

mefa[®]

Early College Planning

Your Presenter Today

Jonathan Hughes

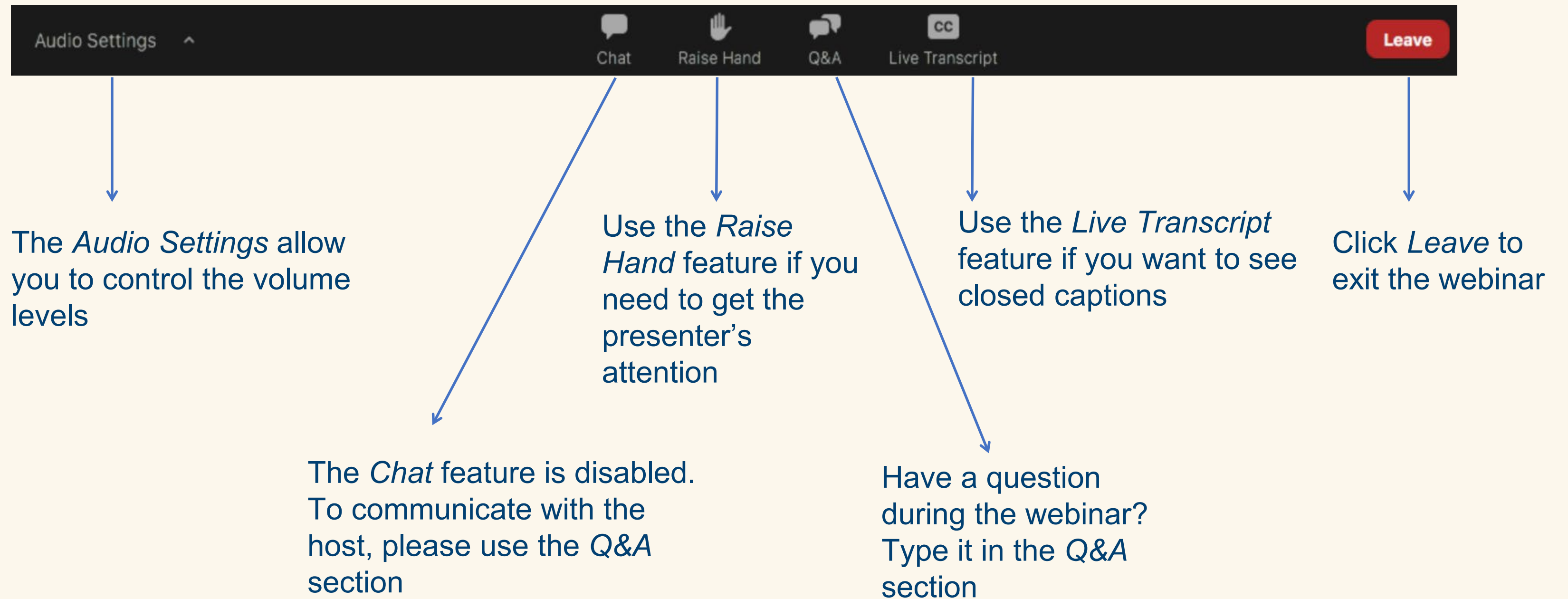
Associate Director of College Planning and Education

Jonathan has worked for over 15 years at MEFA helping families in Massachusetts plan, save, and pay for college.

As Associate Director of College Planning and Education, he leads the customer service team and works in the community to share expertise and guidance on all aspects of the college planning process.



How to Participate





About MEFA

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



Webinar Topics

- 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 the 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

