

# College Planning

SAVING & PAYING STRATEGIES FOR FAMILIES





# Confidence for today, freedom for the future.

- ERISA Fiduciary
- Employee Benefit
- No product sales
- Financial Planning





# **Paying For College**



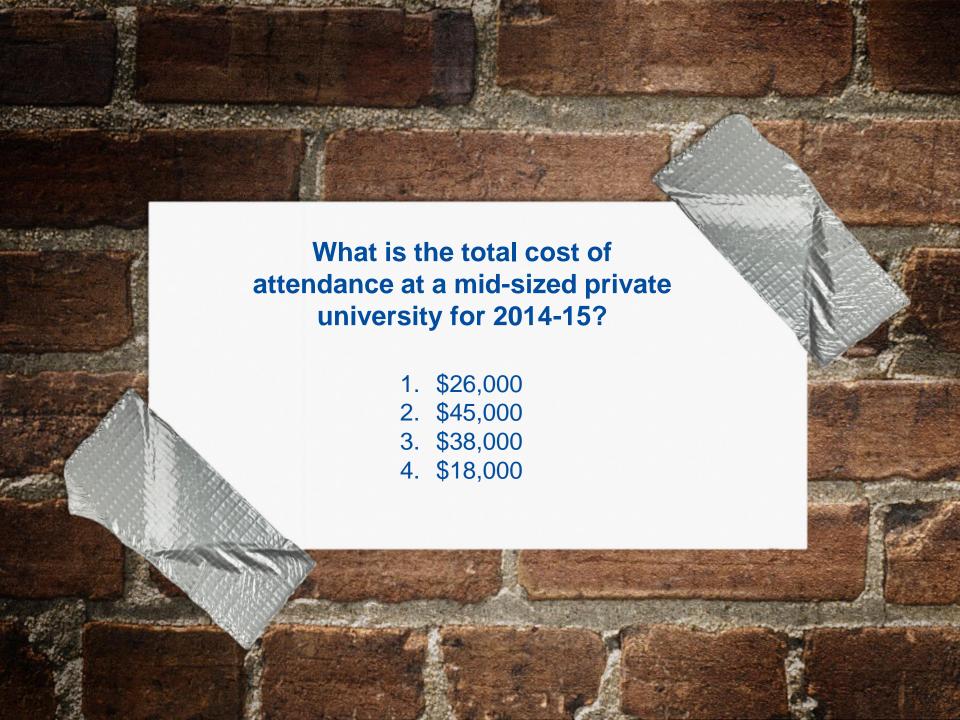
## **Saving For College**



# **Paying For College**



Saving For College



# Paying for college

- College bills don't all come at once: some may be able to pay as you go
- Financial aid bridges the gap between cost and what family can pay for
- Establish firm financial guidelines with your kids what you will and will not pay

# Have the "college talk"

#### Establish "will pay vs. will not pay" guidelines

- State (in and out of state) vs. private
- Community college vs. 4-year university
- Dorm room or living at home
- Does degree support cost?

#### What is financial aid?

- Gifts
- Grants (Federal and State)
- Scholarships
- Federal Work Study
- Self-Help
- Employment
- Loans



# **Applying for aid**

#### www.fafsa.ed.gov

- Apply for each student
- Send application to <u>ALL</u> schools your student might attend



Cost of Attendance - Expected Family Contribution = Financial Need

Cost of Attendance

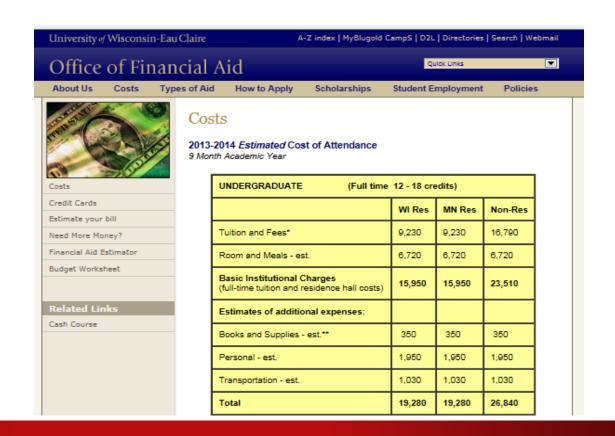
Expected
Family
Contribution

=

Financial Need

# Cost of Attendance

- Tuition and fees
- Room and board
- Transportation
- Books and supplies
- Living expenses

