

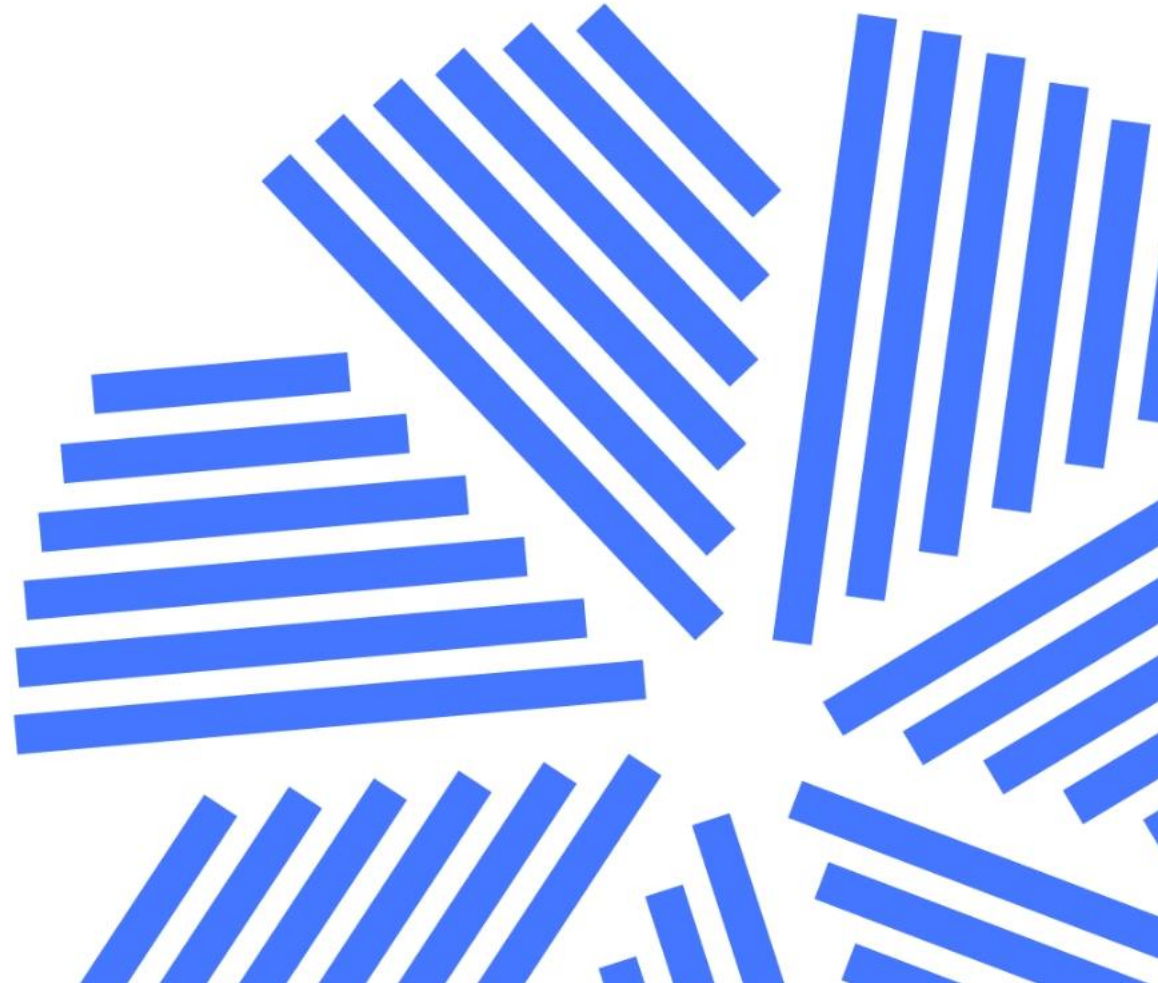


Paying for Education

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CFA Society Boston

- Non-profit professional society of over 6,000 investment professionals
- New England's largest investment professional membership organization
- Founded in 1946, CFA Society Boston is a founding society of CFA Institute.



CFA Institute

- Global association of investment professionals
- Sets the standard for professional excellence and credentials
- Champions ethical behavior in investment markets
- Respected source of knowledge in the global financial community



Speaker Biographies

Speaker
Photo
(Optional) [First, Last], CFA ...

Speaker
Photo
(Optional) [First, Last], CFA ...

