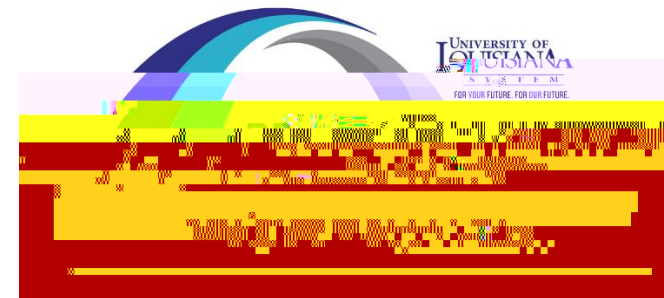


# MONEY MATTERS 2023: UL SYSTEM FINANCIAL WELLNESS SERIES

SESSION #6:

FAMILY FINANCIAL PLANNING:  
SENDING YOUR LOVED ONES OFF TO COLLEGE

JUNE 27, 2023



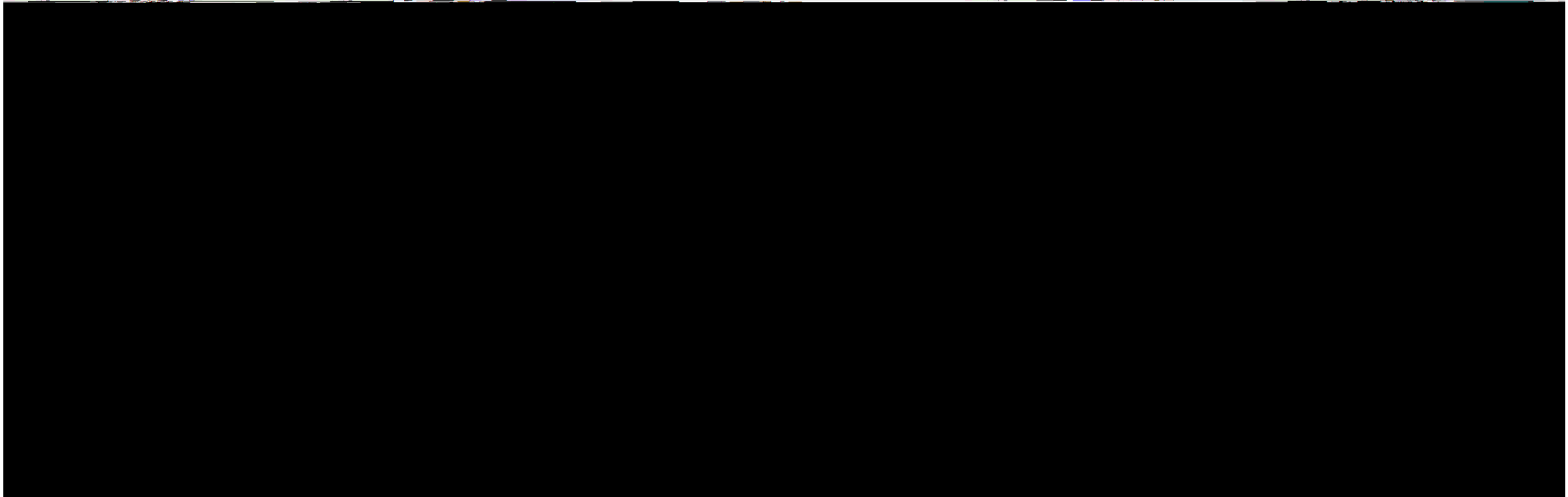