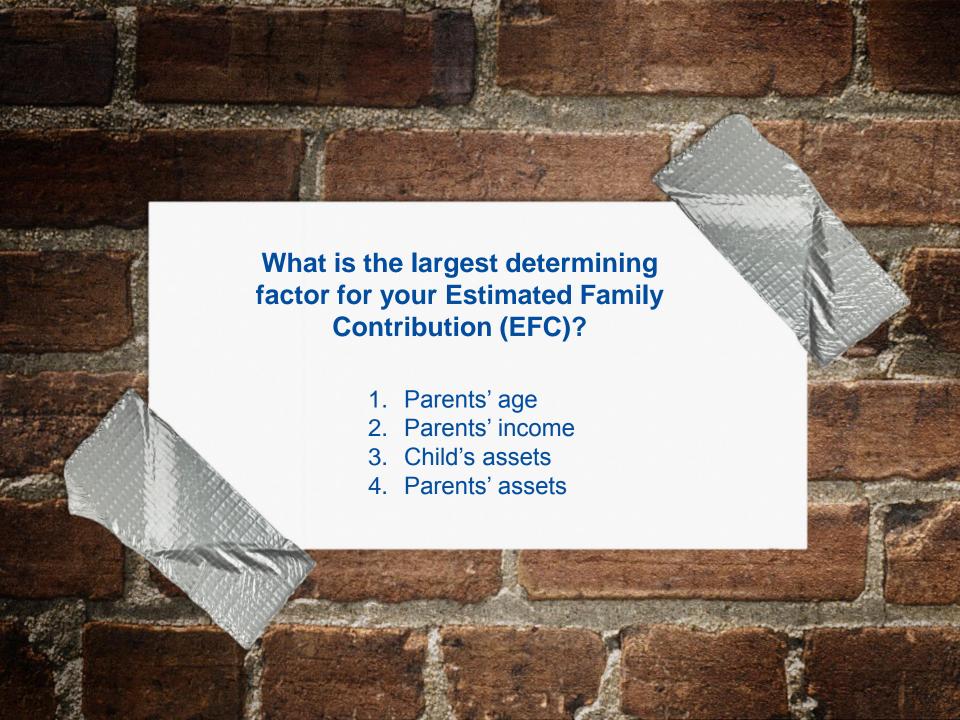


Cost of Attendance



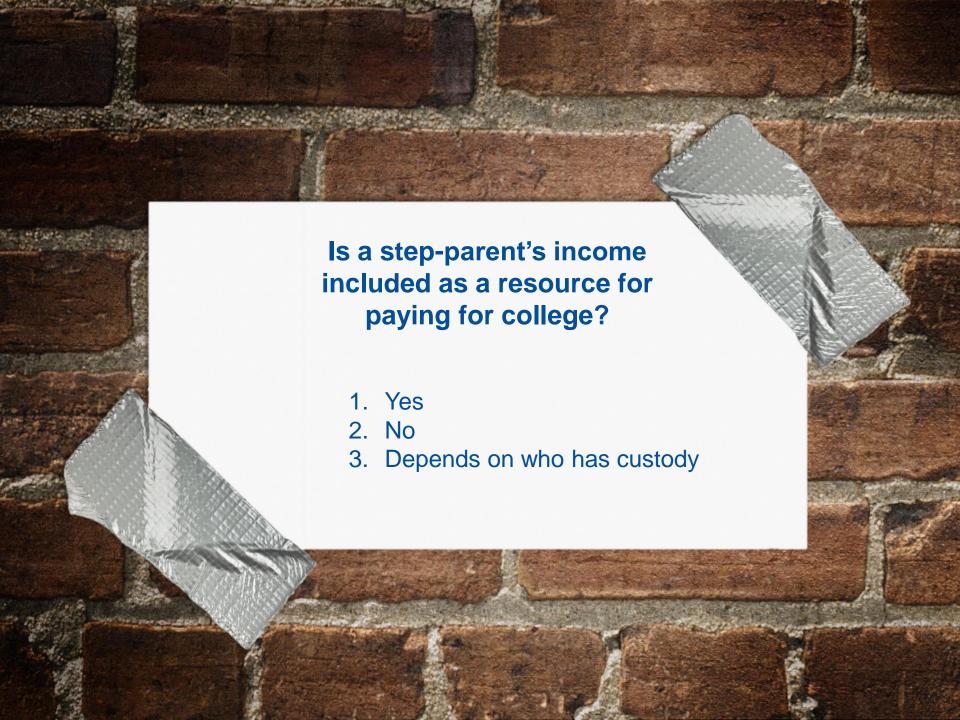


- Indicator of financial strength
- May need to contribute more



# **Expected family contribution**

- Factors used to determine your EFC (from year before):
- Income (largest factor: think about Pre-tax/Roth)
- Assets
- Family size
- Number in college
- Age of older parent (the older, the less assets that count)



### How your assets affect efc

#### Included

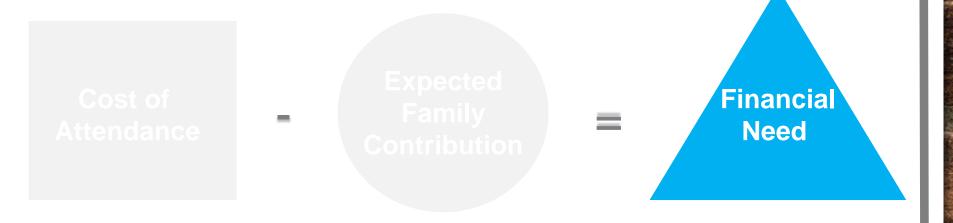
- Cash and savings
- Education IRAs
- 529 Plans
- Second home

#### **Excluded**

Your home



20% of child assets count6% of parent assets count0% of Roth IRA balances count



# **Getting ready to apply**

- Personal information for students and parents
- Financial information for student and parents
  - Taxes and W-2s (IRS retrieval tool)
  - Bank statements
  - Asset information
- Online process can be completed in about 45 minutes
- Results sent electronically to colleges

## Financial aid application

- File early: earliest you can apply: January 1 for fall entry
- There may be supplemental forms required by school
- Under 24 = dependent student, unless....
  - Military
  - Married with child
  - Graduate student



fundamentals.