Speaker
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AGENDA



Discuss benefits of education



Understand total cost of education



Review ways to pay for education



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KEY TO HAPPINESS

Money Formula

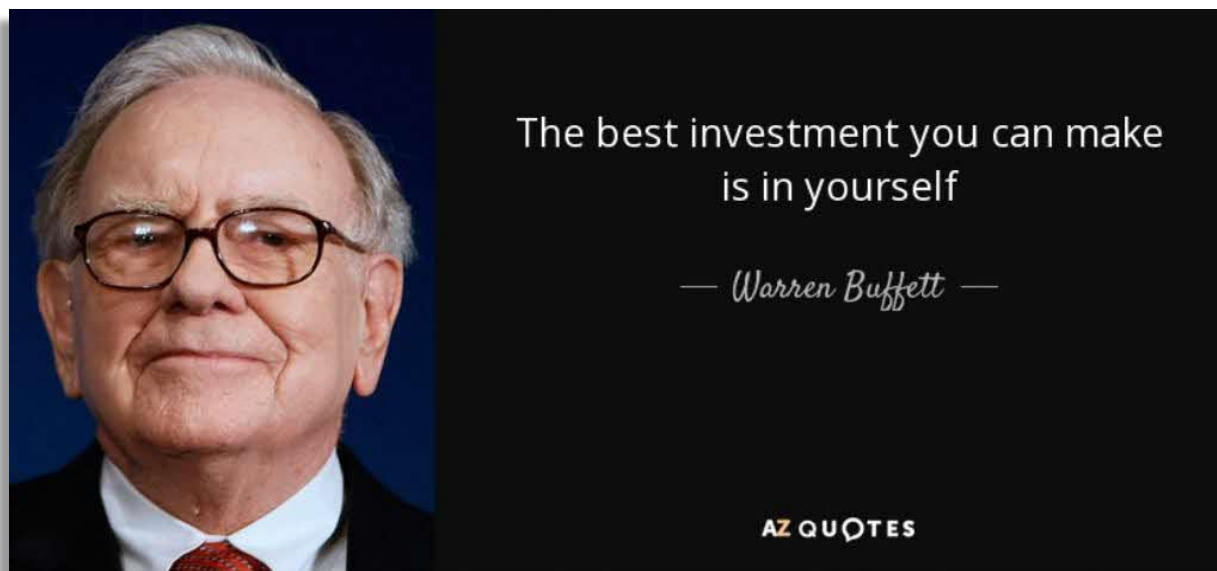
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Income greater than Expenses



INVEST IN YOU

Investment in education has been shown to yield innumerable financial, professional and personal benefits



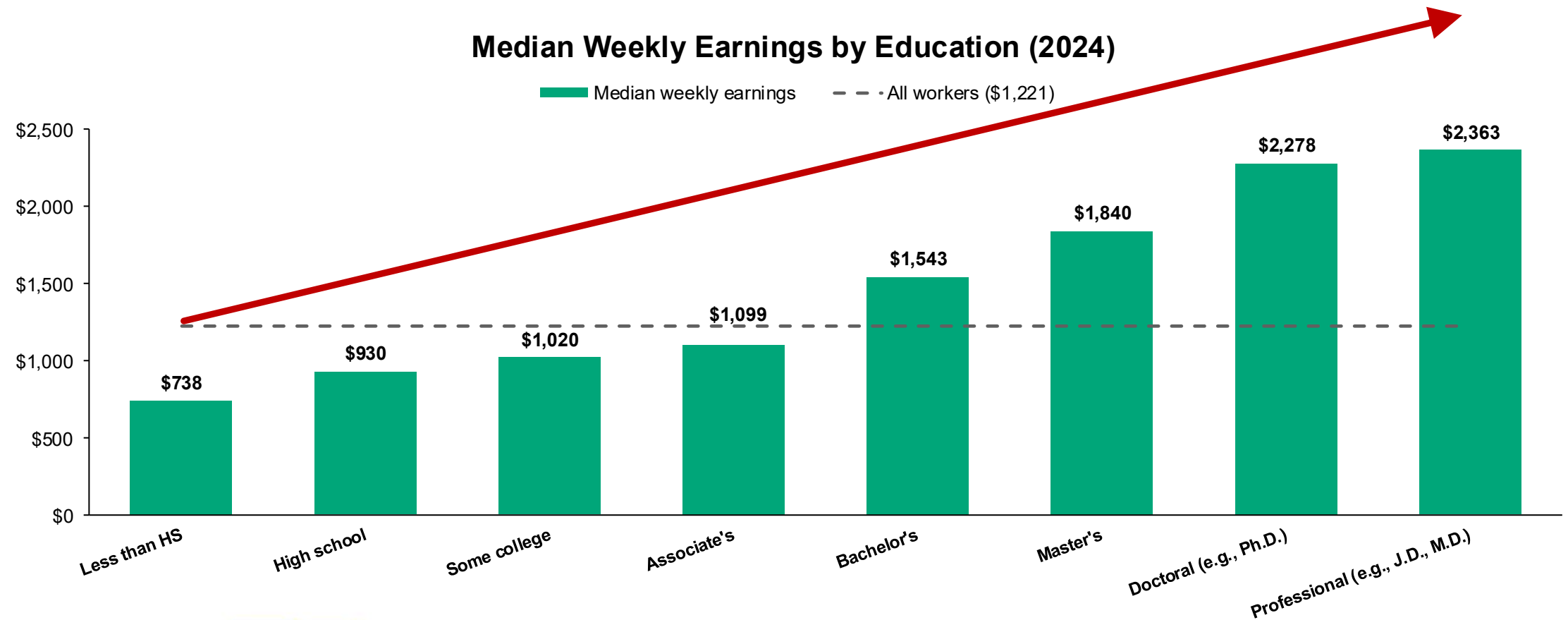
WHY GO TO COLLEGE

College graduates have greater:

