

# The College Conversations Checklist

*Want to ace College Saving & Funding 101? Now is the time to have the talk.*

Saving and planning for college should be a family affair. The earlier families discuss college goals, the more time they will have to adjust savings strategies and consider the impact of their choices. Initiating planning conversations that focus on saving for and paying for college is a critical step in the process, especially as children approach college-age.

## The MEFA and Fidelity® 2013 College Savings Indicator Study: Key Findings

We surveyed 325 Massachusetts parents with children age 18 and younger who are expected to attend college, to understand their expectations and attitudes toward financing their child's college education.



### **Saving for college is on the rise**

Sixty-eight percent of families report they have started saving for college, up from 65% in 2012. College contributions were also strong last year, with 27% of families putting away more than \$5,000 (the national average).



### **'Total cost of college' discussions prompt action**

Among parents with children age 15+ who have discussed how decisions on school selection, choice of major and financing may affect future job prospects, earning potential and student loan debt, 66 percent report making adjustments to their plans.



### **Potential student loan debt is top of mind**

Seventy-two percent of parents don't want to burden their children with hefty student loans, yet 47 percent of those that plan to use student loans do not believe they will be able to secure loans to cover the full amount needed for their children's college bill.

## **Here are some questions to help you and your college-bound children start planning and saving discussions.**

*Note: Over time, revisit these questions and reassess your goals, savings amounts and investments to help you stay aligned with your family's evolving plans and needs.*

### **Understanding the total amount you need to save for college**

- Do you and your child have similar college goals?
- What college or type of college (private/public) are you expecting your child to attend?
- What are the total costs associated with this type of college?
- How much of the cost do you intend to cover from your savings?
- How much do you need to save on a monthly/annual basis to hit your goal?
- Will you use a dedicated college savings account? Will you use one with tax advantages associated with college savings, such as a 529 plan?
- Will you use automatic contributions to help encourage you to stay on track?
- If you can't save as much as your initial goal suggests, how much can you save?

## Deciding how to involve your children in the college savings process

- Does your child understand the importance of saving and will they contribute some of their own money – earned from allowance, jobs, or received through monetary gifts?
- Are you comfortable with sharing specific savings goals and amount saved with your child to help assess whether their expectations are reasonable based on what you can contribute?
- How active will your child be when it comes to paying for college?

## Evaluating how school choice may influence costs and potential post-graduation student debt: consider the pros and cons

- Will your child live at home during school and commute?
- Are there less expensive schools available that will meet your child's education goals?
- How long will it take your child to graduate?
- Is there an option to get college credit through less expensive options (online courses, local community college), while still taking courses and receiving a degree from the chosen school?
- Will your child go to graduate school and if so, how will this impact savings and costs?

## Learning about financial aid and how the process works

- How much financial aid are you expecting to receive? Have you used an online financial aid estimator or a net price calculator available on many college websites?
- Do you understand the financial aid process and the different options available including grants, loans, and work-study programs? Do you understand the degree each is used in aid awards?
- If you are interested in a particular school, do you understand whether there are nuances regarding the school's aid process and who qualifies for aid?

## Calculating a reasonable loan amount (if necessary)

- Do you know the full cost of attendance, including ancillary costs like travel and books?
- Given likely aid, how much of aid will be in loans? Will loans outside of aid loans be needed?
- Considering all the factors involved (likely major/field, economy, etc), how much money do you expect your child to make after graduation? Is this enough to cover anticipated debt?
- Post-graduation, how much will the monthly loan payments be and how long will they continue?
- Post-graduation, does your child understand that paying off loans needs to be balanced by other potential financial goals (saving for a home, car, retirement, emergency fund)?
- Do you and your child understand what happens if the child (and if applicable, you) aren't able to make the monthly loan payments?

## Need more assistance with your college planning? The Massachusetts Educational Financing Authority and Fidelity can help.

- ◆ Access online college planning tools and start saving at [www.fidelity.com/ufund](http://www.fidelity.com/ufund), and find Viewpoint articles on college planning at [www.fidelity.com/viewpoints/college-planning](http://www.fidelity.com/viewpoints/college-planning)
- ◆ Visit [www.mefa.org](http://www.mefa.org) to access information on college financing and the financial aid process, and locate local college planning seminars
- ◆ Visit one of eight Fidelity Investor Centers in Massachusetts [www.fidelity.com/branchlocator/](http://www.fidelity.com/branchlocator/)

Source: [2013 College Savings Indicator](#), Fidelity Investments, August 2013

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