



Welcome To:

THE COLLEGE FUNDING COACH®

Little-Known Secrets of Paying for College





Founder: Brock T. Jolly, CFP®, CLU®, ChFC®, CLTC, CASL®, CFBS®
Phone: 703-424-2401 • E-Mail: bjolly@TheCollegeFundingCoach.org
Regional Director: Mark DeBord, CFP®, ChFC®, Phone: 720-722-0818
• E-Mail: mdebord@TheCollegeFundingCoach.org



© 2002-2018, The College Funding Coach®

Why Are We Here?

A Background on This Class:

- Most People Have Their Money in Two Places...
 - Their Home 
 - Their Retirement Plans 
 - Great for Retirement; Not So Great for College
 - For most families, it comes down to cash flow & liquidity.
 - College is the last big hurdle before retirement...
- We Offer a Game Plan
 - Do-It-Yourself
 - Hire a Guide

**For most families,
it's something like this...**

THE COLLEGE FUNDING COACH®



A Few Thoughts Before We Dig In...

- “30,000 Foot Overview”
- Three Rules:
 - You must participate!
 - Don't shoot the messenger!
 - Let's have some fun!
- What's your why?

To schedule a consultation, or for more information, please contact:
Andrea Ashton at (703) 430-0789 or aashton@thecollegefundingcoach.org



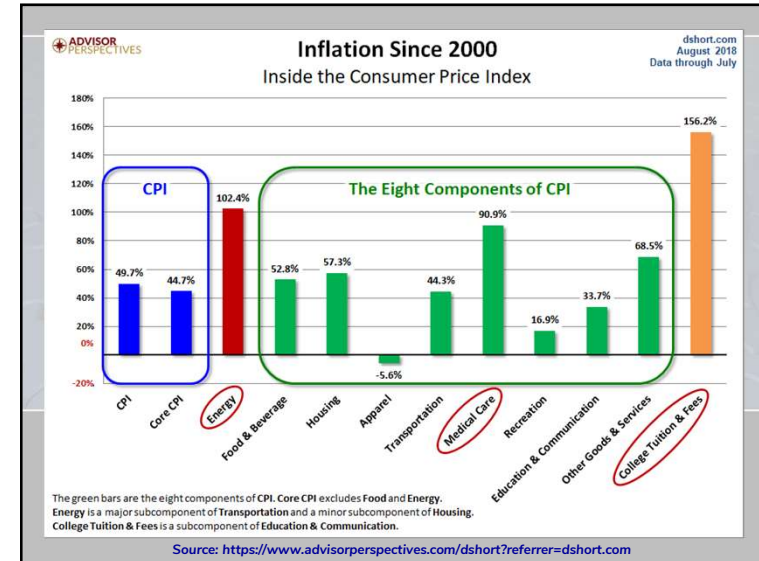

Average Cost of Attendance (2017-2018)

Public University
\$25,290 (in-state)

Private University
\$50,900

Elite/Ivy University
~\$70,000+

Source: The College Board, "Trends in College Pricing" 2017
(<https://trends.collegeboard.org/college-pricing/figures-tables/average-estimated-undergraduate-budgets-2017-18>)





Income?

College is Paid for With After-Tax Dollars

In-State Public, 24% Federal Income Tax Rate = \$133,105 Before Taxes

Ivy League, 35% Federal Income Tax Rate = \$430,769 Before Taxes



Assets?

This is the principle of Lost Opportunity Costs:

Public School, 10 Years Until Retirement @ 8% = - \$218,397

Ivy League, 20 Years Until Retirement @ 8% = - \$1,305,068

*Assumes 1 child, 4 years of school, no state taxes included, no COA increases, and...graduating in four years! This is a hypothetical example. It is not meant to represent an investment in a specific product or strategy. Rate of return is not guaranteed.

