



Don't Pay Your Children's College Tuition If You Want Them to Succeed

That One Caveman

A college education can be invaluable in today's society. Nearly every parent wants their children to go to college so they can get a high-paying career but many think that it's going to cost them an arm and a leg to put their children through school. **While it would cost a considerable sum to fund your children's education, you'll give them a much better chance of success if you *don't* pay their way.**

I graduated in 2002 with zero student debt, but that wasn't because my parents paid my way. In fact, they only had a couple thousand set aside by the time I graduated high school. **Because I knew my parents weren't going to pay for my education, I had to find my own way and I enjoyed a more successful school career for that.**

It sounds heartless, but I won't be paying for my children's college education. Of course, I'll stash away some money so I can help them when they need it, but it certainly won't be enough to pay even a semester's expenses. **I want them to succeed, but I want their success to be their own – not something I bought for them.** You, too, should take the same route and let your children take ownership and responsibility for their education.

Don't Put a Penny in a 529

You have enough obligations to tend to beyond worrying about how to pay for your child's education. You have to keep a roof over your head, food on your table, gas in your car, and a retirement fund to fill. Long gone are the days when a parent can count solely on their children and their government to care for them once they retire. Your 401(k) or IRA is vastly more important than a 529 as far as personal reward is concerned. **You can always take out a loan to fund an education, but you can't take out a loan to fund your retirement.**

A 529 plan sounds like a good deal on the surface, but only if it's growing faster than "guaranteed" investment vehicles and if you're 100% sure your child will go to college. While your retirement fund has decades to grow and balance out any periods of sour markets, a 529 plan will be tapped within two decades of its initial funding. Depending on the market conditions (which are uncertain right now), you may end up giving your child less money by using a 529 than if you had invested in CDs or savings bonds. And if your child chooses to not pursue a college education, the earnings on the 529 investment will be subject to both income tax *and* an additional 10% federal tax penalty.

Foster Ownership of Their Education

From early in my education, my parents reinforced the idea that my effort would pay off in the future. They encouraged me to work hard in school, take the hardest classes I could handle, and garnish my schedule with a few extra-curricular activities.





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At the same time, they discouraged me from taking any sort of job during the school year. Their opinion, which I share, is that when you're in school, *studying* is your job. The little amount of money you make as a teenager earning minimum wage is a paltry sum compared to the payoff from a strong GPA and meaningful activities.

Because I knew my education was my ticket to my future, I focused all my energy on it and was rewarded with a full scholarship to a highly-respected state school.

Shop for Scholarships

Full scholarships can be hard to come by. The competition is fierce and it takes a high GPA and great ACT/SAT scores to hope to land one. **Partial scholarships and grants, on the other hand, are far more plentiful and are a perfect way of helping to fund a college education.**

Starting in junior high, I started applying for (and receiving) scholarships ranging from \$1,000 and up. All it takes is a lot of patience and endurance, a lot of essay writing, and a touch of luck. There are a number of resources listing [scholarships](#) and grants, so I won't bother to list them – just cast your net wide and apply to as many as you are qualified.

Don't Fear the Loan

That's right; let your children get student loans. **If you consider a career as an appreciable asset, that student loan can open the opportunity to make more money in the future and it essentially pays for itself.** Yes, a student loan can cause a few years worth of pain – we're still paying off my wife's student loans – but the value of the education far outweighs the cost.

Besides, since it's *their* education, shouldn't *they* be the ones paying for it? It's great to be debt free, but having student loan debt isn't a bad thing. In fact, having student loans can actually help their credit if they're diligent about paying them off – which will open more opportunities for them later, such as better mortgage rates, more available jobs, etc.

Help Up: Don't Hand Out

You may choose to let your children fund their own education, but sometimes their efforts won't be quite enough to cover their expenses. In these situations, it's completely appropriate to help your student through a rough spot. The goal is to let them take control and ownership of their life, but not to leave them high and dry. **You don't have to (and shouldn't) fund their parties or outfit them with the dorm room of their dreams, but if they don't have enough cash for books and food, it will be better for their education if you help them out rather than force them to get a job.** As I said before, jobs are a distraction from their primary career as a student and should be avoided unless as a last resort.

Let Them Choose Their Future

Not everyone chooses to go to college, and that's ok. Neither you nor your child is a failure if they choose to forgo a college education. There are plenty of other opportunities out there that do not require a diploma and some are just as profitable as ones





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requiring the sheepskin. Going to college, by itself, will not make them successful – their success is almost entirely up to the way they live their life. **If your son or daughter would be happier as a model, a mail carrier, a garbage collector, or a retail manager, it's much better for them to be happy and make (potentially) less money than be stuck in a life path they hate.**

Focus On Raising Good Kids Today

In the end, your children's ability to succeed in life will rest completely on their shoulders. The best way you can help your children before, during, and after college is to focus on raising responsible, mature, and life-loving kids today. No college savings account, no diploma from a prestigious school, and no highly-profitable career path will help them in the future if they are irresponsible with their life and their money. Don't worry about how to fund their college education, because there are far more important things to concern yourself with between now and then. **Focus on raising good kids today and the future will find a way to work itself out when it comes.**

(That One Caveman, 2008; <http://www.thatonecaveman.com/2008/08/dont-pay-your-childrens-college-tuition-if-you-want-them-to-succeed.html>)

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