



AAFMAA Wealth Management & Trust LLC

Invest In Your Kids!

Do you want to set your kids up for success in life? Invest in them!
Join AAFMAA Wealth Management & Trust for a 30-minute discussion of how investments in college education pay off, the trends in college pricing, financial aid, and tips on college planning.

AAFMAA Wealth Management & Trust

OUR MISSION: To be the premier provider of Financial Planning, Investment Management, & Trust Services to the American Armed Forces community.

Financial Planning

Investment Management

Trust Services





AAFMAA Wealth Management & Trust

We focus exclusively on the needs of military families and provide innovative, personalized, and lifestyle-appropriate financial services.

We are bound by a fiduciary standard— any advice or service we offer must always be in the best interest of our clients.

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Today's Agenda:

- Cost/Return of a College Education
- Financial Assistance Opportunities
- Developing a College Savings Plan
- Funding a College Savings Gap

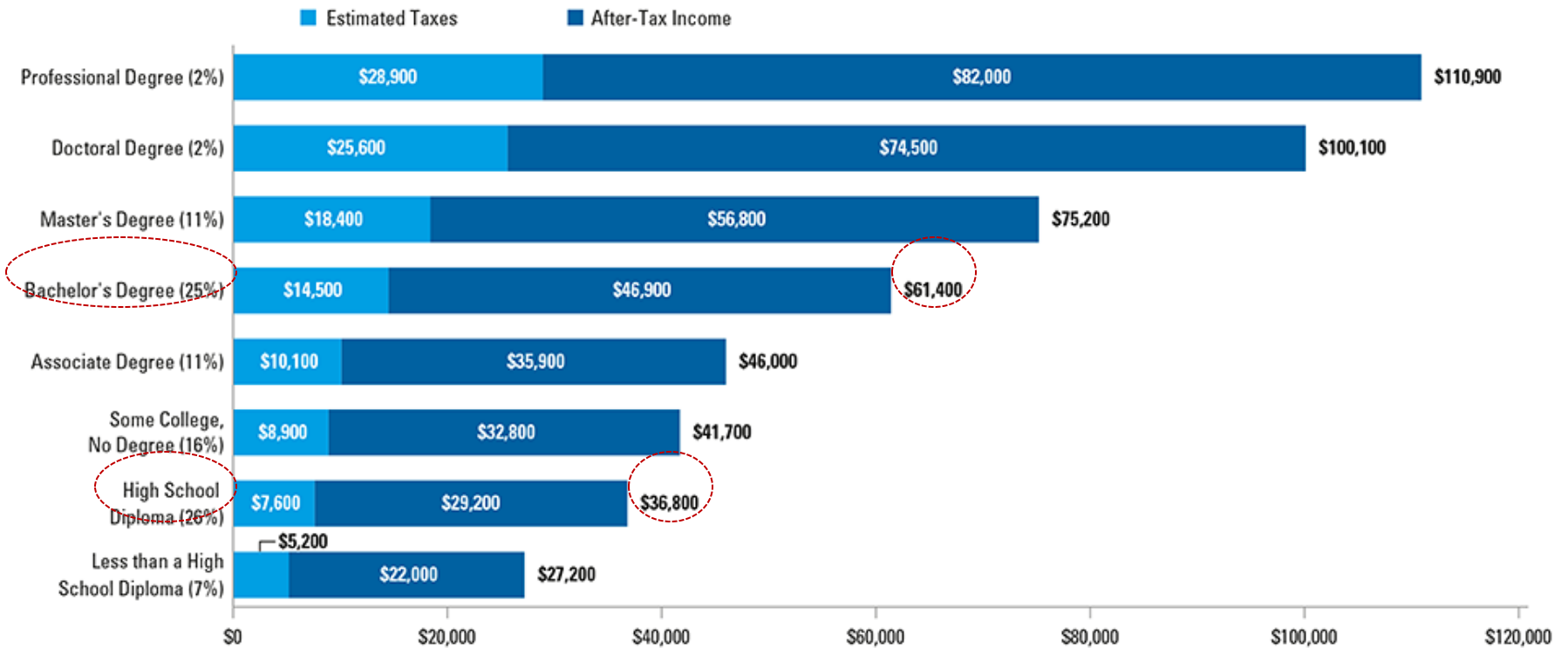


SOURCES:

- COL Gayton, ed., *Guide to Personal Financial Planning for the Armed Forces – 7th Edition*, Chapter 7.
- The College Board, *Trends in College Pricing 2017*, <http://trends.collegeboard.org>



