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# Understanding College Costs and Funding



# What will it cost?

- 13 year old child today
- In-state at University of Colorado Boulder living on campus = \$160,000 approximate total cost
- In-state at Metropolitan University of Denver living at home = \$40,000 approximate total cost







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# FAFSA

- Free Application for Federal Student Aid
  - Biggest document that schools use to create aid offers
  - Opens the door to Stafford and Parent Plus loans
  - Assumes students spend 20% of THEIR assets on college costs
  - Assumes parents spend 5.64% of their assets
  - Retirement accounts and 529s are not considered assets



# FAFSA APPLICATION WINDOW

IF YOU PLAN TO ATTEND COLLEGE FROM	YOU WILL SUBMIT THIS FAFSA	YOU CAN SUBMIT THE FAFSA FROM	USING INCOME AND TAX INFORMATION FROM
JULY 1, 2015 – JUNE 30, 2016	2015–16	JANUARY 1, 2015 – JUNE 30, 2016	2014
JULY 1, 2016 – JUNE 30, 2017	2016–17	JANUARY 1, 2016 – JUNE 30, 2017	2015
JULY 1, 2017 – JUNE 30, 2018	2017–18	OCTOBER 1, 2016 – JUNE 30, 2018	2015
JULY 1, 2018 – JUNE 30, 2019	2018–19	OCTOBER 1, 2017 – JUNE 30, 2019	2016

[StudentAid.gov/fafsa](https://studentaid.gov/fafsa)





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# Savings Vehicles

## ■ 529 Plan

- You own plan
- Name beneficiary; beneficiary can be changed
- Tax deferred growth; Tax free if used for education
- \$15,000 gift tax exclusion for 2018
- \$70,000 lump contribution allowed
- \$400,000 lifetime contribution limit for CO sponsored
- Anyone can contribute
- TC&JA allows 529 to pay for K-12 expenses
- CO - Matching Grant Program for lower income families

## ■ Coverdell Education Savings Account

- \$2,000 contribution limit
- Non-revocable
- Can be used for K-12 & Higher Ed
- Child must be 17 or younger to start





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# Grants and Aid Awards

- Pell Grants
  - Need based, up to \$5,920 per year for 2018-19
  - 6 year lifetime limit
- Need based scholarships
  - Individual by school, ask for their required forms.
- Merit based scholarships
  - Individual by school or third party organization.
  - School based are listed on their grant and aid award offer, organizations are solicited separately.





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# Loans

- **Student Loans**
  - Stafford Loan
  - Annual maximum \$5,500 (Fr.) to \$7,500 (Sr.)
  - Subsidized, no interest while in school. 4.45%
  - Unsubsidized begins accruing interest immediately 6%
- **PLUS Loans**
  - Direct from US Dept of Ed
  - Up to cost of attendance minus any other aid
  - Students can be borrower
  - Parents can be borrower
  - Interest accrues immediately
  - Currently 7% interest rate
- **Other Types of Funding (consider carefully)**
  - HELOC
  - Home Equity
  - 401(k) Loan





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## Helpful Sites

- University of Colorado

<http://www.colorado.edu/financialaid/>

- Colorado State University

<http://www.sfs.colostate.edu/contact-us>

- University of Northern Colorado

<http://www.unco.edu/financial-aid/>

- University of Denver

<http://www.du.edu/financialaid/>

<https://fafsa.ed.gov/>

<https://studentaid.ed.gov/>

<https://www.collegeinvest.org/>





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Thank you!

Jarrold Musick, CFP®

President, Destiny Capital

(303) 277-9977

[Jarrod.musick@destinycapital.com](mailto:Jarrod.musick@destinycapital.com)

Erin O'Neill

Operations Manager

Financial Paraplanner Qualified Prof.

[erin.oneill@destinycapital.com](mailto:erin.oneill@destinycapital.com)

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