



## **"Will Colleges Still Offer Classes in September?"**

**With so much uncertainty over whether colleges can safely reopen for the fall semester, college planning has gotten a lot more complicated.**

When the COVID-19 pandemic first closed college campuses in the spring, many schools tried to adjust by moving classes online and refunding room and board. But with the virus continuing to spread across the country, colleges are now struggling to figure out how to safely reopen in the fall – leaving students with lots of questions about their immediate plans to enroll.

### **What If My School Completely Reopens?**

Many schools, such as the University of Notre Dame and the University of Wisconsin, have already announced their intention to hold in-person classes in September. If you anticipate going back on-campus in the fall, our best financial advice would be to proceed as you ordinarily would have – but understand there are two major questions school administrators haven't figured out yet: *how to safely hold in-person classes* and *what happens if there is a second outbreak*.

Schools have discussed a variety of options to allow in-person classes to resume without jeopardizing the health of students, teachers and staff, including blending in-person and online

instruction, holding classes during nights or weekends, block scheduling, limiting on-campus housing to only freshmen, shortening or advancing the semester and even moving resident students to local hotels. It's impossible to say which strategies will be effective and how their implementation could impact your finances – until we learn more, we can only advise you try to preserve as much personal and financial flexibility as possible.

While there is also little certainty around what would happen with a second COVID-19 outbreak, you might make some educated guesses based on their response to closing the Spring 2020 semester. Did they move to online learning or cancel classes altogether? Did they refund room and board? While schools might be better prepared in the event of a second outbreak, this possibility also warrants as much flexibility as possible.

Also, before you pack your bags for the fall, sit down with your family's decision-makers (be it a parent, spouse, grandparents or kids) and talk about how the pandemic might have affected your household finances. If your financial circumstances have changed since you originally filed your FAFSA, you might be able to secure additional aid. These decisions are made within individual schools, and you'll likely need to submit documentation to your school's Financial Aid office to support your claim. [SwiftStudent](#) is a free, foundation-backed resource that can help you create your appeal.

## **What If My School Only Offers Online Classes?**

Some schools might decide the safest way to proceed is to only offer virtual instruction and keep campuses closed until a vaccine is developed and widely dispersed. In that instance, you'll want to take a fresh look at your finances.

- Will you need to live on school grounds, or would you be better served learning from home? Remember, distributions from a 529 plan are tax-free if used toward qualified higher education expenses. So long you are at least a half-time student, rent is a qualified higher education expense for your 529 – even if you're living off-campus.
- How would your expenses change if you were to attend school virtually from home? A good starting point is to revisit your spending from this past spring. Many students found they were spending more on in-home entertainment (such as streaming services) and groceries and less on transportation. Make sure your budget reflects these new circumstances – and if you find you're spending less, put that extra cash to good use [in an emergency fund](#) or [paying off debt](#).
- How would online learning impact your education funding? Just as your personal expenses might change when learning from home, so might your school expenses. For example, maybe you don't need a printer if you're submitting all your coursework electronically, but you could use a more powerful computer, second monitor or better broadband. You might consider using your 529 funds to upgrade your computer technology and enhance your online learning.

Remember, one of the many benefits to 529 plans is they do not have any time constraints or age restrictions. If you find you're not spending as much on qualified higher education expenses as you anticipated, you can save these funds for future education expenses when you're back on campus, use them for future schooling (grad school?) or even pass them on to other family members.

## What If My School Doesn't Reopen?

If your school doesn't open in the fall, you'll need to think of alternative options, each of which could have myriad financial ramifications.

- Depending on how far along you are in your coursework, you could attend a different school. For example, if you're early in your college career, perhaps you enroll elsewhere to take core/general education classes and then return after your school reopens. A different school has an entirely new set of financial considerations, from where you live to the cost of tuition to discretionary spending. If this is your best option, be sure to compare your new school expectations against your current financial planning assumptions.
- If you decide to wait for your school to reopen, what you do in the meantime could have unexpected ramifications on your finances. Taking a gap year could be a prudent decision, especially if you gain some real-world experience that can help increase your marketability in your field. Just know that college costs have been increasing at an average rate of 3% per year, so make sure your college funds can absorb a hike in tuition upon your return.
- Getting a job while you wait for school to reopen is a good way to continue building your education savings and financial flexibility. Note that any income you earn during this period could influence any future financial aid. The FAFSA does a prior-prior year look back at income, so when you apply for financial aid for the 2022–2023 academic school year, you would be obligated to report this (2020 year) income.

The biggest danger to not attending school is that you run the risk of not returning, which could have a major impact on your future earnings. Whatever you choose, be sure to reach out to your college and let them know of your decision. Some colleges have already announced they will honor a deposit made for fall 2020 for future semesters and in some cases have even extended scholarships.

With so many unknowns surrounding the state of the economy, the possibility of a vaccine and the ability of colleges to create a safe learning environment, no one knows for sure how – or if – school will resume in the fall. Talking things over with your loved ones and your school guidance counselors can provide some useful perspective and perhaps some options you haven't considered. However you decide to proceed, your Baird Financial Advisor can help make sure your finances evolve with you.