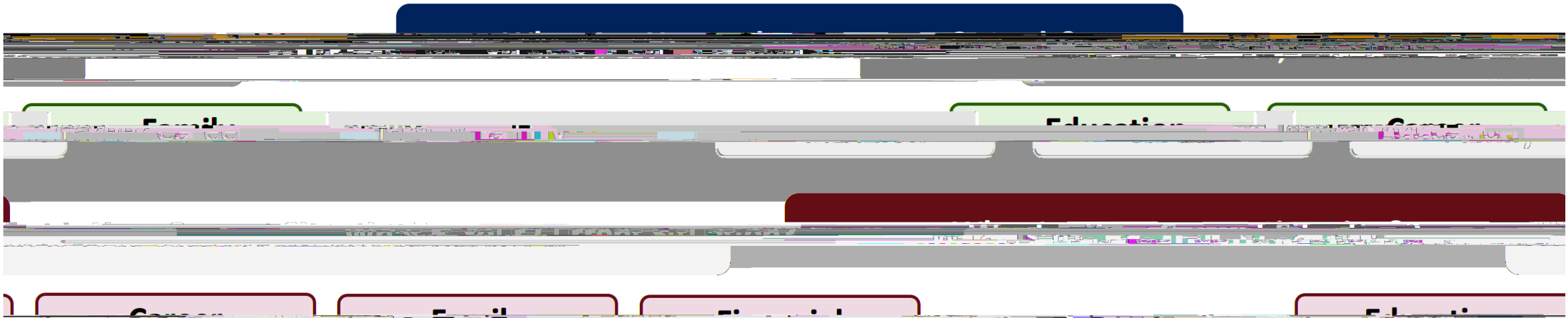
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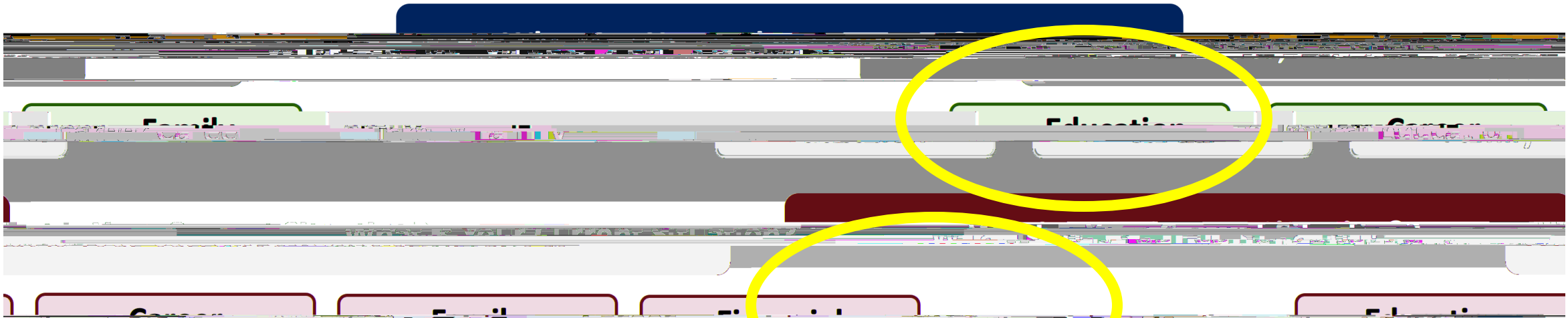
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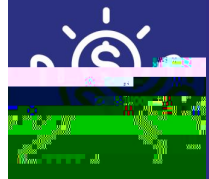
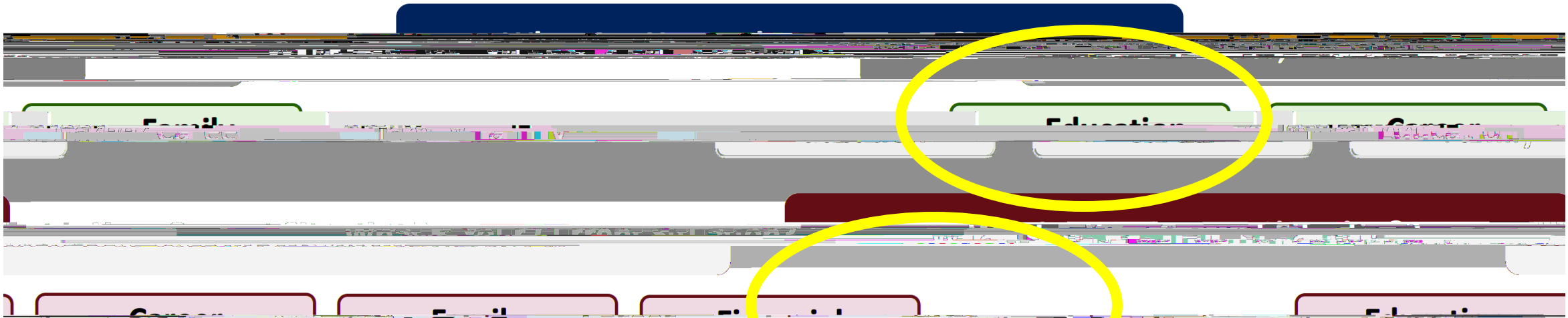