- ✓ Career options
- ✓ Chance of landing a job
- ✓ Opportunity for progress in their career
- ✓ Yearly income and lifetime earnings
- ✓ Health and standard of living

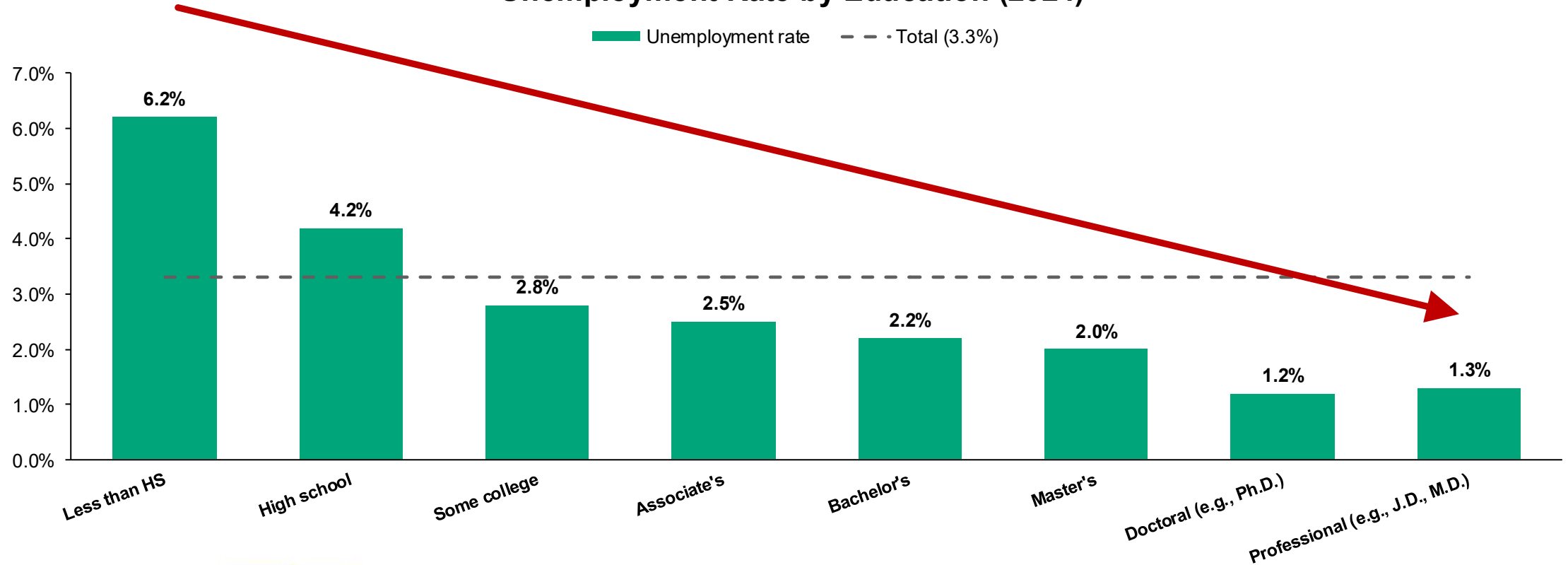


EDUCATION LEADS TO HIGHER EARNINGS



EDUCATION LEADS TO LOWER UNEMPLOYMENT

Unemployment Rate by Education (2024)



TYPES OF SCHOOLS

- Private 4-year colleges (e.g., Harvard, BU, BC, Suffolk)
- Public 4-year colleges (e.g., Umass, UVM, UNH)
- Public 2-year – Community colleges (e.g., Roxbury Community College, 15 in MA)
- Vocational colleges (e.g., Bunker Hill Community College)
- On-line colleges (e.g., Southern New Hampshire University)
- For-profit schools (e.g., University of Phoenix)



AUDIENCE POLL

What is the average yearly tuition/fees cost (including housing and food) for undergrad students at Umass Amherst?

A. \$15,822

B. \$20,134

C. \$37,256

D. \$61,343 → OUT-OF-STATE



PAYING FOR EDUCATION

Beyond tuition - consider all expenses:



Housing

Dormitory, other housing, private housing, live at home



Boarding/Food

Meal plan, cook for yourself



Supplies

Books, supplies, computer



Other

Car/travel, health care, clothing, entertainment and social life



EXAMPLE OF COSTS (IN-STATE)

UMass/Amherst: Academic Year: 2026-27

Expense	Cost
Tuition/ Fees	\$19,212
+ Room/Board/Food	\$18,044
Total	\$37,256
+ Books and supplies	\$1,200
+ Personal and transportation expenses	\$1,440
Total Expenses	\$39,896

DON'T RULE OUT HARVARD!