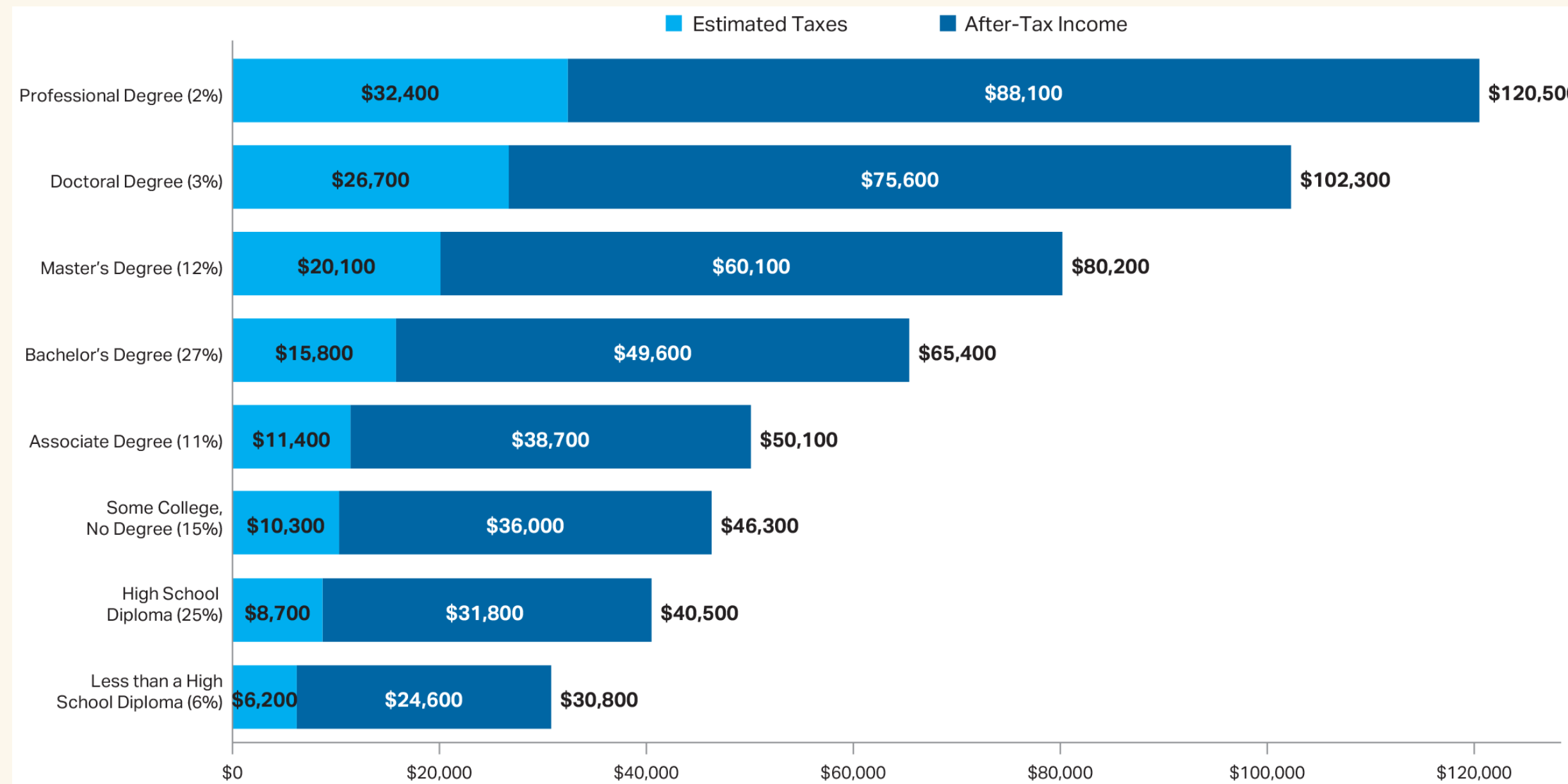
Resources include:

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



Education Pays

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

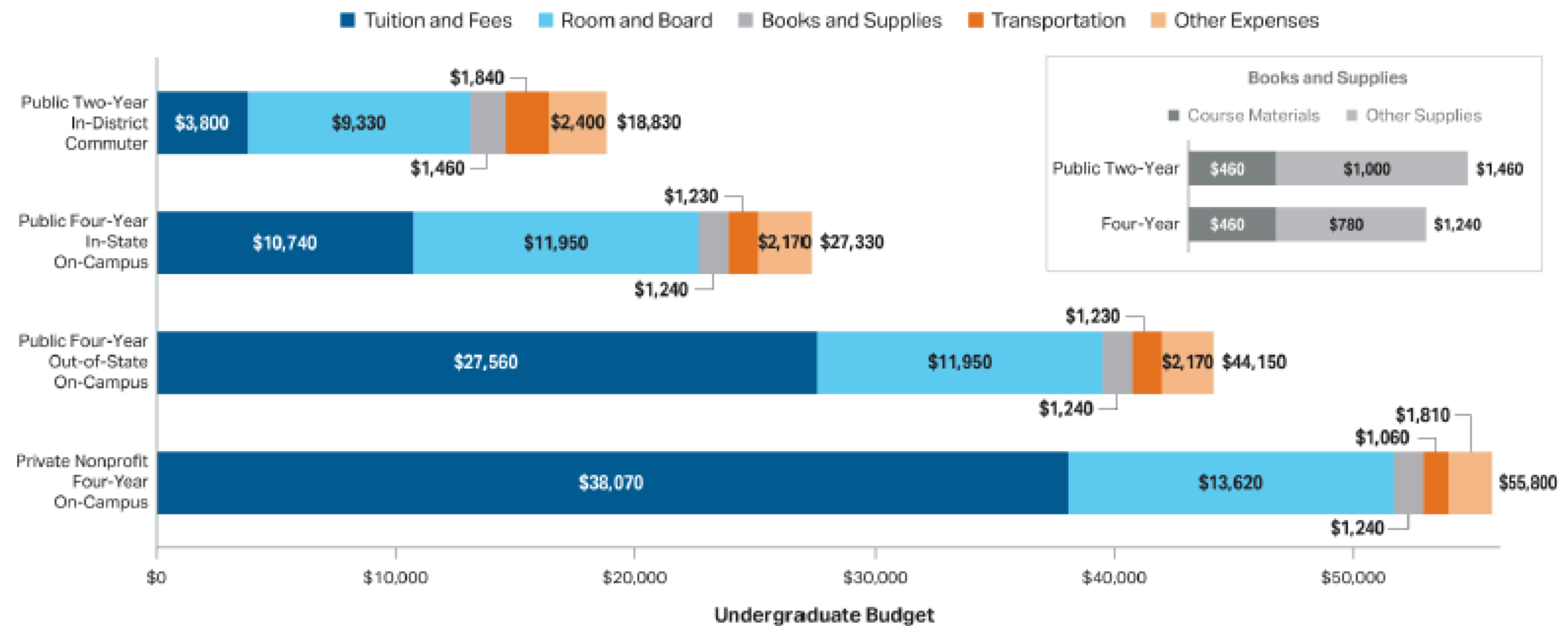


Source: *Trends in Higher Education Series, Education Pays 2019*, Figure 2.1, The College Board

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Current College Costs by Type

Average Estimated Full-Time Undergraduate Budgets (Enrollment-Weighted) by Sector, 2021-22



College Board, Trends in College Pricing and Student Aid 2021, Figure CP-1.

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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


Boston College

Chestnut Hill, MA
9,637 undergraduate students
bc.edu

4
Year

Private

City

Medium

Roman Catholic

INSTITUTIONAL HIGHLIGHTS:

Graduation Rate

91%

Salary After Completing

Salary after completing depends on field of study.

\$0

\$24,035

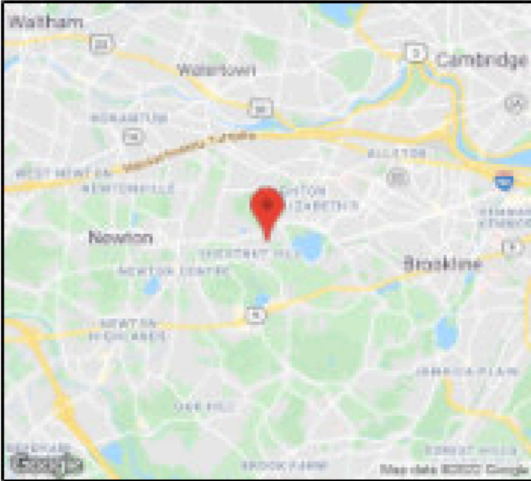
\$84,100

\$150,000

Average Annual Cost

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

\$35,899



FIELDS OF STUDY OFFERED:

Type to search

Explore Field of Study Information

Explore field of study information, such as salary after completing and typical debt. Field of study titles come from National Center for Education Statistics groupings and may not match the exact program titles at Boston College.

We have information on 45 undergraduate Fields of Study offered at Boston College

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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.	
Estimated net price for Academic Year 2021-2022 \$23,400	
Results as of 2/2/22, 1:21 PM	
Estimated Cost of Attendance	
Tuition & Fees	\$11,380
Room & Board	\$13,040
Books & Supplies	\$2,200
Transportation	\$750
Personal Expenses	\$1,630
Total	\$29,000
Estimated Grant/Gift Aid	
State Grant	\$2,200
Institutional Grant	\$3,400
Total	\$5,600
Estimated NET PRICE	\$23,400
Calculated Family Contribution	
Parent Contribution	\$5,700
Student Contribution	\$200
Total	\$5,900
Potential Self Help Opportunities	
Student Loans	\$5,500
Student Work	\$1,600
Total	\$7,100
Estimated REMAINING COST	\$10,400



