

Middlesex PA meeting January 21, 2012

Betsy Lawrence, President, began the meeting with the upcoming events:

- Decorating for Casino Night: those interested in helping should come at 4pm the day of the event and help. No experience necessary.
- After Casino Night there will be midnight munchies for the senior class organized by Jennifer Woo.
- There is also an upcoming Junior class cocktail party at the Crowley's house on Friday February 17 prior to the Junior class day on February 18.

In addition, the MPA is putting together a nominating committee for the MPA for next year. There are jobs for everyone, both boarders and day parents, with job responsibilities that range from smaller to larger. Please email or call Betsy if you want to nominate someone or find out more about the different roles.

Thanks to Robin Shapiro for the amazing faculty and staff appreciation lunches that took place at the end of 2011. They were very much appreciated. We will have another in the spring, more news to come on that.

Thanks also to Christiane Masiello for the beautiful decorations for the Holiday Recitals. Finally, thanks to all the grade reps for their excellent activities recently: senior lunch, sophomore Mexican dinner etc. Thanks too to Jen Kelt for organizing hosts for Prep for Prep and finally thanks to Deb Zaffiro for organizing the sports tea; another will take place in the spring.

Betsy introduced Dan Schiebe to discuss briefly online transactions.

First Dan thanked everyone for the great Faculty and Staff lunches; they were truly appreciated.

He apologized that Kathy Giles was not here; she was in Houston for a financial conference by way of the White House. He explained that Kathy was visiting MX graduate Cass Sunstien, who works at the White House and wrote "Nudge" and while she did not meet the President, she did get to pat Bo the dog.

Dan spoke about online transaction functionality through the school website for parents. The dashboard has options covering student grades, schedule and accounting and bills. So far it does not have the capability to accept payments. Parents can examine details on billing, but the implication of credit card merchant fees are still being navigated and negotiated at this point. Over the short term, the business office may have incidentals available to transact online, but full online tuition payment is not an immediate priority. Café prepay is up and functional and parents can charge up students bank account (including grill accounts) online. It is a separate function on the parent's dashboard. If parents have any questions regarding this, they can call the Business Office at any time.

Someone asked a question regarding the schedule and the start and end times specifically. These issues are being addressed and there is a 2-week as well as a weekend schedule on the Parents dashboard that parents can check for more detail.

Main Speaker: Matt Degreeff introduced the speaker for the meeting. Matt has been in admissions in general since 1989. Back then college tuition was \$18 k which was affordable on a \$100k salary, 23 years later that tuition is \$50k and much less affordable. There has been a relentless rise in tuition, and Financial Aid is more available but parents and students must be proactive in finding their sources. So Matt introduced the speaker, Oliver Scholle, a College Financing expert with many years of experience in banking, etc.

Oliver presented some 40 slides regarding financial assistance (available elsewhere in the MPA section of the website). He started by focusing on the fact that which colleges students apply to can have a big impact on the total cost. Private schools, in New England in particular, are over \$50k (there are 150) and average \$40k but public school average \$20k. This cost is not just tuition but all the other costs such as room and board, books, transportation and other expenses. As specific examples, Williams is \$57k and Tufts is \$56k all in.

How to afford college? Start early, learn the rules, control the process and be Proactive.

There are strategies both for affluent and those who need FA. There are tax strategies for those who can afford it that can lower the cost, and merit scholarships students can apply for. There are also loans that students can apply for. For families who need money to pay for most of college, there is aid. This aid is determined by each college and that is based on your income and assets and that determines your “expected financial contribution”. You must fill out a government form and a CSS profile (for at least 360 colleges who require it) and colleges have some of their own forms. State schools do not use the CSS profile. It is important that these forms get filled out early, say by October or November.

Government aid programs are limited to the particularly needy, but there are government sponsored loans that have more affordable rates. There is also merit aid, which comes in many forms and is determined by each school. There are also private scholarships that students can apply for. There are some schools that are more generous than others, and it is good to seek these schools out, if possible.

He did not recommend Early Decision for those seeking financial assistance because the aid package will not likely be complete at the time these decisions are out and it locks student into that one decision (taking away their “negotiating power”).

Students can also work during college; private scholarships are also available in many forms from local communities to areas of specific student interest, such as places as the Foreign Service. He recommended that students search and apply for these ahead of senior year. These typically range from \$2-5K with some larger ones.

With respect to student borrowing, there are Perkins and Stafford loans (limited to \$27k and have a 6.8% rate) and PLUS loans for parents, which have a 7.9% rate. In Massachusetts there are MEFA loans and finally there are home equity loans.

Federal Stafford loans to students have a 10 year maturity and are recommended to be limited to what the student expects to earn in the first year after college.

There are several strategies he recommended for controlling college costs:

- 1) Apply for merit aid;
- 2) Pick your major carefully: 40% of students take longer than 4 years to complete college;
- 3) apply for private scholarships;
- 4) Space siblings out; encourage a gap year etc to minimize the total cost;
- 5) Have the student live at home;
- 6) Have the student work at school, eg Resident advisor;
- 7) Have the student take out a loan, eg Stafford loans or a MEFA loan;
- 8) Save for college through 529;

There was a question about private high school costs. Most colleges assume that is a choice and ignore the cost of private high school in the decision for financial assistance. There are times when colleges will consider them, but not normally as a rule. In the CSS profile there is a box where you can fill out several special circumstances, and private school tuition can be noted there.

There is an online tool called the net price calculator which will help in a quick way how much you might be able to afford given rough estimates of your income and assets.

He also spoke about tax strategies for college. There are the 529 accounts which do not require tax on the gains made. But he said to check all regulations before you invest. Starting early is better. He also talked about shifting income to the kids in a family income where the child is old enough to work. That way the income is taxed at the child's rate rather than the parent.

The important thing to remember is that college spending should not impact the retirement savings of the parents and all loans and strategies should be compatible with the retirement plan of the parents.

His slides will be available on the MX website and parents can contact him directly.