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To provide information, resources, and tools to help you plan and pay for higher education, focusing on these key areas:

- **Preparing Financially**
- **Communicating With Your Child and Family**
- **Understanding the Benefit and Impact of Saving**

- **Work toward paying off debt** and reducing financial obligations – now is NOT the time to take on debt or make a big purchase.
- Consider ways to **increase your income**.
- Complete an **annual “check up”** of your fixed monthly expenses.
- **Free up money in your budget** for college savings (divert to tuition payments once in college).
- Evaluate your current spending and create a budget – preferably a college tuition budget.
- Meet with a financial planner, coach, or expert.
- Create a **plan and strategy to save for college**.

Communicating With Your Child and Family

- **A recent survey noted that:**
 - 73% of millennials with student loan debt say they **inherited their financial attitudes from their parents**
 - **53% believe that discussing paying for college with their parents** would have decreased the amount they borrowed
- **Despite that fact:**
 - **3 out of 10** would rather talk to their child about the birds and the bees or the dangers of drugs and alcohol.

Communicating With Your Child and Family

- Begin having **conversations early and often.**
- Examine your own attitude about college costs and debt and think about your money influencers.
- Discuss college costs and your ability to contribute.
- **Don't be afraid to set boundaries** and share expectations.
- Encourage multiple pathways and **have a back up plan.**
- Talk about the impact of student loans.
- **Get the entire family involved** - consider establishing regular family meetings.

Financial Aid – How Does it Work?

When planning, many families focus primarily on merit scholarships and financial aid.

- **Merit scholarships** are funds that are typically offered by admissions, athletic, or academic departments.
 - Based on the student's accomplishments, skills, or talents, not financial need
- **Financial Aid** is aid offered by the financial aid office.
 - Based on “financial need” as a result of filing the **FAFSA** (Free Application for Federal Student Aid) and in some cases the **CSS Profile**
 - The applications calculate an **Expected Family Contribution (EFC)**



Financial Aid – How Does it Work?

Financial aid offices use the **EFC** to calculate **financial need**:

$$\frac{\text{Cost of Attendance (varies by school)} - \text{EFC (same at all schools)}}{\text{Financial Need (varies by school)}}$$

Schools **try** to fill 100% of a student's need.

Why Does Saving Matter?

- **However**, most schools **do not meet full need** - even low income students often have gap
- Middle income families often find that their Expected Family Contribution (**EFC**) is **higher than anticipated**
- Today, summer earnings won't be enough to cover tuition at most schools
- So what can **YOU** do? **Start saving!**
- **Savings will have little (or no) impact on financial aid!**

Understanding the Benefit and Impact of Saving

	Family A	Family B	Family C	Family D
Income	\$60,000	\$75,000	\$90,000	\$105,000
“Countable” Assets/Saving	\$0	\$0	\$0	\$0
Expected contribution from income	3,348	6,156	10,561	15,028
Expected contribution from assets	0	0	0	0
Total Expected Parent Contribution	3,348	6,156	10,561	15,028

Understanding the Benefit and Impact of Saving

	Scenario A	Scenario B	Scenario C	Scenario D
Income	\$75,000	\$75,000	\$75,000	\$75,000
“Countable” Assets/Saving	\$0	\$10,000	\$25,000	\$50,000
Expected contribution from income	6,156	6,156	6,156	6,156
Expected contribution from assets	0	240	852	1,910
Total Expected Parent Contribution	6,156	6,396	7,008	8,066

Common Savings Vehicles

- 529s – visit **savingforcollege.com** for an overview of state programs
- Coverdell Education Savings Accounts
- Savings Bonds
- Roth IRA
- Taxable Savings and Investment Accounts
- Uniform Gift to Minors Act (UGMA)/Uniform Transfers to Minors Act (UTMA)
- Best to save in parent's name, not the student or another family member

The screenshot shows the NextGen 529 website homepage. At the top is the NextGen logo and a navigation menu with links: INVESTMENT OPTIONS, PERFORMANCE, FAQs, FOR ADVISORS, MAKE CONTRIBUTIONS, FORMS, and MY ACCOUNT. Below this is a secondary navigation bar with: WHY NEXTGEN, OPEN AN ACCOUNT, GIVE A GIFT, and GRANTS FOR MAINE RESIDENTS. The main banner features a photo of a woman and a graduate with the text "It's About Your Future Success" and a call to action "OPEN A NEXTGEN 529 ACCOUNT ». Below the banner is a heading "Help your child succeed by opening and making contributions to a NextGen 529 account!" followed by a paragraph: "NextGen 529 is Maine's section 529 plan, which many families use to save for higher education." Three numbered steps are listed in boxes: 1. Open a NextGen 529 account (ENROLL TODAY »), 2. Learn about Grants for Maine Residents (TELL ME MORE! »), and 3. Make a Contribution (INVEST IN YOUR CHILD »).

