FINANCIAL LITERACY

LESSON 7-22 ▲ GET COLLEGE SAVINGS

**LEARNING GOALS/OUTCOMES**

* Describe the benefits of saving money for a later purchase
* Describe the GET (Guaranteed Education Tuition) Program and identify how they could participate

**MATERIALS NEEDED**

* **Student Handout:**
* GET Worksheet
* **Family Handout:**
* Information about the “GET” Program
* **GET Brochure** downloaded from <http://www.get.wa.gov/sites/default/files/documents/GETEnrollGuide14.pdf>
* **Computer, projector, screen, Internet access** for teacher to show ***GET*** ***commercial***
* **GET commercial** from <https://www.youtube.com/watch?v=5Q86DztBhtU>

**CLASSROOM ACTIVITIES**

1. **Play GET commercial for your students.** You may want to play it several times. Make sure the students notice how quickly the children are growing.
2. **Discuss the value of saving for college.** Ask students to work in small groups to discuss the following questions:
* **Why does it seem to the mother that the children are growing up so quickly?** *(The time until college seems very short, not enough time to save up money…)*
* **What does the commercial say is growing even faster than the children?** *(The cost of college tuition)*
* **Why is that important?** *(Because the parents might not have enough money to send the children to college)*
* **What is GET?** *(A way to pay for college ahead of time, while costs are lower)*
1. **After a few minutes, call the class back together and ask for a volunteer from each group to share how they answered one of the questions.** Then ask for a show of hands: based on just this commercial, how many think GET sounds like a good idea? Why or why not?
2. **Divide students into groups of three of four.** Give each student a GET Brochure (download from the GET web site noted in the “Materials Needed” section of this lesson) and a *GET Worksheet* (included as a handout with this lesson).
3. **Have the groups complete the worksheet.** Then call the class back together and review their answers. (The worksheet provides the correct answers – what is most important is that your students learn enough about GET so that they can share this information with their families.)
4. **Explore the concept of saving money.** Ask for a show of hands: how many students want to buy something big? Have a few volunteers share what they want: bikes, skateboards, video games, etc. Then ask for volunteers to tell you how they might get the money they need to buy what they want.
5. **Discuss with students the notion that if they want to buy something (whether a new bike or a year of college tuition) one good way to do that is to save up money in advance.** Encourage students to talk with their families about ways the students can save money that they earn from allowances or babysitting or doing yard work or that they get from birthday presents. Stress to students that even a small amount saved now can be a big help later when they want to spend the money to buy something big.
6. **Distribute the *GET Information Family Handout* for students to take home and** **ask them to share what they’ve learned with their families.**

**STUDENT PRODUCTS**

* **Completed *GET Worksheet***

 **ADDITIONAL RESOURCES AND OTHER INFORMATION**

* **EXPLORATION OPPORTUNITIES**

**Help your students become Money Savvy!** If you wish to help students learn more about money and financial literacy, register your class for the ***Money Savvy U*** lessons that are available through the Washington State Department of Financial Institutions.

The lessons include a teacher training video and three hours of curriculum materials to help students develop a framework to make wise financial decisions. You can learn more about the lessons and register at: [www.msgen.com/assembled/washington678.html](http://www.msgen.com/assembled/washington678.html).

**Organize a GET Info Night for families with younger children.** Help your students’ families learn more about the GET Program. You could also provide information on the other opportunities that are available to help middle school students prepare for college, such as summer programs, after-school enrichment activities, Career & Technical Education, and other programs. Organize an Info Night, perhaps coordinated with your student conferences, to share information with families.

* **Guaranteed Education Tuition (GET) Program**

[www.get.wa.gov](http://www.get.wa.gov)
Prepaid 529 savings plan that allows families to “prepay” college tuition

* **Money Savvy U**

[www.msgen.com/assembled/washington678.html](http://www.msgen.com/assembled/washington678.html)
Financial literacy lessons sponsored by the Washington Department of Financial Institutions

* **Washington Student Achievement Council**

[www.wsac.wa.gov/sfa-overview](http://www.wsac.wa.gov/sfa-overview)