Net Price Calculator

To estimate how much you and your family will need to contribute for one year at Harvard, we're going to take you through the following steps:

Steps

- 1. Family Information [Edit](#)
- 2. Income Information [Edit](#)
- 3. Asset Information [Edit](#)

→ **Net Price Estimate**

4/4 Net Price Estimate

Estimated Financial Aid Package

Estimated Scholarship	\$72,078	
Your Cost	\$5,950	×
Cost to Parents	\$2,450	
Student Asset Contribution	\$0	
Student Term-Time Work	\$3,500	

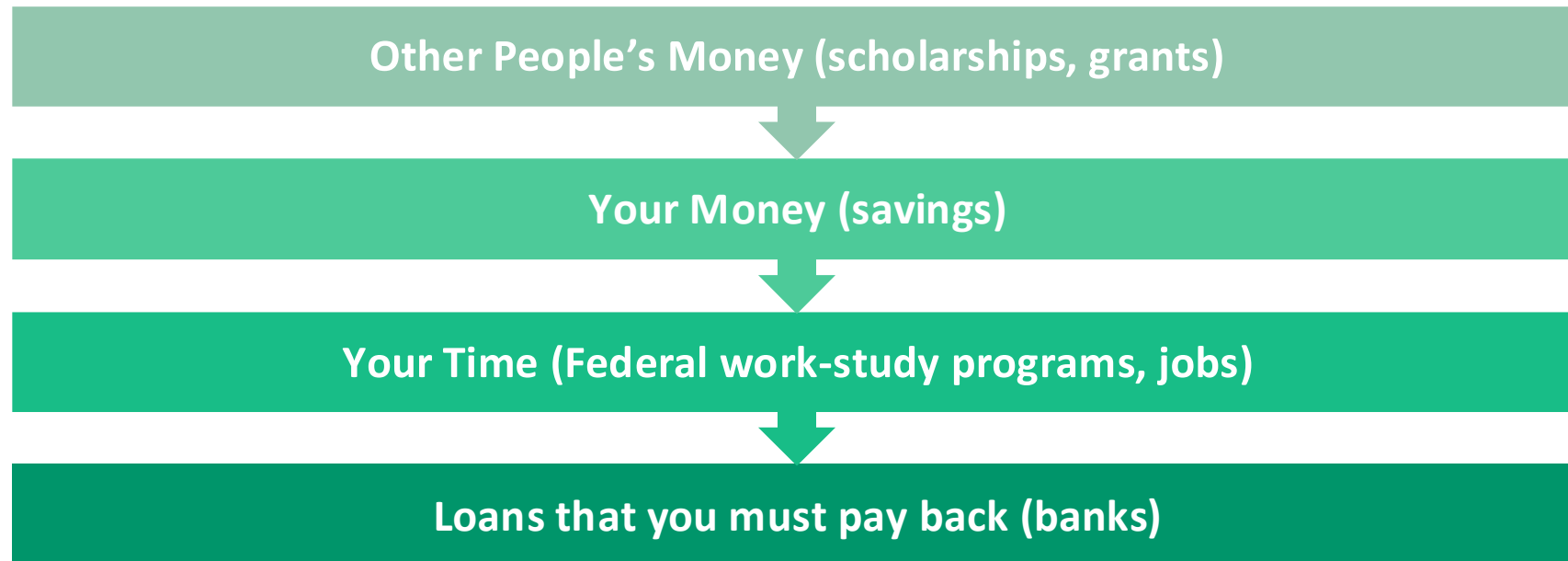
The following billed and unbilled costs were used in calculating your Net Price Estimate.

Total Billed & Unbilled Costs	\$78,028	+
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PAYING FOR EDUCATION

4 Ways to pay for college (in order of preference):



OTHER PEOPLE'S MONEY- SCHOLARSHIPS AND GRANTS

✓ **College** – Discounted price off headline tuition

- Need based (Financial / Grants) or Merit based (scholarship)
- 'Need' and 'Merit' are in the eye of the beholder

