to do together. Here are some ideas to help your child start saving for the future: <https://bit.ly/2Xz54TC> #CollegeSavingsMonth

### How to Help Your Child Save for College

- Share your statements**  
Show your child your college savings account statement to encourage continuous saving
- Match contributions**  
Match any amount your child adds to the college savings account
- Dedicate a piggy bank**  
For younger children, dedicate a piggy bank solely for college savings
- Set rules for monetary gifts**  
Establish the percentage of your child's monetary gifts to be added to the college savings account
- Set the example**  
Deposit your own change into a college savings account jar in plain view

**mefa**  
#CollegeSavings



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[youtube.com/MEFAcounselor](https://youtube.com/MEFAcounselor)



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Thank You

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# Questions?

(800) 449-MEFA (6332)

[collegeplanning@mefa.org](mailto:collegeplanning@mefa.org)