

Financial Planning: K-12 and Beyond

Our Lady of Consolation
CATHOLIC SCHOOL

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President/CEO

West Catholic High School

Prayer

We stand before You, Holy Spirit, as we gather together in Your name.

With You alone to guide us, make Yourself at home in our hearts;

Teach us the way we must go and how we are to pursue it.

We are weak and sinful; do not let us promote disorder.

Do not let ignorance lead us down the wrong path nor partiality influence our actions.

Let us find in You our unity so that we may journey together to eternal life and not stray from the way of truth and what is right.

All this we ask of You, who are at work in every place and time, in the communion of the Father and the Son, forever and ever.

Amen.





Disclaimer

Former president/CEO Cynthia Kneibel gifted WC her background in financial services and her 12 years experience seeing what works in families and what doesn't work in regard to making Catholic education a financial reality, The suggestions in this presentation are from the wisdom of Cynthia Kneibel and current president/CEO Jill Annable. They are not intended to take the place of tax or financial advice. Please consult professionals where applicable!

The Value Proposition

Is it worth it?

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National Perspective

- Based on the average public school cost of \$12,612 per student, and \$612.7 billion dollars nationally, Catholic schools provide more than 20 billion dollars a year savings for U.S. taxpayers.
- There are 5,900 Catholic schools in the US
- Rockford Public Schools spends \$11,190 per student each year.
- Average tuition for secondary Catholic schools is \$11,240, compared to \$16,645 for all private secondary schools. (2023)
- About 85% of secondary schools provide some form of tuition assistance.
- The difference between the per pupil cost and the tuition charged is obtained in many ways, primarily through direct subsidy from parish, diocesan or religious congregation resources and from multifaceted development programs and fundraising activities.

Sources: United States Conference of Catholic Bishops;

National Catholic Educational Association; World Population Review



National Perspective

Catholic School graduates in the United States are:

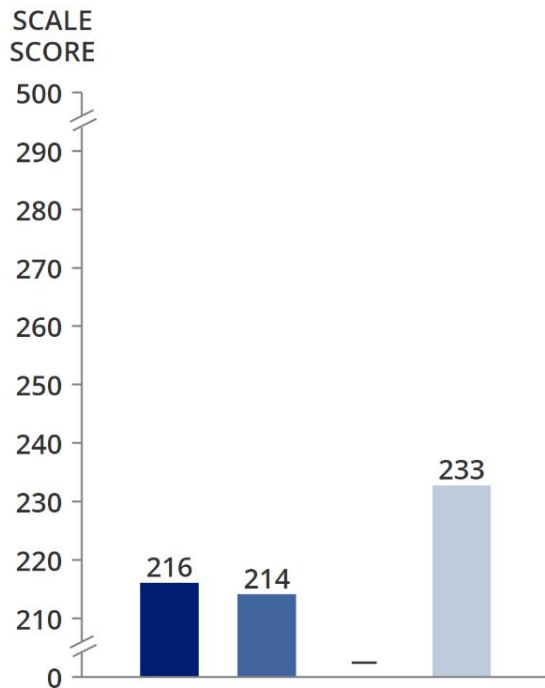
- More civically engaged; more likely to vote and run for political office
- More likely to gain leadership roles in every field studied
- More likely to attend Sunday Mass as adults
- More likely to get married in Catholic Church
- Less likely to be incarcerated
- Less likely to drop out of college
- Less likely to be unemployed in adulthood
- Earn more over their lifetime

than their public school graduate colleagues.

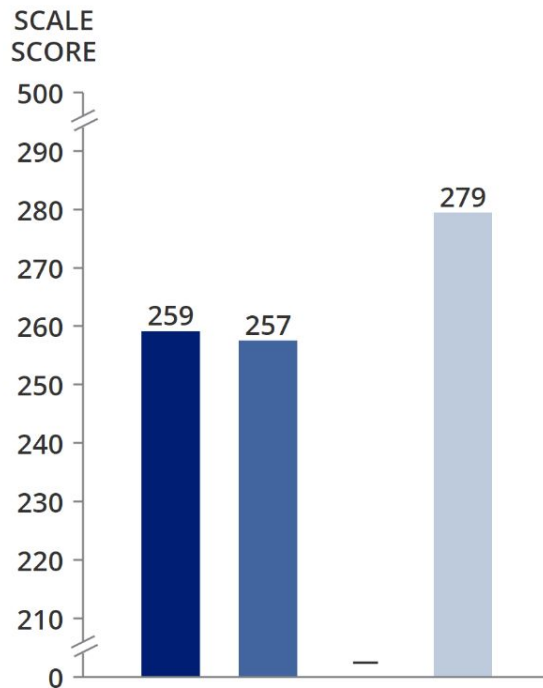
Sources: NCEA; USCCB; Notre Dame; other various sources