What are the Options: Savings by Saving

Invested money goes further than borrowed money

Hypothetical saving scenario

The goal: \$25,000

Your monthly investment: \$152

Total invested: \$18,240

Hypothetical borrowing scenario

The goal: \$25,000

Your monthly payment: \$278

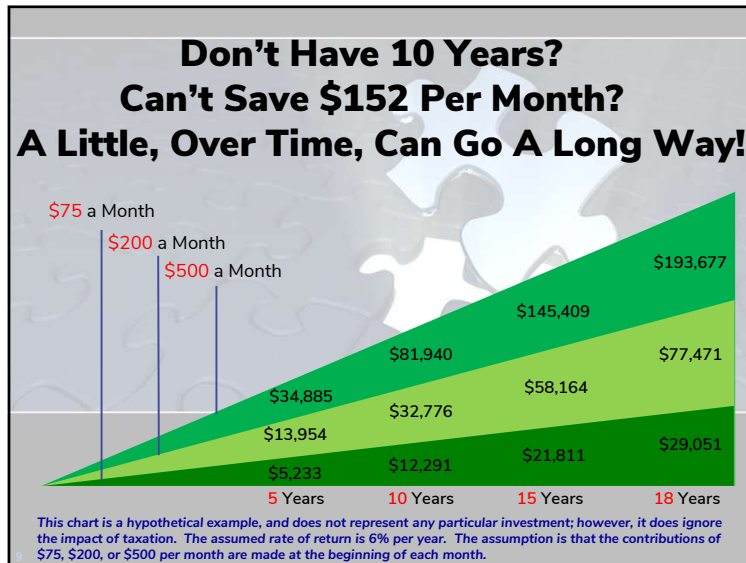
Total repaid: \$33,360

The bottom line: \$15,120 Total Savings!

Investing example assumes a 6% annual rate of return with all distributions reinvested and a 10-year investment program. Borrowing example assumes a 6% interest rate and a 10-year repayment period.

This is a hypothetical example. It is not meant to represent an investment in a specific product or strategy. Rate of return is not guaranteed.

To schedule a consultation, or for more information, please contact:
Andrea Ashton at (703) 430-0789 or aashton@thecollegefundingcoach.org



Historical College Savings Vehicles

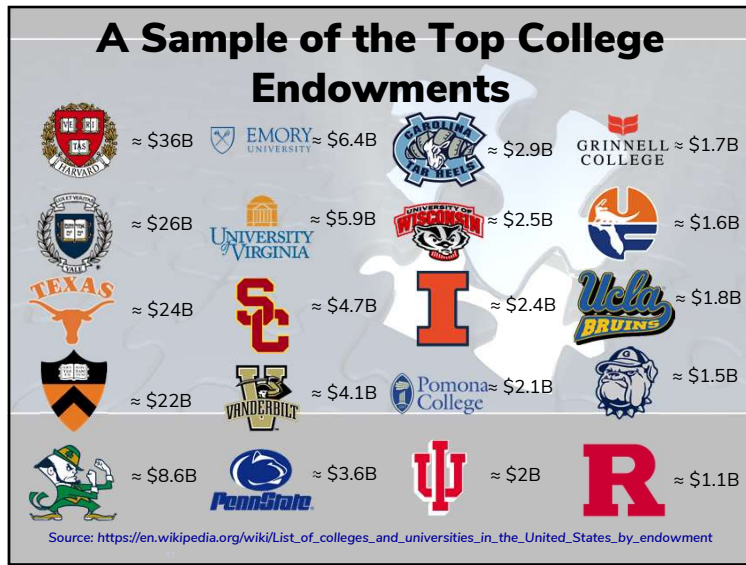
- UGMA/UTMA
- Education Savings Bonds (Series I or EE)
- Educational IRAs (Coverdell)
- Loans, Grants, Scholarships
- Borrowing Against Retirement Plans
- Leveraging Real Estate Equity
- Cash-Value Life Insurance
- Post 9/11 GI Bill/R.O.T.C.
- Section 529 College Savings Plans
 - Pre-Paid Variety
 - Savings Variety

Funding Higher Education

How the typical family pays for college (the average percentage of the total cost of attendance paid from each source)

Source: Sallie Mae, How America Pays for College, 2017

What is the BEST Way to Pay for a College Education?



