



July 24, 2012

Questions & Answers regarding the new GET unit price

Why did the unit price increase?

The GET unit price increases every year. Since the GET Program guarantees it will cover the cost of future tuition, no matter how much it increases, the unit price must be strong enough to ensure long-term stability for the program. It must be ready to pay college expenses, as promised, to the thousands of families who are saving for college with GET.

The unit price reflects current tuition increases as well as long term projections for future tuition. It also includes projections for investment returns, administrative costs, a reserve to adjust for future periods of higher-than-expected tuition increases or lower-than-expected returns, and amortization of past losses. GET units are priced following extensive analysis by the State Actuary, which supports the continued financial stability of the program.

State budget allocations to our state universities, which previously have helped offset the cost of education, have decreased markedly over the past 4 years. As a result, universities have had no choice but to increase tuition and place a greater share of the cost on the individual student and his or her family.

If tuition is going up 16%, why is this year's increase in the unit price so much less?

The unit price is based on long-term assumptions, not just this year's increase. The new \$172 unit price is in line with the State Actuary's projections. Last year's larger increase was part of a plan to stabilize the program; this year's increase is fortunately lower and should make it easier for families to continue saving for college.

Who decides the new unit price?

The unit price is set by the GET Committee, which is chaired by the Executive Director of the Washington Student Achievement Council. Its members include the State Treasurer, the Director of the Office of Financial Management, and two citizen members who are appointed by the Governor.

Review is also provided by the new Legislative Advisory Committee, comprised of 8 members from the House and Senate. The State Actuary analyzes all projections and recommends a unit price.

Will the new price apply to money I've contributed to my account since July 1, 2012?

The \$172 unit price will be applied to all Lump Sum payments that have been received since July 1, 2012. (It won't affect your existing Custom Monthly Plan account that was opened by May 31, 2012.)

Is it still worth it to save for college with a GET account?

A GET account is GUARANTEED to keep pace with tuition increases in the future and you can use the money to pay for college expenses almost anywhere. We're still seeing ups and downs in the stock market, and significant increases in tuition are projected to continue.

The earlier you can start saving, the greater benefit you will realize. You should plan to hold your account for 4-5 years before realizing a gain, so GET may be a better investment for parents or grandparents of younger children. Custom Monthly Plan accounts with a 7.5% interest rate will take longer to realize a gain.

If you want to save for college ...

START AS EARLY AS YOU CAN – Get started with a college savings program when your children are young and add to it over the years. GET makes a really solid foundation for your college savings because it is guaranteed.

SAVE WHATEVER YOU CAN – Remember you can buy units in any amount, even fractions of units, and it's the "saving" that counts. You know that college tuition is important and that it will continue to increase in cost.

Don't worry if you can't save 400 units; the average GET account holds less than 200 units. In the future, two years of community college might be 70 units, or two years of a regional university might be 130 units. Some people just try to save \$100 or \$200 a month, then add to it on birthdays and holidays. Even small amounts add up over time.

ASK FOR HELP – Grandparents, aunts, uncles, friends can all contribute to your GET account. Education is the gift of a lifetime! Also, don't get discouraged. Most families pay for college with a variety of resources, from 529 plans to grants, scholarships or loans. Most students contribute part-time work and personal savings.

When does enrollment open?

The new enrollment year will run November 1, 2012 - May 31, 2013. Newborns up to their first birthday may still be enrolled year-round.

New accounts (including new Custom Monthly Plans for current customers) must be opened by May 31, 2013 to qualify for the \$172 unit price. The current unit price is scheduled to increase on July 1, 2013.