Average scores in NAEP Reading for all students, by grade and type of school. 2022 (grade 4), 2022 (grade 8), and 2019 (grade 12)

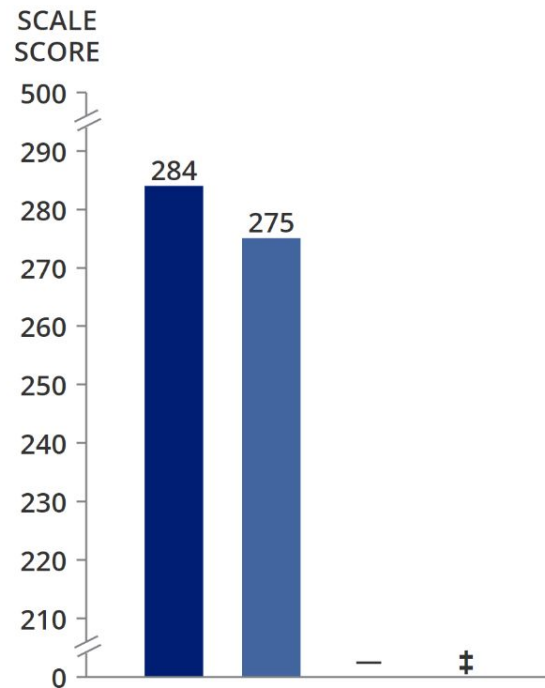
GRADE 4



GRADE 8



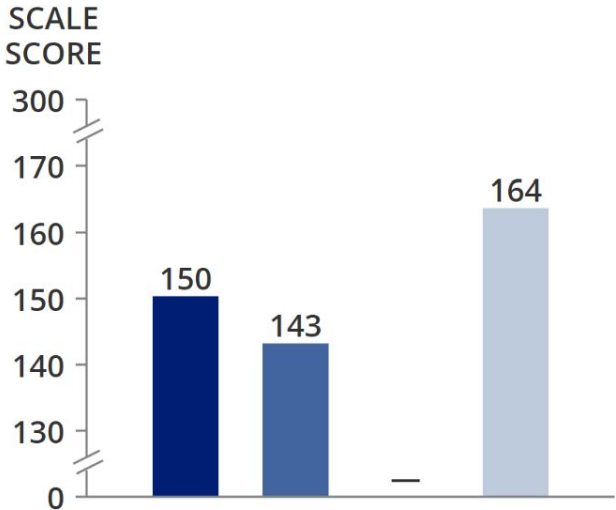
GRADE 12



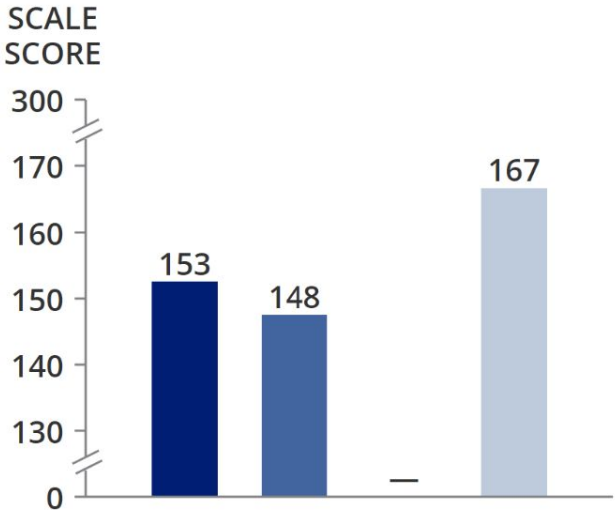
Show/Hide School Type: Public Public: Charter Private Private: Catholic

Average scores in NAEP science for all students, by grade and type of school: 2019