Applying for Financial Aid

- The FAFSA
- The CSS Profile (≈ 229 Schools)
 - More Detailed:
 - Non-Custodial Parents
 - Home Equity
- The School's Institutional Forms
 - COA = Stands for Cost of Attendance
 - EFC = Stands for Expected Family Contribution
 - COA – EFC = Your Family's Financial Need

FINANCIAL NEED =
Amount of Aid for Which Your Family is **Eligible**

To schedule a consultation, or for more information, please contact:
Andrea Ashton at (703) 430-0789 or aashton@thecollegefundingcoach.org

EFC Estimates By Income and Assets

Family Information	Family of 4 Oldest Spouse 50	Family of 4 Oldest Spouse 50	Family of 4 Oldest Spouse 50
INCOME: AGI	\$50,000	\$100,000	\$150,000
ASSETS	\$50,000	\$50,000	\$50,000
EFC	\$4,607	\$22,877	\$43,322

Your Homework— Calculate Your Own EFC: www.thecollegefundingcoach.org

Before We Move Forward: Questions After Part One?

- Do you feel like you understand the EFC Formula?
- Two Paths:
 - You Can Qualify for Need-Based Aid
 - You Cannot Qualify for Need-Based Aid

Tonight, We'll Walk Down BOTH Paths!

One Strategy—Have Twins!!!

Having multiple children in college at the same time is actually beneficial.

1 CHILD	2 CHILDREN
COA = \$32,500	COA = \$65,000 (2 Schools)
EFC = \$44,000	EFC = \$44,000 (Split for 2 Kids)
Need = \$0	Need = \$21,000

Strategies:

- Gap Year or Deferred Admission
- Community College & Transfer
- Tuition Reciprocity Programs
 - Academic Common Market
 - Midwest Student Exchange
 - New England Regional Student Program
 - Western Undergraduate Exchange

Are In-State Public Schools the ONLY OPTION?

Public U		Private College	
Total Cost	\$ 24,239	Total Cost	\$ 67,902
EFC	- 15,000	EFC	- 15,000
NEED	\$ 9,239	NEED	\$ 52,902
% Need Met	65%	% Need Met	100%
Financial Aid Eligibility	\$ 6,005	Financial Aid Eligibility	\$ 52,902
Gift Aid (55%)	\$ 3,302	Gift Aid (88%)	\$ 46,554
Self Help (45%)	\$ 2,703	Self Help (12%)	\$ 6,348
"Out-of-Pocket Cost" (Total Cost - Financial Aid Eligibility)	\$ 18,234	"Out-of-Pocket Cost" (Total Cost - Financial Aid Eligibility)	\$ 15,000
"Net Price" (Total Cost - Gift Aid)	\$ 20,937	"Net Price" (Total Cost - Gift Aid)	\$ 21,348

Hypothetical example based upon information reported on www.collegeboard.org.¹



“But What If I Make Too Much Money to Qualify for Need-Based Aid?”

Now let's look at using our own money...

Maximize the Efficiency of Your Money

- Are you carrying a lot of non-deductible debt?
- Can you increase your cash-flow?
- What role do taxes play on your investments?
- Business Owners—Hiring kids in your family biz!
- What if you could delay paying for college for another 4 years? A “Found” Opportunity Cost!

Where do most people have most of their money?

Home / Mortgage

Home

- ✓ Rate of appreciation on home = 1-5%
- ✓ Rate of return on home equity = 0%



Mortgage

- ✓ Mortgage interest may be tax-deductible
- ✓ Is better than private source college loan
- ✓ Maximum tax deduction is now \$750,000
- ✓ Can be used to increase cash flow

Remember: Home Equity Lines of Credit are no longer tax-deductible for purposes other than home improvements!

Qualified Plan Problem

- Does Anyone Here Have a Pension?
- EVERYONE USED TO!
- In 1974, That All Changed.


Sound Familiar?

- ✓ 47 Years Old
- ✓ Will Work Until Age 67
- ✓ Will Live Until Age 90
- ✓ \$100,000 in OLD MONEY
- ✓ \$10,000 in Deferral Contributions
- ✓ \$3,000 in Matching Funds
- ✓ 8% Annual Yield

OLD MONEY:	\$466,096
CONTRIBUTION:	\$494,229
MATCH:	\$148,269
TOTAL:	\$1,108,594

↓


PAYMENT:	\$97,493
FEDERAL TAX @ 22%:	\$21,448
AVG. STATE TAX @ 6%:	\$5,850
NET INCOME:	\$70,195



All figures are hypothetical and should not be relied on for your personal situation.

