

Seven Steps To Planning For The Education Success Of Your Child

Along with health care, providing an education is a necessity for your child. Planning for your child's education in the same way you would plan for other life events will help enable you to secure your preferred education choices. While education can amount to one of the highest expenses you will incur for your child, it can provide the means for your child to pursue a dream, fulfil potential, and prepare your child for future success in life.

Providing the best possible education opportunities for your child needn't cost you the earth or come at the expense of your lifestyle if you follow these seven simple steps as recommended by the Australian Scholarships Group, a parent co-operative and not-for-profit Friendly Society.

1. Take A Big Picture View

You can choose to take a short or long-term perspective on purchases. For example, every new family receives the \$4100 baby bonus paid on the birth of their child. Most new parents spend it on short-term expenditures such as baby furniture, clothes, toys, and miscellaneous supplies or worst still it gets absorbed into the general family budget. And while it's natural to want the best for your newborn, taking a longer term perspective and planning for the costs of your child's education will produce a long-term impact for your child.

2. Prioritise – Start Earlier Rather Than Later

The sooner you put aside money for your child's education, the greater the benefits you will receive from the effects of compound interest to help you reach your education goals. The later you start, the more you will have to find periodically, and the greater effect on your family's budget.

3. Determine Your Goal

Be sure to investigate the costs involved in sending your child to your preferred education choices. Government, systemic (eg Catholic), and private schools have widely varying fee structures. Many parents forget to add in all the additional costs involved as well, such as requisites, clothing, incidentals, and computer and internet costs. ASG provides an Online Secondary Schooling Costs Calculator as a tool for parents to estimate the future costs of their children's secondary schooling options. It can be found at: www.asg.com.au/calculator

4. Be Disciplined

You will need to remain focused if you are to achieve your education goals. Wherever possible contribute set regular amounts to your program, limit your access to the funds to ensure you don't fritter them away. It's easy to find excuses to dip into savings if you don't have a dedicated account or program.

5. Gain Taxation Advantages

Be sure to optimise the benefits available for your children's education by choosing an education plan that offers tax concessions under the Tax Act. In 2003, ASG and the Australian Friendly Society Association (AFSA), petitioned the government to recognise the special role friendly societies play in education. ASG's Education Program was recognised by specific tax legislation that provides friendly societies with the provision to offer specially designed education funds to their members.

6. Build Your Funds

Promote gifts that deliver greater long-term benefits to your child. Encourage your relatives to contribute the money they would otherwise spend on gifts into your education program for your child so your funds build faster.

7. Examine Complementary Services

Look for more from your education program. Many organisations prioritise their company's bottom line rather than your child's education success. Be sure to investigate the complementary services on offer from your education program provider to ensure it supports children's education.

Families wanting to plan for their children's education can enrol in ASG's Education Program from around \$10* per week. The Program can be tailored to suit individual family's needs and budget to generate a scholarship that will give a child a head start in life. ASG's foundation program provides for basic secondary costs and a tertiary or post-secondary scholarship allowance for each child. Parents may also choose to supplement their program to provide for additional assistance with their children's secondary or post-secondary (tertiary) study costs, or both options.

Parents and relatives wishing to send their children to private secondary schools or full-fee paying tertiary courses can contribute additional amounts to meet their education goals. ASG's members can enjoy the benefit of a specific tax concession allowed for educational benefits under the Tax Act. For more information about ASG and its Education Program, phone 1800 648 945 or visit: www.asg.com.au

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* Depending on the age of the child at enrolment