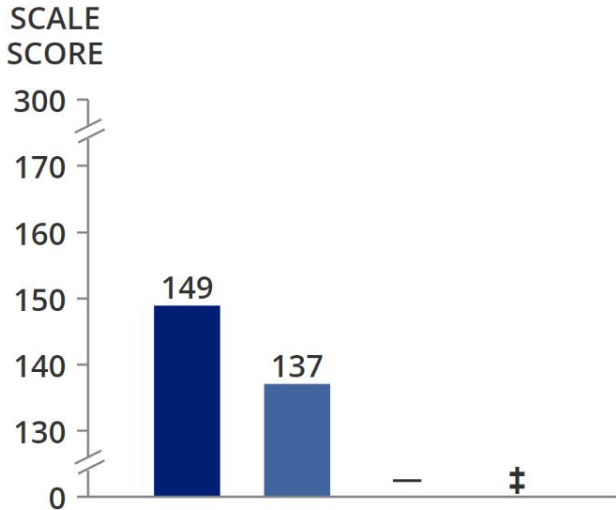
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GRADE 8

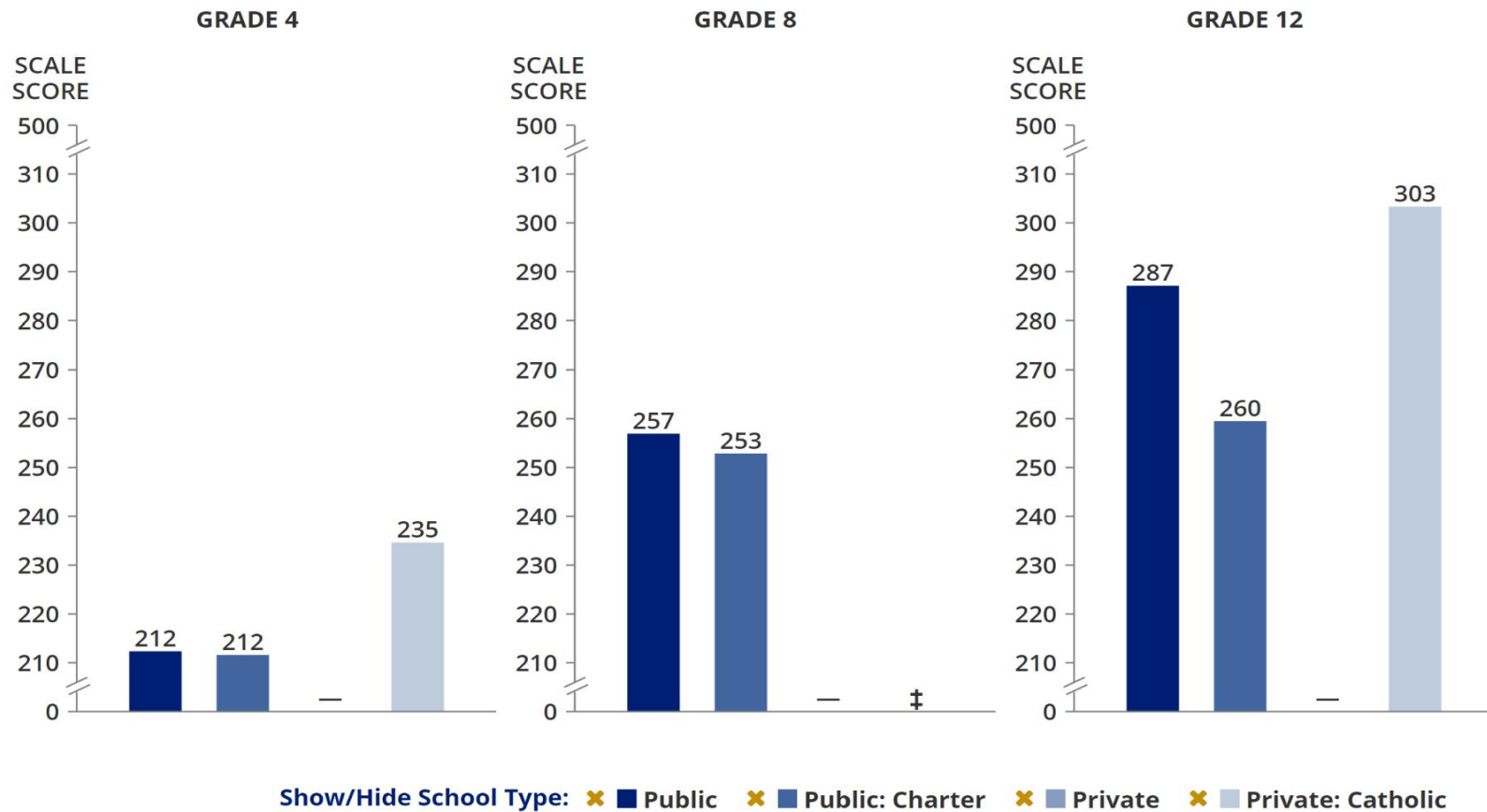


GRADE 12

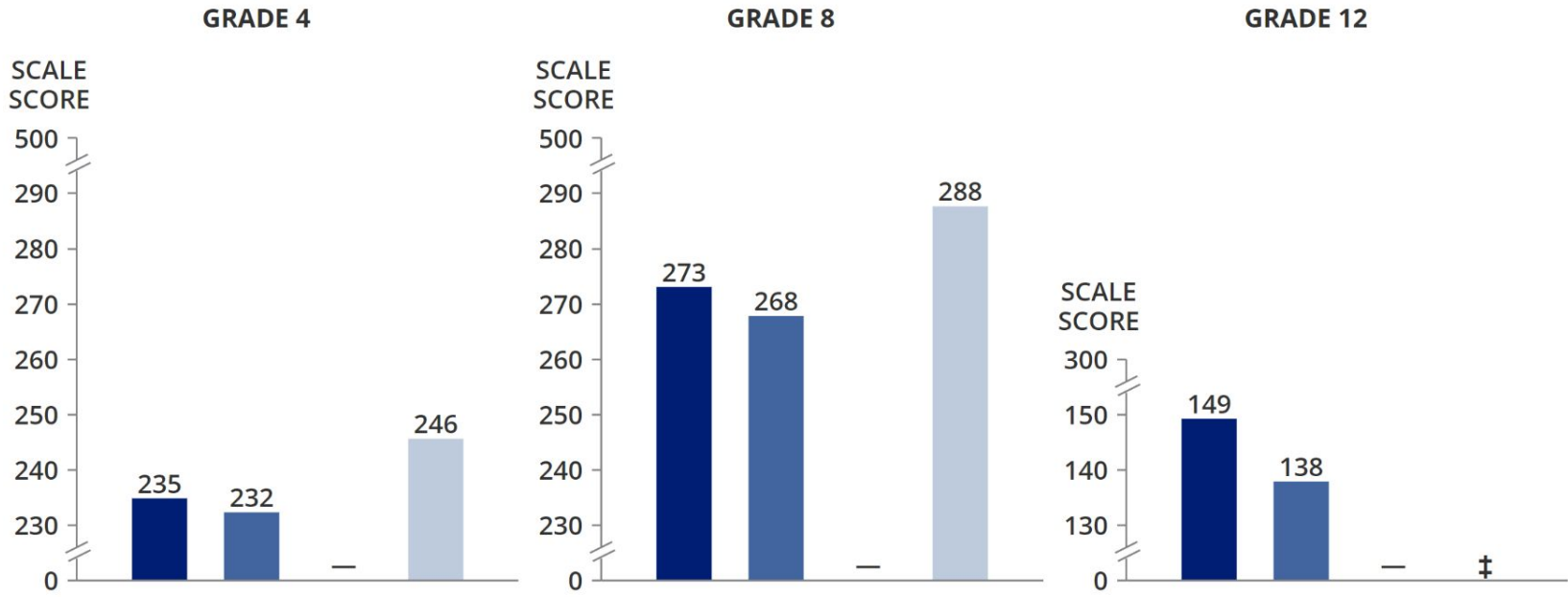


Show/Hide School Type: Public Public: Charter Private Private: Catholic

Average scores in NAEP U.S. history for all students, by grade and type of school: 2010 (grade 4), 2022 (grade 8), and 2010 (grade 12)



Average scores in NAEP mathematics for all students, by grade and type of school: 2022 (grade 4), 2022 (grade 8), and 2019 (grade 12)