Utilize Tax-Advantaged Investments That Can Be Used for College OR Retirement

Make Uncle Sam Your Partner!



- Section 529 Plans
- Roth IRAs or Roth 401(k)s
 - Tax-Free Growth & Withdrawals
 - Roth Distributions avoid 10% early withdrawal penalty
- Municipal Bonds
 - Tax-Free Growth & Withdrawals
- Cash-Value Life Insurance (Also Non-Assessable)
 - Guaranteed Safety of Principal
 - Tax-Free Growth & Withdrawals (while Living)
 - Tax-Free Death Benefit (keep it in the family)

The GOOD News is That...

- You can do it. And we can help identify local financial advisors who can help!
 - Comprehensive Financial Planning
 - Focus on College Funding Strategies
- Attend more prestigious, less crowded, private schools for the same net cost as state schools.
- Become an informed buyer & start early!
- Call Mark DeBord @ 720-722-0818 to Schedule!





What's Next?



- Introducing the College Funding Coach®
No Procrastination Promise!
- Who Here is GREAT at Procrastinating?
- Have You Ever Allowed the Important to be Superseded by the Urgent?





To schedule a consultation, or for more information, please contact:
 Andrea Ashton at (703) 430-0789 or aashton@thecollegefundingcoach.org

Please Complete Your Evaluations!

THE COLLEGE FUNDING COACH®
Little-Known Secrets of Paying for College
Please let us know how we did?

Location: _____
Your Name: _____
Student Name: _____ Email: _____
How did you hear about us? _____ Phone: _____
Please circle Yes/No for the following statements:
Yes/No The program covered the topics I wanted to hear about.
Yes/No The speaker presented knowledgeable and interesting information.
Yes/No The program was helpful in converting some of my current financial aid into other sources.
Yes/No I would like to see this workshop again in the future.
Yes/No Are there other individuals or organizations (colleges, churches, businesses, or community organizations) who would benefit from your valuable insights?
Yes/No I would like a complimentary financial consultation to determine which financing strategies are most beneficial for me and my family.
Please contact me at: _____
We highly recommend 2021 enrollment for my child(ren).
Thank you for joining us!
(Daytime phone) _____

What's Next?

- **YES/NO/MAYBE**
- If You Answered **YES** to a Consultation, We'll Reach Out to You Within Three Business Days to Schedule Your Meeting.
- We Know Everyone is Busy!
- You'll Have Thirty Days to Schedule Your Free Consultation.

THE COLLEGE FUNDING COACH®

Meet **THE COLLEGE FUNDING COACH®** Team:



For More Information:



(720) 722-0818 or (800) 969-2362



www.TheCollegeFundingCoach.org



www.facebook.com/TheCollegeFundingCoach



Channel: [tcfc2002](https://www.youtube.com/channel/tcfc2002)



@CollegeFundingCoach



Search: Brock Jolly

THE COLLEGE FUNDING COACH®

To schedule a consultation, or for more information, please contact:
Andrea Ashton at (703) 430-0789 or aashton@thecollegefundingcoach.org

THE COLLEGE FUNDING COACH®

Disclosures:

1. All Material ©2002-2018 by The College Funding Coach®. Any reuse or reproduction without the express written permission of The College Funding Coach® will be considered copyright infringement and will be punished to the fullest extent of the law.
2. Hypothetical examples are for illustrative purposes only. Figures and rates of return are not intended to be representative of any particular product or strategy.
3. The information contained in this material is provided with the understanding that it is not intended to be interpreted as specific tax or legal advice. Individuals are encouraged to seek the guidance of their own personal legal or tax professional.
4. References to mortgage financing are not intended to be recommendations to refinance a mortgage to pay for college expenses. The strategies are conceptual in nature, and for illustrative purposes only.
5. The preceding presentation is provided by The College Funding Coach® for educational purposes.
6. Securities, investment advisory and financial planning services offered through registered representatives of MML Investors Services, LLC, Member SIPC. Supervisory office: 1593 Spring Hill Road, Suite 500E, Vienna, VA 22182. (703) 847-9660. The College Funding Coach® is not a subsidiary or affiliate of MML Investors Services, LLC or its affiliated companies.