



**Wealth Resources Network**  
*The Wealth Achievement Center of CNY*

## **FUNDING A COLLEGE EDUCATION**

Nothing in your financial future may seem quite as overwhelming as the cost of sending your children to college. Today, it costs an average of \$17,490 a year to attend a state university; at a private college, the average cost is more than \$35,860 a year. These are "cost of attendance" figures that include at least \$9,000 for non-tuition expenses and remember that these are "sticker" prices. Your true student "net" prices may be as much as 20% lower. By most estimates, a child born today will have to spend over a hundred thousand to earn a degree from a public or state school, and more than twice as much for a degree from a private school.

Without some advance preparation, the average person will find this an unattainable goal.

### **CURRENT COSTS OF A FOUR-YEAR COLLEGE EDUCATION**

- » \$ 76,512 - Public education (calculated with expected inflation of 6%)
- » \$156,873 - Private education (calculated with expected inflation of 6%)

### **PROJECTED COSTS FOR A CHILD BORN TODAY WITH 6% INFLATION**

- » \$206,000 - Public education
- » \$422,000 - Private education

### **PLANNING FOR YOUR CHILDREN'S EXPENSES**

Where can you go for help? A good place to start is a reputable financial planning firm. In fact, a financial advisor's primary job is to help people like you meet your financial goals - no matter how difficult they may seem.

The process begins with a review of your financial situation, investment portfolio, insurance contracts, debts, amount and sources of income and monthly household expenditures. Your advisor will discuss your concerns regarding risk and liquidity, maintaining a standard of living in case of a disability or death in the family, plans to retire and wishes for your estate.

You will receive an estimate of your future college funding needs based on the inflation rate and the time between now and when your child enters college. Together, you and the advisor will develop a working plan that calls for regular savings and investments as your budget allows, perhaps gradually increasing contributions to your education fund as your income increases.

### **HOW MUCH WILL I NEED TO SAVE EACH YEAR?**

The following table gives you an idea of how much you need to be saving to completely fund your child's 4-year college education based on present age and whether you are saving for a public or private education. These figures are based on the "sticker" prices above and assumptions that college costs will escalate at the rate of 6% per year and that your savings can be invested at an after-tax rate of 5%. The savings figures also assume the child will start school at age 18 and remain for 4 years.