Show/Hide School Type: ■ Public ■ Public: Charter ■ Private ■ Private: Catholic


The 'unquantifiable difference' of Catholic Education

- 13.6% lifetime wage premium over all students
- All private schools, in contrast, had only a 2.3% increase in income
- Numbers are adjusted for socio-economic and school-level factors



Source: Federal Reserve Bank of St. Louis, "Measuring the Effect of School Choice on Economic Outcomes," Michael T. Owyang and E. Katarina Vermann

West Catholic: Value Proposition

- **Opportunity to enter college with college credit:**
 - Dual enrollment with colleges such as Aquinas College
 - Advanced Placement scores of 3+
 - More than 60% of the students of each graduating class graduate with some college credit
 - Career readiness with KCTC also available
 - SAVE UP TO \$70k WITH EARLY COLLEGE CREDITS
 - **College Scholarships:** last year's West Catholic senior class was offered over \$9 million (115 students): Academic, athletic, extracurricular
- 

Most important: Four years in faith formation

Cardinal Dolan of New York, former President of the United States Conference of Catholic Bishops (USCCB), said in his blog: “There is no more tried-and-true way of passing on our Catholic faith to our kids than by sacrificing to put them in a Catholic school. Data proves they persevere in the faith at higher rates, pray better, are more faithful to Sunday Mass, live gospel values, are more generous to their parish, even have happier marriages, volunteer more, and transmit the faith to their own children, than those not in a Catholic school.” (<http://blog.archny.org/?p=2470>)



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WEST CATHOLIC
HIGH SCHOOL

The Price Tag

What does this cost?

West Catholic Tuition Rates 2024-2025

Cost to Educate:	\$16,500
Full Price Tuition and Fees:	
Domestic	\$12,400
International	\$15,700

Discounts, Aid, and Scholarships Available

Note that these rates are subject to change for 25-26

24-25 Discounts

Active Parishioner Support: - **\$885** -

Diocesan Employee Discount: Full Time 25% off
Half Time 12.5% off

WC Staff Discount: Full Time 80% off
Half Time 33% off

Athletic/Extracurricular Coaches 25% off

Host Family Reimbursements **\$200 - 600/mo** to host international student
(rate by country/agency contract)



Financial Aid



One of Many Stories

Financial Aid

Applications for ***optimal aid*** are due in December, though aid applications can be submitted all year round

Aid application echoes the same process for FAFSA for college

Applications include consideration for your family size, your living expenses, your income, your family's savings plans, your debts, and consideration if you are paying tuition for other children (elementary or college)


Not all debt is the same: For example, your mortgage, your own student loans, a boat loan and credit card debt are all treated differently in the formula.

More information:

<https://www.grwestcatholic.org/tuition-assistance/>



What is taken into account to determine my tuition rate?

- Income
 - Savings
 - Other assets, especially liquid assets
 - Number in household
 - Number of Catholic school students
 - College students
 - Reasonable house payments
 - Interest on debt
 - Reasonable living expenses
 - Medical expenses
- 

What is not included in financial aid calculations?

Retirement plans; 401K, 403b

Excessive house payments - there is a cap - a formulation

While interest on debt is included, debt payment is not, outside of the mortgage on your primary residence; total debt cap is \$4500

Excessive living expenses - this cap is also variable and depends on family size

Vehicle leases



Named Scholarships

WC opened in 1962. From its inception, generosity built WC. Included in the generosity are 31 endowed scholarships from Legacy Gifts to West Catholic. The founders of some of these scholarships are families who THEMSELVES were granted aid to attend West Catholic in their generations.

Each scholarship has specific merit or needs-based criteria, such as:

- Patriotic or military interest
- Polish heritage
- Financial need
- Academic GPA minimum
- Music interest

Some require student-written essays. All require financial aid submission.

More information: <https://www.grwestcatholic.org/scholarships/>

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Planning

How do I plan for tuition?

Financial Planning

...the earlier the better, but it's never too late!