Paying for College in MA: You Have Options

MassTransfer

- Makes transfer from community college to a 4-year MA public 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/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**

Merit-Based vs. Need-Based Aid

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

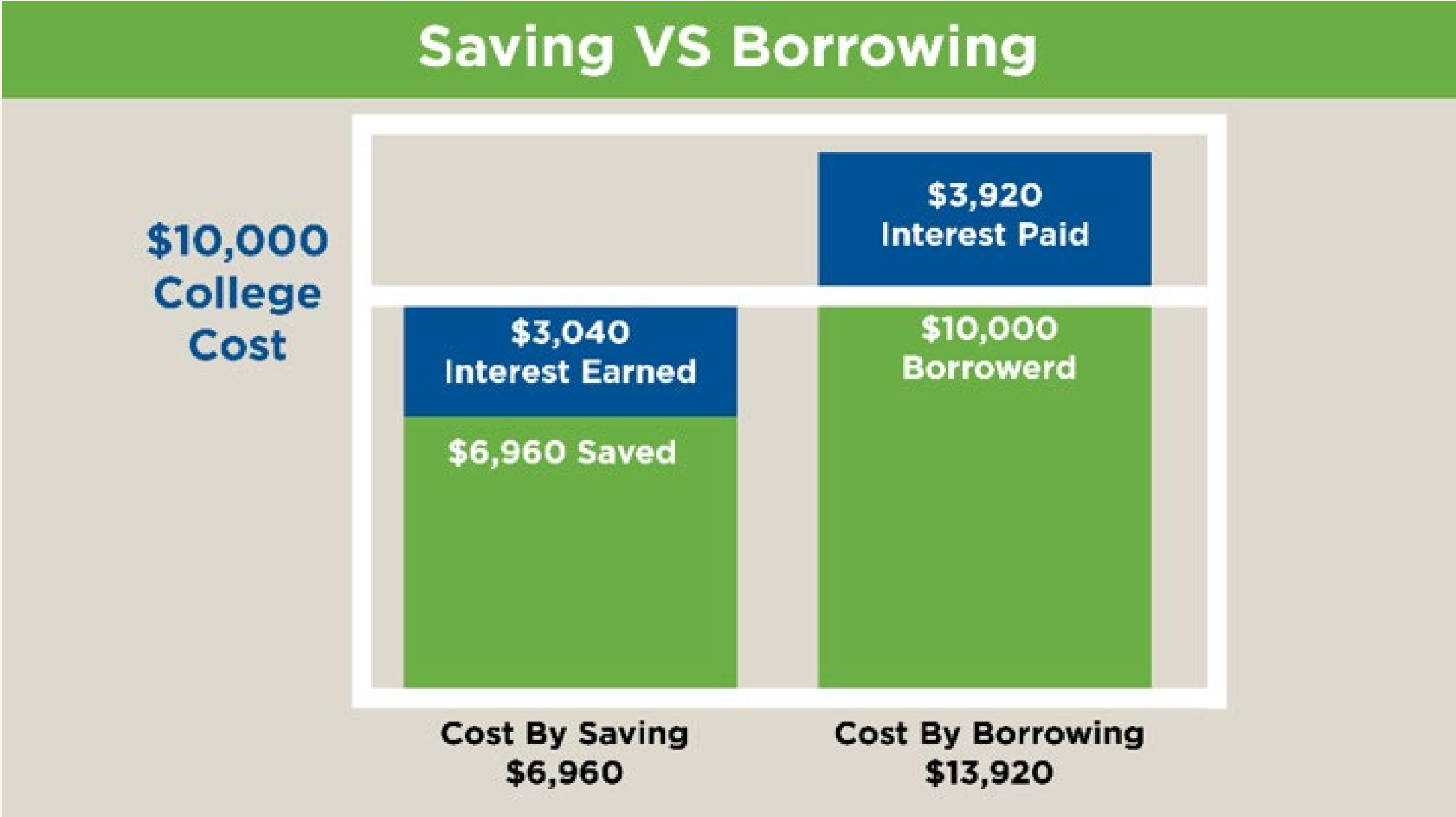
Present Income

- 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

Another Example:
Case Study #2

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

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

Lisa’s family will need to pay \$2,000 out of pocket each year of college.