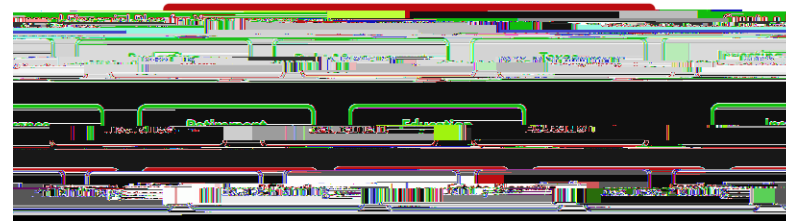
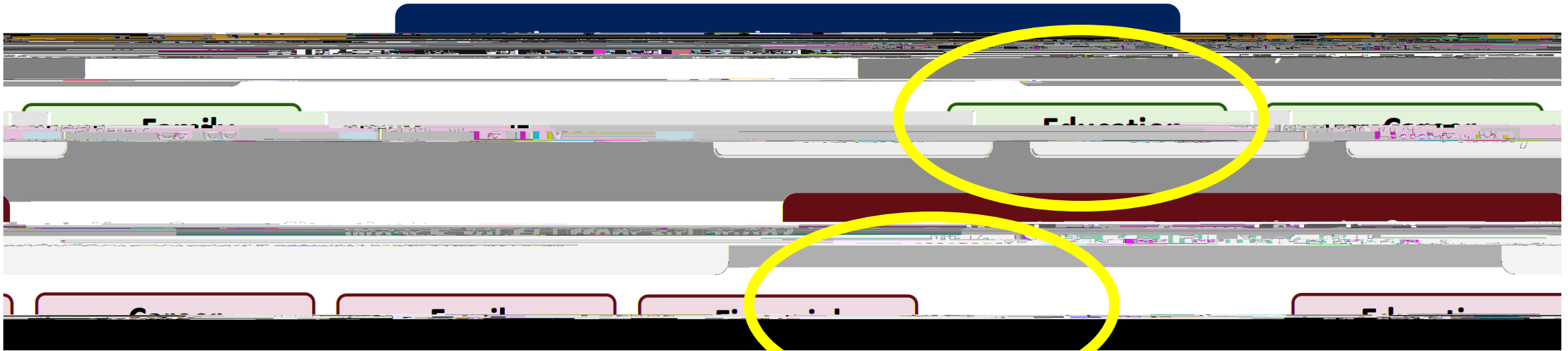












FAMILY FINANCIAL  
PLANNING:  
SENDING YOUR  
LOVED ONES OFF  
TO COLLEGE

June 27, 2023



# COUNTDOWN TO COLLEGE

KIDS ARE 12 YEARS OLD OR YOUNGER

KIDS ARE 12 TO 15 YEARS OLD

KIDS ARE 15 TO 18 YEARS OLD

KIDS ARE GOING OFF TO

# COUNTDOWN TO COLLEGE

Open a 529 Education Savings Account...And invest in it.

Current inflation rate	4-5%
Education inflation rate	6-8%
Current savings account rates	2-3% (CDs are earning 4-5%)



# COUNTDOWN TO COLLEGE

## KIDS ARE 12 YEARS OLD OR YOUNGER

Open a 529 Education Savings Account...And invest in it.

One possible 529 strategy

Put 80-90% of your college fund money into a 529

Invest 60-70% of this money into the S&P 500 Index (symbol SPY)

Invest 15-20% into other select investments, possibly of the child's choice

Invest 15-20% into CDs, low risk bonds or a money market cash account

The earlier in your child's life you begin investing, the more risk you can take

The closer your child is to college when you invest, the less risk you should take

# COUNTDOWN TO COLLEGE

Begin rotating investments into lower risk assets

If you had 70% in growth stocks at age 12, maybe have 50% by age 15

Make sure the child has their own savings and checking account

Consider opening a credit card in the child's name (co-signed by you)

Begin researching scholarships, financial aid and the full cost of college

Begin considering other options, such as community college or a gap year

Begin involving the child in conversations about paying for college

# COUNTDOWN TO COLLEGE

Rotate investment assets towards 20-30% are in higher risk stocks

# COUNTDOWN TO COLLEGE

## KIDS ARE 15 TO 18 YEARS OLD

As you narrow down what college your child will be choosing, learn what the true cost of college is:

Tuition might be the most transparent aspect

Room & Board

Will the child live at home: financial benefits vs. social costs

Will the child live on campus: easiest, but maybe less fulfilling

Might be required for many first-year students

Will the child live off-campus: independence vs. all the unknowns

Fees! See if you can figure out all the fees you will be paying

Computers, software, books, other tools and resources

Will the child need a vehicle while at college?

Can the child make money on campus: RA, work study, assistanceships...

# COUNTDOWN TO COLLEGE

## KIDS ARE 15 TO 18 YEARS OLD

As you narrow down what college your child will be choosing, learn what the true cost of college is:

### BUDGET!

Make a budget for the next 4-5 years...with estimates for what the true, full cost of college will be, along with any and all income that will be possible or needed.

Involve the child in all of these discussions and processes



# COUNTDOWN TO COLLEGE

KIDS ARE GOING OFF TO COLLEGE: 17-19 YEARS OLD

KEEP EVERY RECEIPT

HAVE CONVERSATIONS ABOUT MONEY WITH YOUR CHILD

MAKE SURE YOUR CHILD HAS APPROPRIATE INSURANCE –  
HEALTH CARE, LIABILITY, RENTER'S...

# COUNTDOWN TO COLLEGE

KEEP EVERY RECEIPT  
There are lots of IRS-



# COUNTDOWN TO COLLEGE

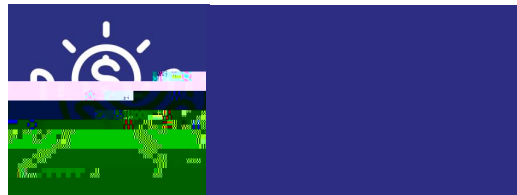
## HAVE CONVERSATIONS ABOUT MONEY WITH YOUR CHILD

Help the child become financial responsible and financially independent

Make sure the child knows what you will cover, what they will be responsible for and what will be covered by borrowing

Involve the child in all borrowing decisions

Make sure the child understands he or she will be responsible for the cost of the education. If you are borrowing, make sure you understand the terms of the loan.





# YOUR EMPTY NEST (OR ALMOST EMPTY NEST) AT HOME

If you have other children at home, the nest will not be empty for several years.

But you can begin the same with other children, involving them as much as possible, making the transition easier for them – and you – when they get closer to college

Learn from any mistakes or oversights – you may want to treat all children equally, but you do

# A FEW CLOSING COMMENTS

Involve the child as much as possible – financial independence begins with financial engagement

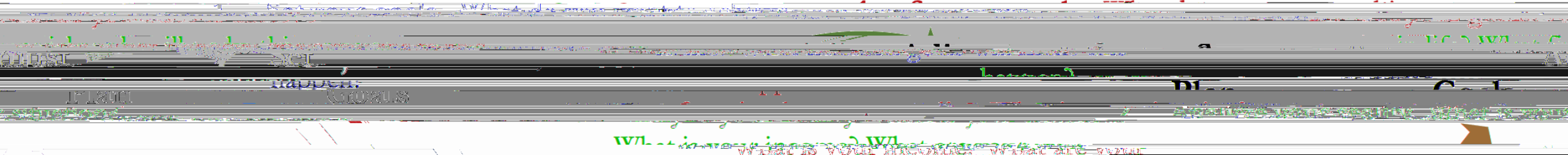
Do not overlook the possibility of a gap year after high school