Budgeting: Painful but Necessary

Failing to plan is planning to fail

Record all spending for at least a 3 month period

Plan a budget, carefully scrutinizing every expense

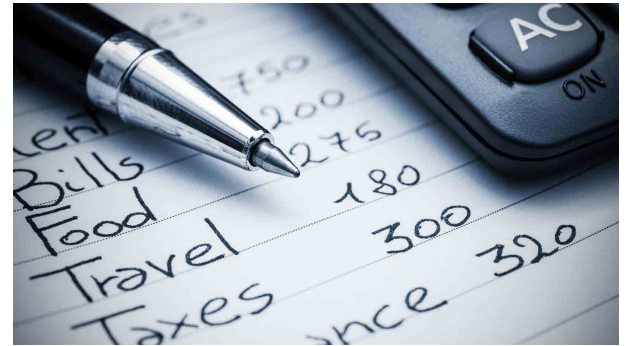
Here's an easy to use spreadsheet from Kiplinger:

<https://www.kiplinger.com/kiplinger-tools/spending/t007-s001-budgeting-worksheet-a-household-budget-for-today-a/index.php>

Consider needs versus wants

Put limits on discretionary spending

Make room for tuition payments; if there is no room, begin making changes



Variable v Discretionary Spending

Need v Want Decision Making

- Online shopping - Is it too fast and easy?
- Athletic and extracurricular fees (camps, clinics, travel teams, private lessons)
- Sports-related apparel and equipment
- Groceries, restaurants, coffee drive-thru, takeout, meal delivery
- Utilities
- Phone/internet/streaming services
- Travel - a weekend in Chicago can be more than a month in Europe if you aren't careful
- Grooming
- Auto-payment of subscriptions/services -- sneaky!

Exercise: Examine 90 days of your spending, item by item:

Where can you decrease expenses?

Seek Help

Smoking

Drinking in excess

Drug abuse

Gambling



We all have vices. Some of us buy too many books on Amazon that we'll never read and others are struggling with dangerous addictions. Bad habits become serious additions that are expensive and can keep you away from your financial goals. Seek help if needed!

Still no room for tuition in the budget: Tackle debt

Excluding your mortgage, list all your debt:

- Student Loans
- Car payments
- Credit cards
- Recreational vehicles, etc.



Idea: Tackle your extras first. You may be surprised that you don't **need** an item if you force yourself to make maximum instead of minimum payments.

Idea: Position yourself with one less loan prior to your start of tuition payments.

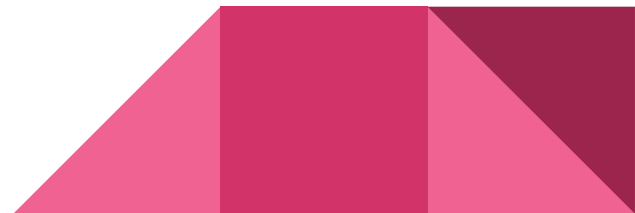
Remember, a simpler lifestyle's tradeoff is peace of mind!

No room for tuition: Tackle debt

Next, work to pay down your debt - goal: Only primary residence house payment, possibly one car payment (or none!)

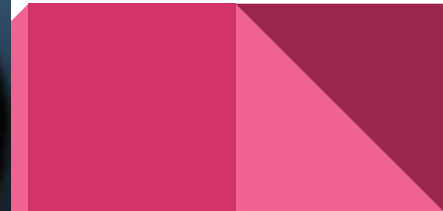
Dave Ramsey calls this process the Debt Snowball

- Begin by setting aside \$1,000 for emergencies
- Pay off your smallest debt first
- Take the payment you were making on the smallest debt, add it to what you were paying on the second smallest debt....and continue



No room for tuition: Tackle debt

- Pay attention to interest rates.
- The higher the rate, the quicker you will want to pay this off.



In Review:

Three options on tackling debt



1. Pay off the most frivolous one first (the extra thing you purchased but may decide you no longer need or want)
2. Pay off the smallest one first and snowball the payment to the next smallest, etc.
3. Pay off the highest interest rate first for exponential savings

One consideration: HOUSING

The most common rule for housing payments states that **you shouldn't spend more than 28% of your gross income on your housing payment**

and this should account for every element of your home loan (e.g., **principal, interest, taxes, and insurance**).

Choose to Live **Below Your Means** by Society's Current "Standards"

One consideration: Automobiles

Unlike housing, automobiles are a **depreciating asset, yet necessary**.