Overview of financial aid in WA State

**ALIGNMENT WITH STANDARDS**

* **Essential Academic Learning Requirements Grade 7 Grade Level Expectations:** This lesson is aligned with Communication 1.1.1 and 2.2.2. Students will participate responsibly in a small group discussion.
* **Common Core State Standards Grade 7:** This lesson is aligned with English Language Arts Speaking and Listening 1b, 1d, and 2. Students will participate in collegial discussions with a group, acknowledging new information and qualifying or justifying their own views as needed. They will analyze information that is presented to them and demonstrate that they can reiterate that information accurately.
* **American School Counselor Association National Standards:** This lesson is aligned with ASCA Career A1.3 and A1.6 and Personal & Social A1.8. Students will articulate their personal interests and goals and understand the need for self-control and how to practice it.

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LESSON 7-22 STUDENT HANDOUT

 GET WORKSHEET

**Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**GET IS A “PREPAID” TUITION PLAN. WHAT DOES IT MEAN TO “PREPAY” SOMETHING?**

**GET IS “GUARANTEED.” WHAT DO YOU THINK THAT MEANS?**

**WHERE CAN YOU USE GET?**

**ANSWER KEY:**

GET is a “prepaid tuition plan.” That means that your family pays for college tuition BEFORE you need it. You might pay this year for tuition you won’t use for 10 more years. Prepaying tuition means your family can pay a lower tuition rate today rather than the higher tuition when their children start college. Because it takes at least four to five years before you see a gain on your investment, GET is best for families with younger children who have many years to see their savings grow.

GET is guaranteed: 100 units will cover one year of resident, undergraduate tuition at the highest priced Washington State public university, no matter how much tuition increases in the future.

You can use GET at a Washington State public college (two-year or four-year) or at nearly any other college in the United States. The monetary value is based on the highest-priced Washington university (UW or WSU) but you can apply that money toward tuition at other schools. That makes GET easy to use.

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LESSON 7-22 FAMILY HANDOUT

 INFORMATION ABOUT THE “GET” PROGRAM

**GET helps families save.** The Guaranteed Education Tuition “GET” Program is Washington's 529 prepaid college tuition plan. It was established in 1998 to help families save for their child's future higher education. Since that time, over 135,000 GET accounts have been opened and over 20,000 students have already used their accounts to attend colleges, universities, and technical schools nationwide. Here's why:

**State guarantee.** The State of Washington guarantees that the value of your account will increase right along with the rising cost of college tuition, no matter how much it increases in the future. You don’t have to worry about the ups and downs of the stock market. You are assured that the money you invest in GET will be there when your child is ready for college.

**Choice of colleges nationwide.** You can use your GET account at nearly any public or private college, university or technical school in the country and even at some schools around the world. The value of your account is determined by the cost of resident, undergraduate tuition at Washington’s most expensive public university (UW or WSU) but you can use your account to pay college expenses practically anywhere. Your GET units have the same monetary value whether your child attends University of Washington, a local community college or a private university in another state.

**Tax-free savings and withdrawals.** Because GET is a state 529 plan, the after-tax money you put in will grow tax-free. And when your child is ready for college, the money you withdraw will be tax-free too, as long as you use it for qualified higher education expenses.

**Flexibility and control.** You can use your GET account not only for tuition, but also for room and board, books, or other qualified expenses. If your child chooses not to go to college or receives a scholarship, you can transfer your account to another family member, hold onto your account for a change of plans, save it for graduate school, or even request a refund. And, unlike some other savings options, you maintain complete control over the account.

**Easy ways to save.** You can set up a monthly payment plan, send a check whenever you have extra money to contribute, or choose a combination of the two. You can open an account for anyone – your child, grandchild, friend or even yourself. The only requirement is that either the account owner or the student is a Washington resident at the time of enrollment in the program.

**GET FAQ**

**1. Can GET be used at private colleges or out-of-state universities?**

You can use your GET units at nearly any public or private college, university or technical school in the United States and at selected colleges in other countries. A college is eligible if it participates in federal financial aid programs through the U.S. Department of Education. View the hundreds of participating schools on the FAFSA Web site ([www.fafsa.ed.gov](http://www.fafsa.ed.gov)). Your GET units may not be enough to cover the full cost of tuition and fees at private or out-of-state colleges. If your school costs more than University of Washington or Washington State University, you pay the difference. If it costs less, you can also use GET units to pay other higher education costs such as room and board, books, etc.

