

Study of prepaid tuition plan finds mid-income acceptance

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Michigan's new prepaid college tuition program reached the middle class it was aimed at and a lot of lower-income families too, state Treasurer Robert Bowman said Tuesday.

Bowman said an analysis of the 40,409 Michigan Education Trust contracts signed last fall showed more than half were purchased by families with annual incomes of less than \$50,000. The average income for a family of four or more in

Michigan is \$46,200, Bowman said.

"The numbers show that middle-income Michigan residents were the largest group to take advantage of MET, which was exactly what we expected," Bowman said. "I am encouraged by the large number of lower-income families who feel that their children's college education is a priority and thus signed up for MET."

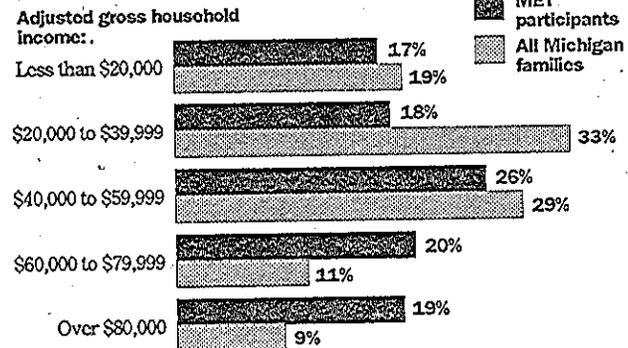
Under the MET program, parents and others are able to prepay up

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By prepaying, parents protect themselves against future college tuition increases.

Michigan Education Trust: Income of subscribing families

Families with incomes between \$40,000 and \$60,000 comprise the largest group of MET participants. In addition, the proportion of high-income families participating is higher than the proportion in the state population at large.



SOURCE: Michigan Department of Treasury

Mid-income group likes prepaid tuition

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to four years' tuition for any child at any of the state's 15 public universities or 29 community colleges, protecting themselves against future tuition increases.

Bowman said the analysis of the contracts divided the purchasers into five groups by annual income: under \$20,000, 17 percent; \$20,000 to \$39,999, 18 percent; \$40,000 to \$59,999, 26 percent; \$60,000 to \$79,999, 20 percent; and more than \$80,000, 19 percent.

"It's reaching the middle class of this state," Bowman said. "It seems to be reaching every type of family."

Bowman said he expects to offer another enrollment period for the program in September, but the specific

dates have not been determined.

The Treasury Department earlier released figures on the geographic distribution of MET contracts, which showed that 10,224 contracts — more than a quarter — were purchased in Oakland County. Bowman said nearly a quarter of the current students at Michigan's public universities come from that county.

Other top counties, ranked by numbers of contracts, were: Wayne, 7,756; Macomb, 4,289; Ingham, 2,706; Washtenaw, 2,333; Kent, 1,392; Genesee, 1,231; Kalamazoo, 889; Livingston, 706, and Saginaw, 491.

For further information about the program, call the state's toll-free number, 1-800-MET-4-KID, 8 a.m. to 5 p.m. weekdays.