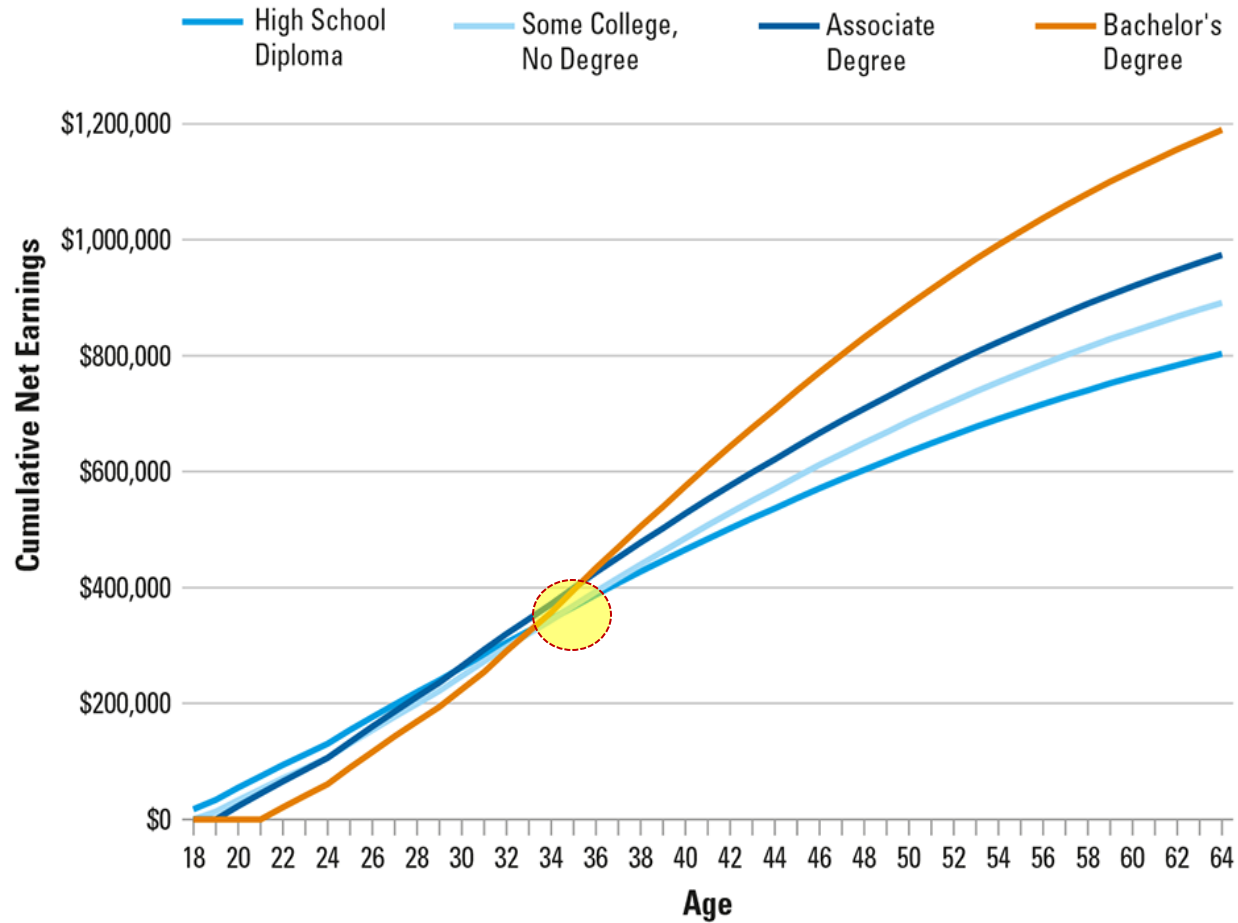
Does College Pay Off?



SOURCE: The College Board, Education Pays 2016, Figure 2.1



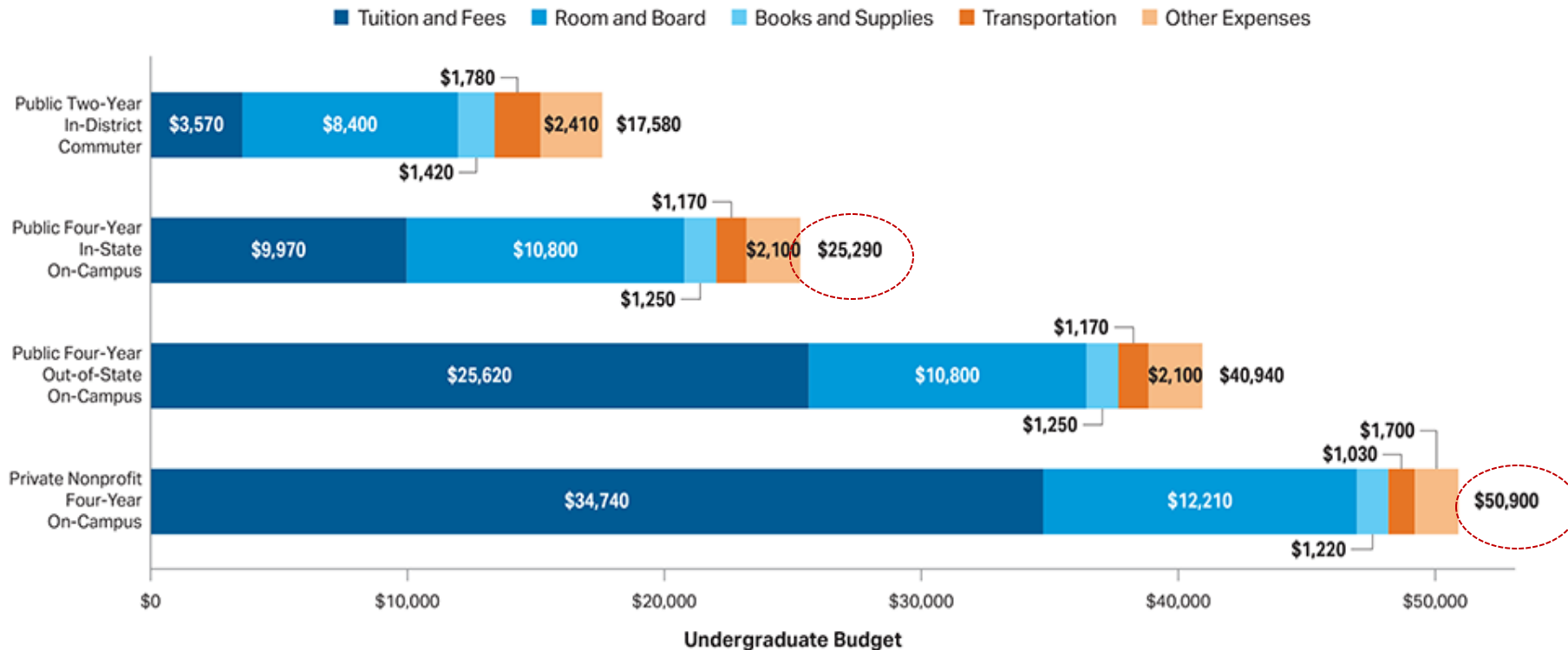
Does College Pay Off?



SOURCE: The College Board, *Education Pays 2016*, Figure 2.2A14



Does College Pay Off?



SOURCE: The College Board, *Trends in College Pricing 2017-18*, Figure 1.



Financial Assistance Opportunities

- Department of Veterans Affairs Programs
 - Post-9/11 GI Bill
 - Montgomery GI Bill
- Military Officer Undergraduate Commissioning Programs
 - Service Academies
 - ROTC
- Tuition Assistance and Scholarships
- Financial Aid
 - Grants
 - Loans



Financial Assistance Opportunities

- Determining financial aid need →

	College A	College B	College C
Total Annual Cost	\$ 10,000	\$ 25,000	\$ 40,000
Parental Contribution	\$ 10,000	\$ 10,000	\$ 10,000
Student Contribution	\$ 1,800	\$ 1,800	\$ 1,800
Self Help	\$ 3,000	\$ 3,000	\$ 3,000
Total Need	\$ -	\$ 10,200	\$ 25,200

- Financial aid mistakes
 - “The EFC is not set in stone”
 - “Don’t focus too much on the financial aid rules”
 - “Don’t focus on the zero-tuition option and fail to shop for value”
 - “Remember: ‘No’ is not final.”
- Applying for financial aid



Developing a College Savings Plan

- Your kids education is just another financial goal
 - How much should I save?
 - How should I invest my savings?
- Accelerate college savings with tax-smart investing
 - UGMA / UTMA
 - US Savings Bonds
 - Coverdell Education Savings Account (CESA)
 - Roth IRAs
 - 529 Plans



Funding a College Savings Gap

- Gifts
 - Grandparents and relatives
- Current Income (Working)
 - Family's monthly income
 - Claiming tax credits
 - Children work and share the burden
- Future Income (Borrowing)
 - Home equity loans
 - Borrowing against 401(k) and other retirement assets
 - Children borrow

SOURCE: COL Gayton, ed., *Guide to Personal Financial Planning for the Armed Forces – 7th Edition*, Chapter 7, pp. 127-128.



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Thank You!



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