- If possible, avoid leasing. If you can't, lease one car and purchase an older used vehicle.
- Slightly used or last year's model instead of a brand new one.
- "The definition of a new car is one that has less than 150,000 miles on it!"
- With average car payments of \$400-\$800 per month, an older car can afford some repairs and still be a bargain!

Choose to Live **Below Your Means** by Society's Current "Standards"

Increases in Income

Parent goes back to work or earned a job promotion?

Avoid: upgrading housing, vehicles, splurging, additional vacations, **at least** until the needs for present and future tuition are met.



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Choose to Live **Below Your Means** by Society's Current "Standards"

Continue to use SCRIP

Did you know your SCRIP account at the parish level can be applied to your high school tuition statement?



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Mission and Vision

To form Disciples of Christ through a dynamic, excellence-driven Catholic education.

Inspired by our patron saint, St. John Paul II, West Catholic High School is dedicated to the transformation of students who will **live their earthly and eternal lives as humble servants of God.**

Living simply and putting our priorities in order reduces stress and helps form financial discipline that reaps many rewards through life.



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I'm Saving!

Now what?

Recognize the Additional Benefits

With tuition payments and/or education savings accounts as part of everyday life, you have organized your life so that you can handle:

College

Weddings

Health emergencies

Retirement



529 Plans

You are working your plan. You have money to set aside for education.

Where do you go?

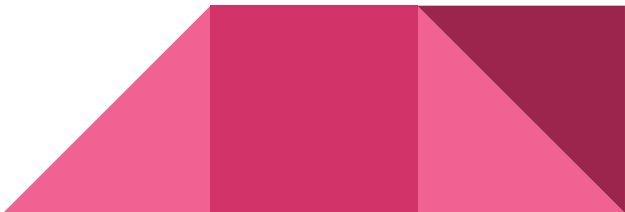
529 Plans can be a great benefit, K-16 (through college)

Private school tuition can be funded through the accounts


What is a 529 Plan?



529 Plans

- 529 earnings grow both state and federal tax free
 - Withdrawals made for qualified expenses (K-12 and college) are not taxed
 - Michigan law provides a state tax deduction of up to \$5,000 individual, \$10,000 joint for contributions, minus qualified withdrawals
 - There is no federal tax deduction for contributions
- 

529 Plans

- K-12 withdrawals are limited to \$10,000 per year
 - You can donate up to \$15,000/\$30,000 per year without incurring a gift tax
 - You can also contribute \$75,000 single and \$150,000 joint in a year, representing 5 years of gifting
 - Max. account balance is \$500,000
 - Handicapped individuals can use unused funds from the 529 plan as part of the ABLE accounts for those with handicaps
- 

The Advantages of Starting Early



529 Plans

Some companies offer automatic payroll deductions for the Michigan Education Savings Plan. You can save as little as \$15 per paycheck toward the plan.

Along with K-12 education (up to \$10,000 per year), college or vocational costs, including room and board, are included.

Anyone can contribute to the 529 plan you set up.

529's can be set up through the State of Michigan plan or your financial advisor. The Michigan plan is free. Financial advisors charges are set by the state at 4.5%.



529 Plans

Please visit MIsaves.com for more information on the Michigan Education Savings Plan.

Note the information refers primarily to college but is applicable for K-12 private schools.



529 Plans Easy to withdraw!

With the MISaves account, you can log in to your account, indicate the withdrawal is for K-12 tuition expenses (or college), select the school where the funds are to be sent, and make sure you save a paid receipt for your tax file.

If it is with a financial planner, your financial planner can help you.



WC Tuition Assistance Timeline



September 26, 2024	Blackbaud applications are open
December 8, 2024	Blackbaud applications should be submitted to ensure optimal aid
December 13, 2024	Parish Support Forms due Diocesan Employee Discount Forms* due
December 16, 2024	West Catholic Scholarship Applications due
March 1, 2025	Enrollment kicks off

**If you are an employee of West Catholic, no discount form is needed. Discounts will be applied internally.*

Additional WC Admissions Dates



March 17-April 25, 2025

Incoming freshmen and transfer students meet with School Counseling Department to schedule classes

May 1, 2025

Busing forms due

August 2025

Busing routes confirmed and communicated to families

Annual Events



October 10 6:30

Experience West

February 12 6:30

Welcome to West!

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Q and A



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