✓ **National** – Thousands of applicants, larger sums

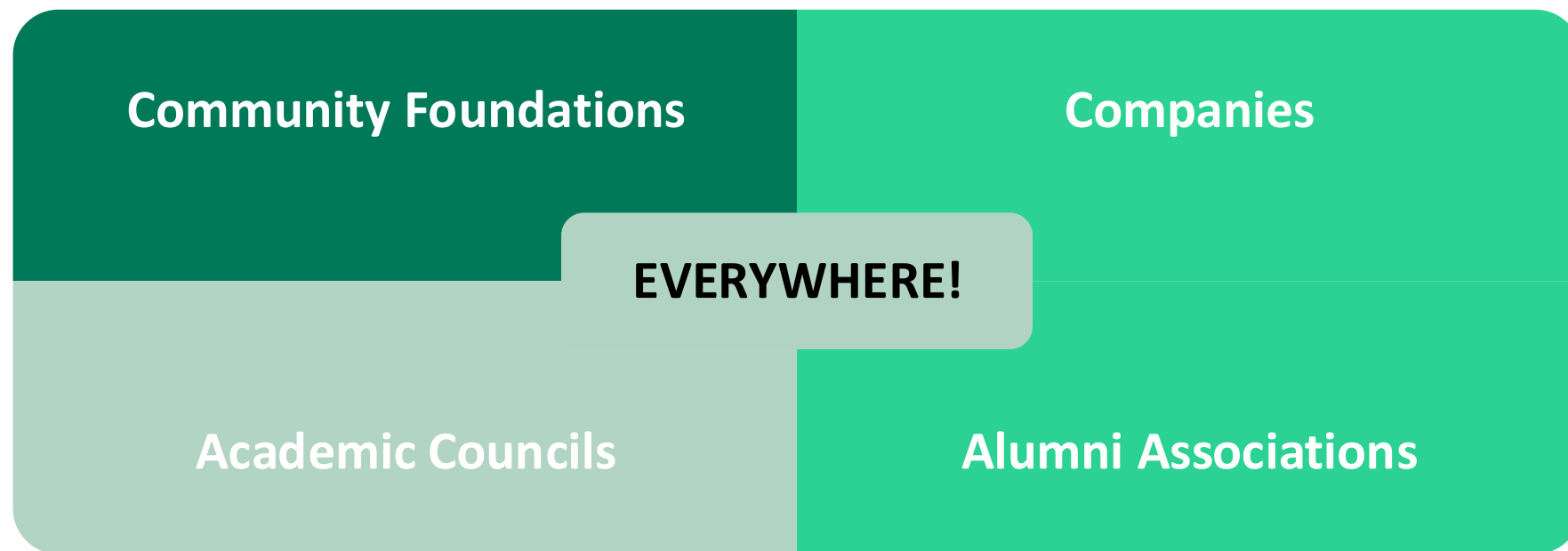
✓ **Regional** – Fewer applicants, smaller sums

✓ **Local** – Small sums, but not widely known



SCHOLARSHIPS

Besides the college, where else should you look?



MASSACHUSETTS GRANTS

Mass Department of Higher Education: Office of Student Affairs



Grants, Scholarships and Loans



Source: Mass Dept. of Education Office of Student Affairs; <http://www.mass.edu/osfa>

AUDIENCE POLL

What percentage of high school athletes are awarded some form of athletic scholarship to compete in college?

A. 10%

B. 25%

C. 12%

D. 2%



ATHLETIC SCHOLARSHIPS

Not a great bet!

- ✓ **Very small percentage of high school athletes receive full or partial scholarships**
- ✓ **Most of the time, if you don't play (e.g., you're injured, cut, or just not interested anymore), your scholarship is terminated**



US GOVERNMENT CAN HELP

Federal Grants

Pell Grant: requires FAFSA; up to \$7,395 for 2026–27 — need not be repaid

Federal Supplemental Educational Opportunity Grant (FSEOG) – from \$100 to \$4,000 a year – has limits

Teacher Education Assistance for College and Higher Education Grant (TEACH) – requires a teaching service obligation

Federal Tax Benefits

American Opportunity Credit \$2,500/year – Max of 4 years (use this one first)

Lifetime Learning Credit max \$2,000/year (20% of first \$10,000). Lifetime.

Coverdell ESA / Education Savings Account and Qualified Tuition Programs / 529 (up to \$35,000 lifetime per beneficiary can be rolled into a Roth IRA)

What is a Coverdell Education Savings Account?

- Tax-advantaged account for education costs (\$2,000/year per beneficiary limit)
- Offers more flexibility in investment options but has lower contribution limits.
- While contributions aren't tax-deductible, earnings grow tax-free.
- Withdrawals for qualified expenses remain untaxed.
- Formerly called an Education IRA.



What is a 529 plan?

1. Designed to encourage savings for education expenses
2. Plans are offered at the state level (All 50 states and the District of Columbia sponsor 529 plans)
3. Tax-advantaged investment accounts (after-tax contributions, earnings grow federal income tax-deferred, distributions are federal income tax-free if used for qualified education expenses)



Options for 529 Account Distributions

Higher Education Uses

Covered Uses

- Tuition
- Room and Board
- Books, Computer and supplies

NOT Covered Expenses

- Commuting and Transportation
- Daycare Expenses
- Clubs or Other Activities

Additional Uses for 529

- K-12 expenses up to \$20K per year (incl. curricular materials, tutoring, testing fees)**
- Student loan repayment up to \$10K lifetime of beneficiary**
- Trade schools and apprenticeship programs**
- Up to \$35K toward a Roth for the beneficiary**
- Opportunity to change beneficiary+
- Options for those who get a scholarship or attend U.S. Military Academy

** some restrictions apply. Check with a tax advisor

How do Education IRA and 529 Plans Differ?