Another Example:
Case Study #2

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

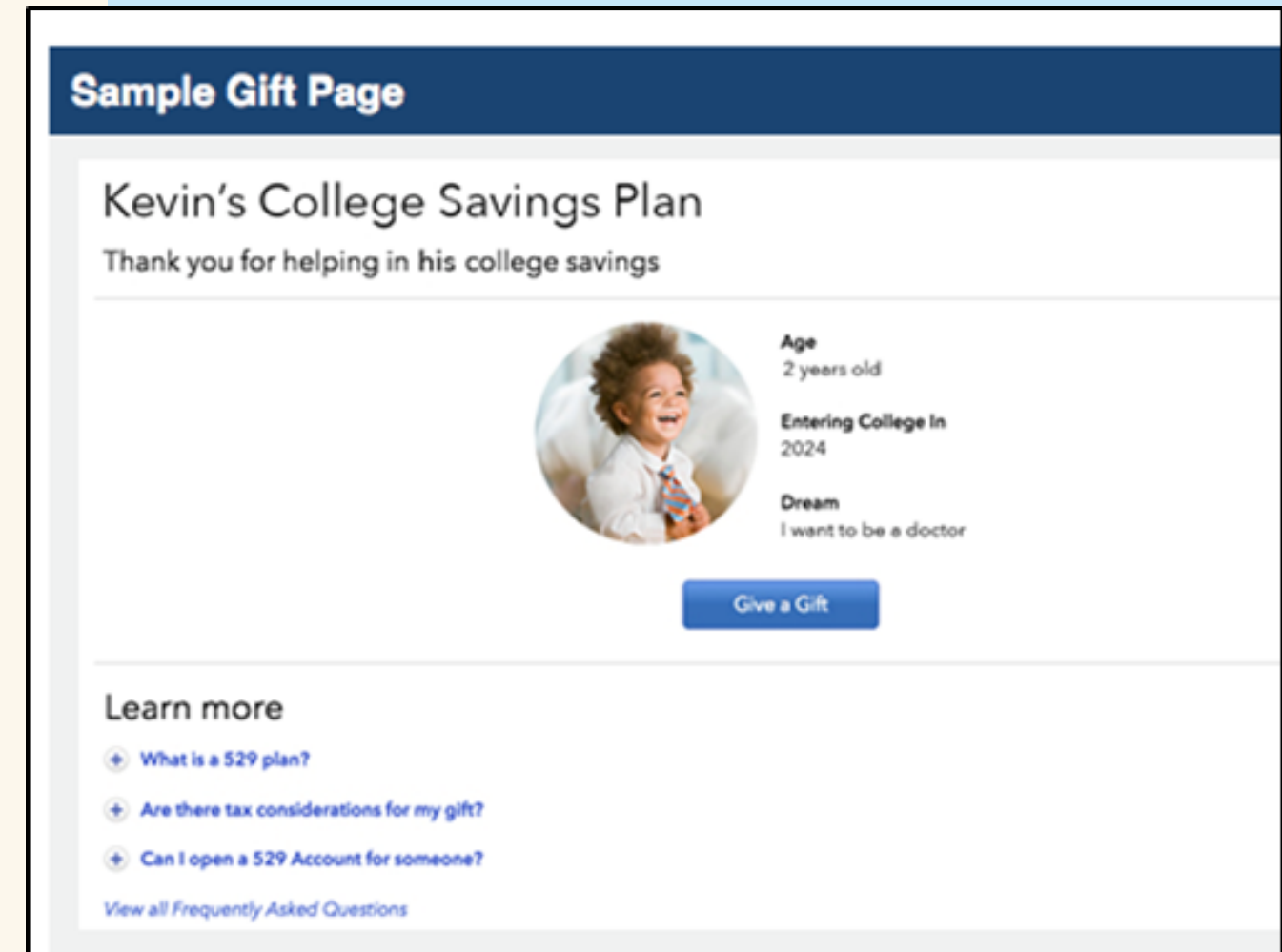
Expected Family Contribution (EFC) is \$47,199
Not eligible for need-based grants

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



U.Plan Prepaid Tuition Program

- 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

U.Fund College Investing Plan

- 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

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

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 2022**
 - **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



What's Next?

- 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

Connect with MEFA on Social Media



facebook.com/mefaMA



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Thank You

QUESTIONS?

Call (800)-449-MEFA (6332)
or email collegeplanning@mefa.org

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