**2. What if my child gets a scholarship?**

You have several options. If your child's scholarship covers tuition and fees, you can use your GET units to pay for room and board, books, or other qualified higher education expenses. You can transfer the account, in whole or in part, to another family member (as long as you don't exceed the 500 unit maximum). You can request a refund (see our Refund and Cancellation policy for details). You can also wait up to ten years to see if your child may want to apply GET account funds toward graduate school.

**3. What if my child chooses not to go to college?**

You have several options. Your student has up to ten years after graduation to begin using his GET account. Many students who aren't ready for college upon graduation change their minds. You can transfer funds in the account to another family member with an existing account (as long as you don't exceed the 500 unit maximum), or change the student beneficiary on the entire account to another family member. You can request a refund as well, though you will need to pay taxes on any increase in value as well as a refund penalty. Please review our Refund and Cancellation policy for details.

**4. How do I know it's safe?**

GET is one of only five state prepaid college tuition plans in the country with a guarantee in state law (RCW 28B.95.050). The state guarantees that if future tuition increases ever require the program to pay out more money than it has available, the Legislature would be required by state law to provide funding to cover the shortfall. GET is a self-sustaining program and does not rely on general state budget funds. The unit price is carefully evaluated twice yearly to ensure that future college funds will always be there for families who have enrolled their children in GET.

**5. Who controls the account?**

As the account owner, you maintain total control of your account and are the only one who can request account changes, distributions or a refund. The student beneficiary does not have any control over the account, unless he or she is also the account owner.

**6. What if I can't make my monthly payments? Can I get a refund?**

If you can no longer make payments on your Custom Monthly contract, you have the option to 1) convert to a Lump Sum plan and end your monthly payments, 2) reduce the total number of units in your contract to lower your payment, 3) increase the number of years in your contract to lower your payment, or 4) close the account and request a refund. Please review our Refund and Cancellation policy or call us for details.

**7. Are units the same as credits?**

GET units are not the same as credit hours at a college, university, or vocational school. Credit hours represent the academic value of a particular class. (For example, your child might earn 4 credit hours for completing English 101 at his college.) On the other hand, GET units are a financial measure and represent a way to pay for college.

One hundred GET units are equal to the cost of an academic year of resident undergraduate tuition and state-mandated fees at the most expensive Washington public university. Each GET unit is equal to 1/100 of that amount, and you can buy from 1 to 500 units per child.

**8. How many units should I buy?**

You decide how many units to buy, from a minimum of one unit to a maximum of 500 units per child. You can use up to 125 units each academic year. Any unused units from one year will automatically roll over to the next year. One hundred units will cover one year of resident undergraduate tuition and state-mandated fees at the most expensive Washington public university, either the University of Washington or Washington State University. One hundred units might cover two years at a local community college. Five hundred units will contribute significantly to your child’s overall college costs, but there will be additional expenses, (such as books, room and board) to plan for.

**9. How is the payout value determined and why is the unit price higher?**

The payout value of a GET unit is established at the beginning of each academic year when the state public universities set their tuition rates. The current payout value and unit price are always posted on the web site at [www.get.wa.gov](http://www.get.wa.gov).

The unit purchase price is higher than the current payout value because the state guarantees that the money you put into GET will always keep pace with tuition in the future, even if it doubles or triples in that time. The GET Committee sets the unit purchase price based on an actuarial formula that takes into account the expected cost of future tuition, the expected return on investments, inflation, administrative costs, and a reserve to assist in periods of higher-than-expected tuition increases or lower-than-expected investment returns. It will take at least four or five years to realize a gain on your investment, but GET’s increase in value is steady and guaranteed over the years. GET is a self-sustaining program and receives no ongoing state appropriations.

**10. How do I use my GET units?**

When your student is ready to begin college we'll provide you with information about how to use your units. You will complete an online Intent to Enroll form, then either a Direct Payment Request if you want GET to send money directly to the school, or a Reimbursement Request if you have paid college expenses from your own funds. Remember that units must be held at least two years before they're eligible for use, and Custom Monthly Payment contracts must be paid in full.