Education IRA

529 Plans

Contribution Limits:	\$2000/year per child with income limits	Limited to the cost of education outlined by the state where the account is held – Usually very high (MA \$575,000 lifetime). NO INCOME LIMIT
Tax Benefit:	Contributions are NOT Tax deductible at Federal or State level	Contributions are NOT Tax deductible at Federal level. Some states offer state tax deduction (MA Ufund offers up to \$1,000 for single filers and up to \$2,000 for married persons filing jointly)
Investment options:	Many options, customize your investment portfolio.	Limited to plan-offered portfolios (typically 15–25, including age-based and static)
Age of Beneficiary:	Contributions until 18 years old. Funds needs to be withdrawn by age 30	No restrictions around age of beneficiary.



WHAT IS FAFSA?

‘Free Application for Federal Student Aid’

How much money will I get?

- ✓ Cost of Attendance - Student Aid Index (SAI) = **FINANCIAL NEED**
- ✓ Financial need can be served in grants, loans, or work-study programs

- Fill it out online in as little as 30min (but don't worry if it takes longer!)
- FAFSA.gov
- Used by all schools!



Image by RDNE Stock project on Pexels

FINANCIAL AID MISTAKES

Not filling out the FAFSA

- It can take only 30 min!
- Available ~October 1 each year (for the following award year)

Not reading FAFSA instructions carefully

- All written from the student's perspective!

Not following up with schools' financial aid offices

- Do the schools have everything they need?



AUDIENCE POLL

What is the Massachusetts' state minimum wage rate?

- A. \$7.25 per hour
- B. \$14.25 per hour
- C. \$10.75 per hour
- D. \$15.00 per hour

YOUR TIME: WHAT CAN YOU MAKE BEFORE YOU GRADUATE

- ✓ Work full-time for one year before college (“gap year”) = **2,000 hours**
- ✓ Work 15 hrs/week during college = 600 hours/year x 4 = **2,400 hours**
- ✓ Work summer jobs = 500 hrs/year x 3 = **1,500 hours**

5,900 hours @ \$15.00 per hour = \$88,500! (maybe >\$57,000 net ?)



YOUR TIME: WHAT ELSE CAN YOU DO TO HELP PAY?

✓ **U.S. Military:**

- ROTC scholarships – requires 8-year military service commitment (active duty + Reserves)
- GI Bill (Post-9/11 & Montgomery) – tiered based on length of active-duty service
- Military Tuition Assistance – current service members

✓ **AmeriCorps & VISTA** – grants after 12 months service

✓ **National Health Service Corps** – scholarships in return for commitment to post-graduation service (minimum 2 years)



OTHER PEOPLE'S MONEY: LOANS YOU MUST PAY BACK

✓ Direct (Stafford) loans

- *subsidized and unsubsidized rate is 6.39% for 2025-2026 undergrad. 7.94% grad school.*

✓ Parent Plus loans

- *unsubsidized rate is 8.94% plus fees for 2025-2026.*

✓ Private loans (from banks, etc.)

- *6% to 18% terms and requirements vary widely*

✓ Personal loans (from friends and relatives)

- *May not be available for everyone*

Note: Major federal loan changes take effect July 1, 2026 (One Big Beautiful Bill Act) — Grad PLUS eliminated for new borrowers, new annual/lifetime caps on Parent PLUS and graduate loans.

KEY ASPECTS OF CREDIT OR BORROWING

Principal amount – how much you borrow



Interest rate – the cost of borrowing



Payment schedule – timetable for making interest and principal payments and minimum payment requirements



Fees – non-interest costs such as origination, servicing, pre-payment, annual (renewal) fees, and late payment penalties



Rewards – enticements for consumers to use this credit

THE INTEREST RATE MATTERS

Repaying \$30,000

Student Loan with 5% interest, \$318 mo, 120 mo or 10 yrs = **\$38,184**

Student Loan with 7% interest, \$348 mo, 120 mo or 10 yrs = **\$41,799**

Student Loan with 15% interest, \$484 mo, 120 mo or 10 yrs = **\$58,081**

EVALUATING FINANCIAL AID

Understand your financial aid offer letter

Will your school guarantee your Financial Aid package for 4 years, if you are a student in good standing?

Do not take any loans you do not need!

Can you expect to earn *at least* the total of your loans as a starting salary?

Repay loans over first 10 years of working

ALTERNATIVE SCENARIOS

✓ **Early College**

✓ **Community college** for 2 years, then transfer

- MassTransfer & Commonwealth Commitment
- Part-time college while you work

✓ **Wait to start college** until you have some savings

✓ **Work-based learning and CTE** (Career & Technical Ed.)

✓ **On-line colleges**



SUMMARY

Lots of ways to make it happen – Don't just wing it – have a plan!

