



Planning for Your Child's College Education

In addition to providing them with high-quality healthcare and a nurturing home environment, every parent wants their child to reach his or her full potential. A college education may be instrumental in making this a reality. Some options include community college, a two-year program, or a four-year program at a state college or university. Regardless of the final goal, it's never too early to start thinking **about** and planning **for** your child's future.

How Can You Start Saving?

The State of Michigan offers four programs to its residents. These include the following:

529 Plan

This is a tax-advantaged college savings/investment plan designed to encourage saving for college by a designated beneficiary (child or grandchild). There are two types of 529 plans: 1) Prepaid Tuition Plans and 2) Savings Plans.



Michigan Education Trust (MET)

The MET is a guaranteed tuition program. Parents, guardians, and grandparents can pay for future college tuition at its current cost. College costs are likely to continue rising, and this program helps individuals "lock in" present-day tuition rates.

Michigan Education Savings Program (MESP)

The MESP is a savings and investment program that assists families with preparing for higher education expenses. A child's parents or others can open an account that grows through regular contributions and investment growth.

MI 529 Advisor Plan (MAP)

This provides Michigan residents with a way to invest in a 529 with the help of a financial advisor. The MAP offers a variety of unique benefits that are not available in most other states.

What About Financial Aid?

The main sources of student financial aid are the federal government, state government, institutions (colleges and universities), and private sources (associations, foundations, employers, and unions). **Financial Aid may not be the most stable source of funding.** It is subject to change based on the overall economy and governmental budgeting; also, it may or may not be available when your child is old enough to start applying to colleges.

How Else Can You Prepare?

- ✓ Many high schools offer college classes or “dual enrollment.” This allows children to earn real college credits ahead of time. Check with your child’s high school counselor for more information.
- ✓ Consider a community college for the first one to two years to save on tuition. Be sure the credits from the community college are transferable to the four-year institution your child will attend (if they choose to pursue a four-year degree).
- ✓ Look into cooperative education programs which allow your child to alternate between working full time and studying full time. These programs are not based on financial need.
- ✓ Before and while in college, apply for scholarships **every year**.
- ✓ See if your child qualifies for merit-based aid.



Find Out More

MET Information -- 800.638.4543 -- www.setwithmet.com

MAP Information – 866.529.8818 – www.MI529Advisor.com

MESP Information – 877.861.6377 – www.misaves.com

Student Scholarships & Grants – 888.4.GRANTS –
www.mi.gov/ssg

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Sources:

State of Michigan (2019). www.mi.gov

State of Michigan (2018). https://www.michigan.gov/.../Planning_for_Your_Childs_College_Education_501115_7.pdf