NextGen 529 is a Section 529 plan administered by the Finance Authority of Maine (FAME). You may obtain the NextGen 529 Program Description by requesting a copy from your financial professional, visiting NextGenforME.com or calling the program manager at 1-833-336-4529. The Program Description should be read carefully before investing.

The Program Description contains more complete information, including investment objectives, charges, expenses and risks of investing in NextGen 529, which you should carefully consider before investing. If you are not a Maine resident, you also should consider whether your or your designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan.

NextGen 529 accounts are not bank deposits and are not insured by the Federal Deposit Insurance Corporation (FDIC). Returns on investments in NextGen 529 accounts are not guaranteed or insured by the State of Maine, FAME or any NextGen 529 service providers. NextGen 529 participants assume all investment risk of an investment in NextGen 529, including the potential loss of principal and liability for tax penalties that are assessable in connection with certain types of withdrawals of amounts invested in NextGen 529.

Sunday Administration, LLC is the program manager, The Bank of New York Mellon is the program custodian, BlackRock Advisors, LLC is the program investment manager, and BlackRock Investments, LLC, Member FINRA, is the program distributor and underwriter.



Flexibility In Use of 529 Assets

- Assets can be used at eligible accredited post-secondary schools* including:
 - In-state or out-of-state schools
 - Public or private university
 - Two year, four year and graduate schools

- Qualified expenses for post-secondary institution attendance:
 - Tuition and fees
 - Books and supplies
 - Computer equipment, software and services
 - Required equipment
 - Room and board**

**Eligible higher education institutions include all accredited post-secondary institutions that are eligible to participate in Federal Student Assistance Programs. Post-secondary institutions could include public or private universities and colleges, graduate schools, proprietary institutions, foreign institutions, and vocational schools.*

***Beneficiary must be attending an accredited institution at least on a half-time basis for room and board to be considered an eligible expense.*



Grants for Maine Residents

Grants for Maine residents can really add up!

Grants for [opening a NextGen 529 account](#) and [making additional contributions](#) are real investments in the future. Matching grants are available for accounts owned by a Maine resident or for the benefit of a Maine resident. Grants are limited to one per beneficiary.



**Don't Have a NextGen
529 Account?**

[OPEN AN ACCOUNT TODAY!](#)

\$100 Initial Matching Grant

Open your account, add \$25 and get a \$100 Initial Matching Grant.

[LEARN MORE »](#)

\$100 Automated Funding Grant

Set up and make six consecutive automatic contributions from your payroll or bank account and get a \$100 Automated Funding Grant.

[LEARN MORE »](#)

30% NextStep Matching Grant

Make contributions and get a 30% NextStep Matching Grant up to a \$300 match per year.

[LEARN MORE »](#)

- FAMEMaine.com/MyFinancialWellness - Financial Wellness for Individuals
- FAME.Enrich.org - free digital financial wellness tool
- **MANAGE Publication** - Guide to becoming financially savvy
- **Tools & Calculators** - Budgeting tools, student loan calculators and more!
- Savingforcollege.com - overview of college savings programs by state



Upcoming Webinar

Join Us for Part II on April 7th at 6:00PM

tcfcu.com/community-events/wellness-workshop

Building a List of Schools, Comparing Offers and Financing Options

During this session, we'll provide you with tips for researching schools from a financial aid perspective, understanding the types of financial aid available, and building a list of schools that offer the best financial fit for your family. We'll also help you compare financial aid offers and review college financing options.



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Thank you for joining us!

Your feedback is welcomed
and appreciated!



Find more FREE resources and information at

Web: FAMEmaine.com/education

Email: education@famemaine.com

Phone: 1-800-228-3734

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