Resources:

- ✓ School counselors
- ✓ Boston Public Library College Planning Center (ASA/American Student Assistance)
- ✓ Web resources:
 - www.mass.edu/osfa, MEFA.org
 - www.highered.texas.gov/plan-pay-complete-college/
 - studentaid.gov, ed.gov, finaid.org,
 - fastweb.com, bigfuture.collegeboard.org, etc.



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How can we help?

CFA Society Boston
www.cfasociety.org
617-426-0270



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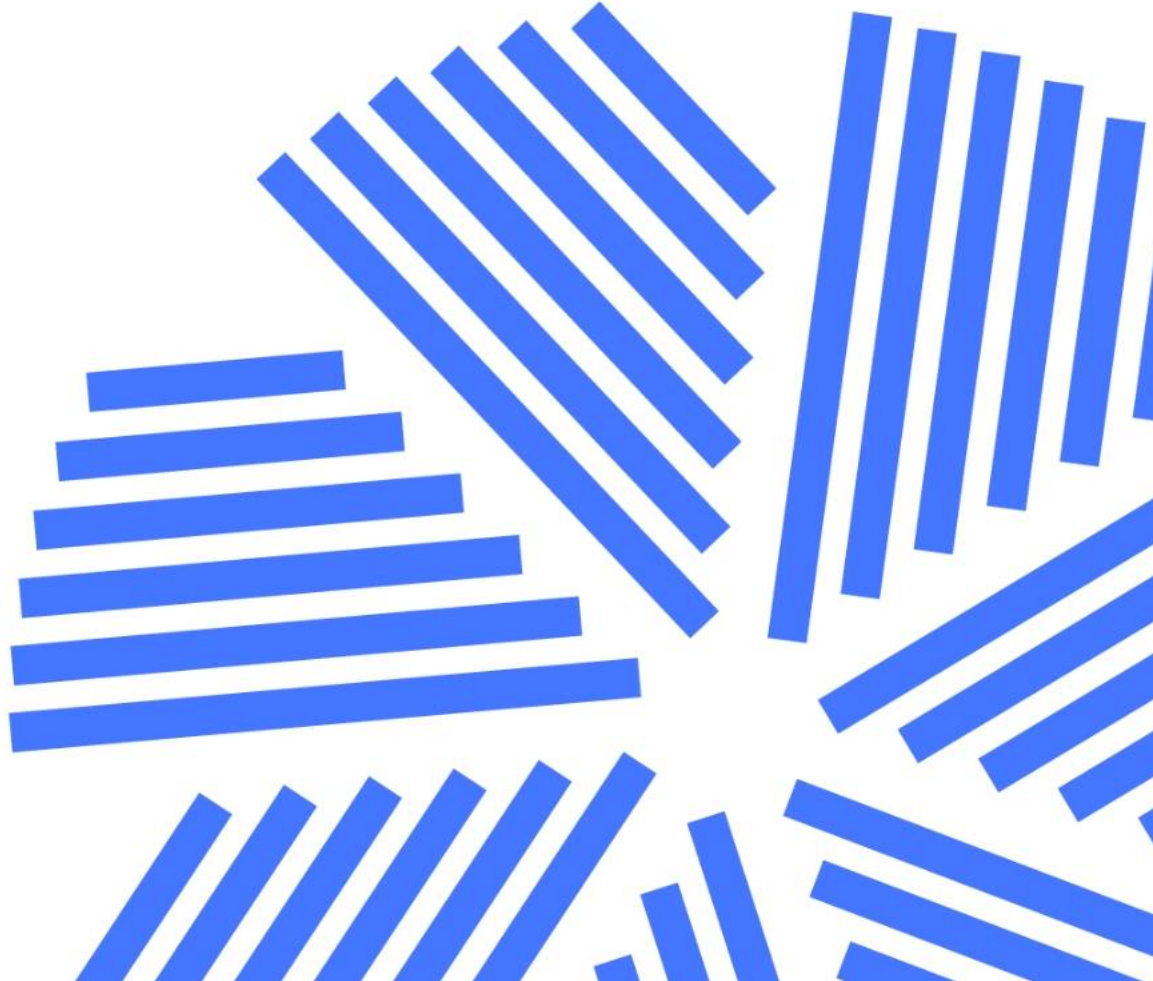
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Thank You



About CFA Society Boston Financial Literacy Program

Who We Are

CFA Society Boston is dedicated to putting investors first and raising ethical standards within the investment profession. We unite Boston's investment community and provide a forum for collaboration, education, and innovation. Originally called the Boston Security Analysts Society, Inc., we are a non-profit professional society founded in 1946. In 2017, we became CFA Society Boston. More than 6,000 investment professionals locally and globally are members of CFA Boston, representing over 650 investment firms. 96 percent of CFA Boston members hold the Chartered Financial Analyst designation from CFA Institute.

Our Financial Literacy Mission

To close the financial literacy gap by imparting financial knowledge without conflicts of interest, thereby improving the lives of the current and future investing public, the credibility of our industry and ultimately, the stability of our economy.