Different children mature at different times and have different needs & interests

Any initial stigma should be ignored in exchange for what's best for the child

Never stop looking for scholarships and work-study opportunities

Many colleges have hidden and specialized scholarships...that very few people apply for. Not all scholarships are only for the elite – many are for whomever applies



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Isn't this a lot like what you do with your education planning?



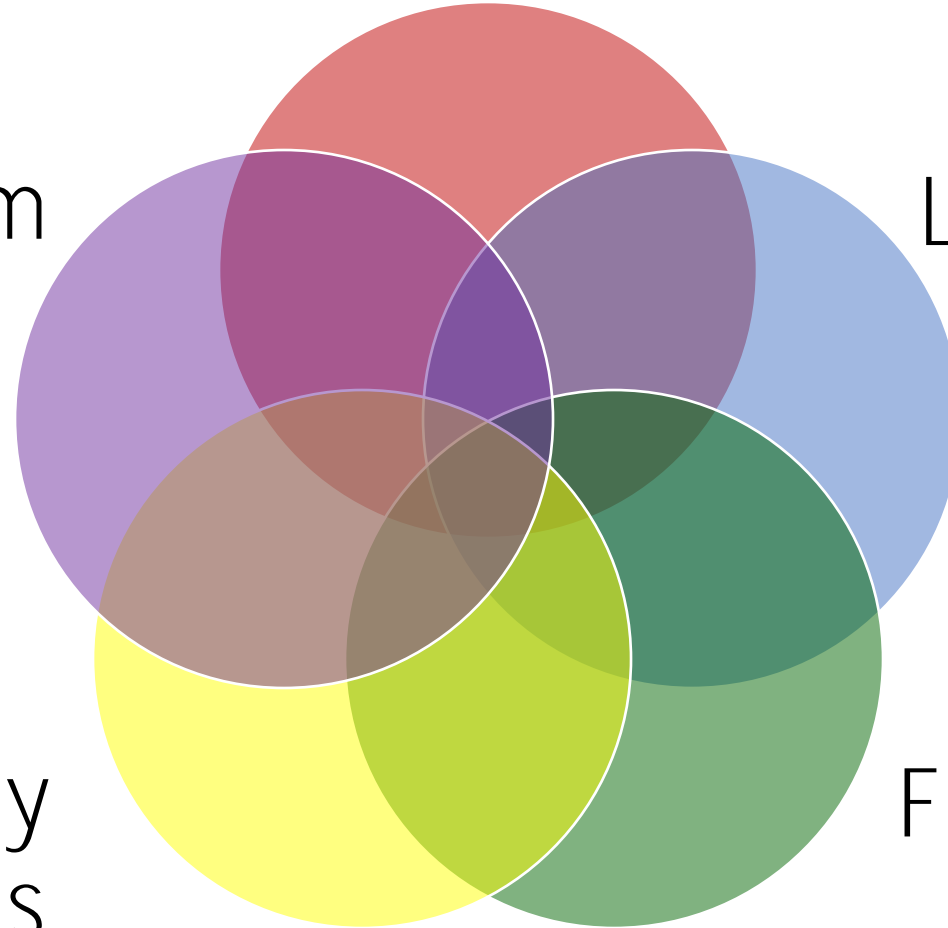
# Happiness

Short-Term  
Goals

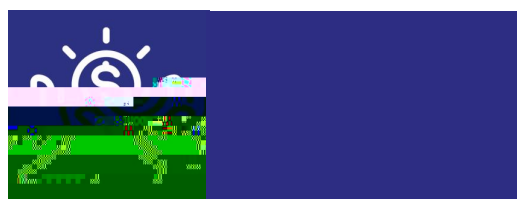
Long-Term  
Goals

Family  
Needs

Financial  
Needs







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