

A first-class education is one of the most valuable gifts that any parent can give to a child. But with costs continuing to rise, putting children through university has become a major financial commitment for many parents.

Some parents will be determined that their child attends only the best university, whilst others will take a more pragmatic approach. Whatever their view, it's going to cost.

To get some idea of the potential costs involved, where your client expects their child to attend an elite university in the USA, let's look at Harvard. If an 18-year-old was setting off to Harvard for their first year in 2014-15, tuition fees would be somewhere in the region of USD58,000¹.

By comparison, had tuition fees remained static as at the year they were born (1997), they would be approximately USD30,000², almost 50% less than today.

Looking forward 18 years, if the current tuition fees continue to rise at just 4% per year, parents of a child born today could be looking at tuition fees in the region of USD118,000 for the first year alone.

Funding a four year course could reach over half a million dollars.

	Year	Tuition fees
1st year	2033 - 2034	USD118,717
2nd year	2034 - 2035	USD123,465
3rd year	2035 - 2036	USD128,403
4th year	2036 - 2037	USD133,539
	Total	USD504,124

Now some parents may be fortunate enough to qualify for financial assistance to help reduce tuition fees, but additional personal expenses, course materials, computers, socialising, and travel will all be extra.

So the message is simple – it's never too early to start saving.

Help is at hand. Quantum is an investment plan that aims to build up a lump sum to help meet further education fees in return for a regular premium.

In this example, we'd be talking about USD1,350 per month paid over 18 years.

The monthly premium has been calculated using the Quantum illustration system assuming an annual growth rate of 7.5% (inclusive of all Quantum product charges).

To find out more visit:
www.rl360adviser.com/quantum

Important notes

For financial advisers only. Not to be distributed to, nor relied on, by retail clients.

¹ Source: www.college.harvard.edu

² Source: Bureau of Labour Statistics

Tuition fees make no allowances for any financial assistance that may apply.

Quantum is not available to USA residents. This is purely an example of the potential costs to your client of sending their child to Harvard.



“An investment in knowledge pays the best interest.”

– Benjamin Franklin.