How it Works

This community outreach program aligns with non-profit groups to reach a wide variety of audiences, from late high school onward. Since its inception in 2014, the initiative has touched thousands of people, partnered with over 30 organizations, and currently has over 30 active volunteers. This community outreach program makes valuable financial literacy content available to the general investing public through collaboration with our alliance partners. The initiative addresses issues such as Personal Finance, Basics of Investing, Retirement, Bonds vs. Equities, Choosing a Bank, and more.





How to Partner with the CFA Society Boston Financial Literacy Program

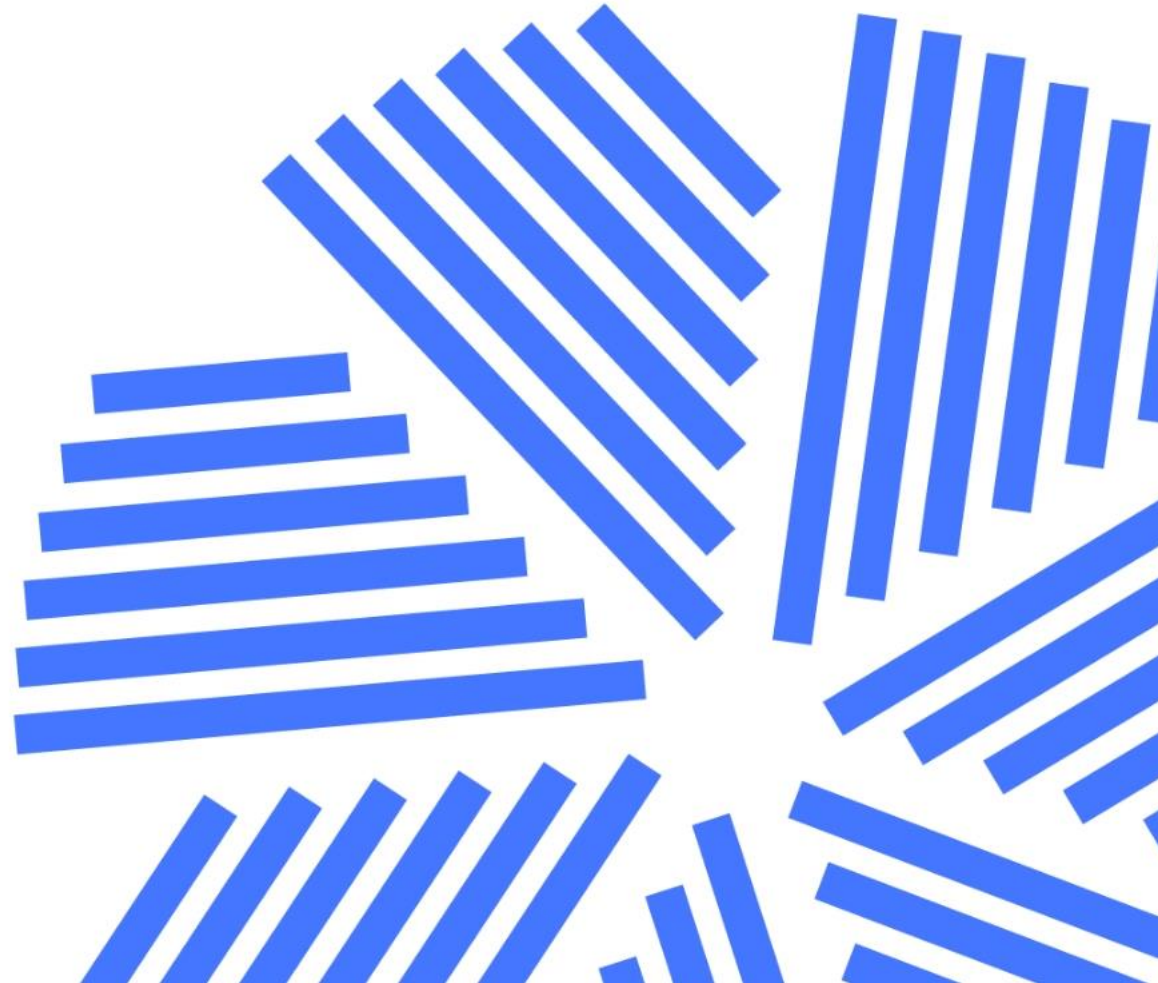
What CFA Society Boston Commits To

- Provide neutral, expert presenters
- Set up and present topics
- Supply the presentation / activity
- Bring a laptop and materials
- Be experienced in presenting in-person and in a virtual setting

What Your Organization Commits To

- Provide the audience and venue, either in-person or virtual
- Promote the event onsite, local newspapers and website
- Make a projector or USB connection available
- Briefly introduce presenter(s) Complete a post offering survey

For more information on how CFA Society Boston can partner with you visit www.cfaboston.org/financialliteracy or email finlit@cfaboston.org.





PRESENTATION INFORMATION

Alliance Leader(s):

Date of Offering:

