



Will I be able to afford my child's University Education?

It's a question every parent asks. Although the answer is hopefully yes, the question still remains as to whether you have started to save.

Unless you are very well-off financially, you can't expect to wait until your child is ready to go off to University to begin thinking of how you will afford it. The best thing to do is to start saving as early as possible, even though you're only able to save a small amount at first.

Parents who are able to start saving early usually save enough money to put up as a down-payment on a loan and as such would need to supplement this amount by:

- Mortgaging their home or using the equity to obtain a loan
- Cashing-In a Life Insurance Plan, Fixed Deposit or savings account

Whichever way, saving money early enough for your child's education is going to assist you in the long run.

The Cost of books, tuition and living expenses all continue to rise rapidly. During the last few years' university costs increased at an average rate of about 5 to 6 percent annually. As a result you'll need to put aside as much money as possible for your child's University education. There are a few Education Funds or plans that are available at local financial institutions to assist parents in preparing for their child's education. These funds or plans usually attract a higher rate of interest than regular savings accounts and the interest is compounded.

In many cases, the amount of money you should save really boils down to how much you can afford to save. Everyone's financial situation is different and as such you'll need to take a detailed look at your family's finances to determine what you can afford monthly towards your child's University fund/education.

One other factor that you will need to consider in determining how much you will need to save in order to fund your child's education is the location of the University. Attending a prestigious University in the UK will undoubtedly cost more as opposed to one locally.

Presently there is one US University, Monroe College which has now established a campus in St. Lucia and also the University of the West Indies. Recently the Agence Française de Développement (AFD) signed an agreement with the Bank of Saint Lucia to offer funding for St. Lucia students to obtain university education and professional training within the region but more specifically in the French territories such as Martinique, Cayenne, and Guadeloupe under very affordable arrangements.

Then there is always the option of distance education. This option is probably the greatest cost saver, as students can study at home and automatically eliminate most of the costs associated with travel and living expenses. These students also have the advantage of gaining valuable work experience and create an opportunity to save whilst pursuing their education.

So if you have not started thinking about or planning for your child's University education here is a reminder to start saving now – remember: the more money you put aside today, the less you or your child will need to borrow later. For more information call the Student Loans Department of Bank of Saint Lucia Limited at 456-6000.