

## Funding a College Education: Passing on Values to Your Kids vs. Another Technical Article



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While an undergraduate degree does not guarantee success in your child's life, there certainly is a large body of data that suggests that some level of college increases one's chance of success.

That being said, one of my clients, who my industry would classify as "high net worth," only has a seventh grade education and runs a highly successful business in Atlanta.

There is that inherent "spark" in some people that drives them to be successful, regardless of education. Unfortunately, we can't really teach it, but I would argue that this "spark" is the biggest differentiator in people that meet, or are on track to meet, their own personal definition of financial success.

**I believe that these "Intangibles" make or break a person's long-term success.**

My mom never really cared if I pursued an advanced degree past undergraduate school, even though she had a Masters degree. Her goal was making sure her two girls didn't have to rely on a husband's income to survive. As a baby boomer influenced by Gloria Steinem and the feminist movement, her perspective made sense. In the late 80's and early 90's, she valued the practicality of a college degree, which, at the time, was a contrarian position.

I specifically remember being mortified at a college fair at Town Center Mall, when a recruiter from Davidson College told her that an undergraduate degree was about "learning how to think." She strongly retorted that an undergraduate degree was about getting the skills "to get a job" and make a decent income. For my mom, only an engineering or business degree was acceptable, giving her confidence that her girls would be able to monetize our piece of sheepskin.

As human beings, we typically want better for our kids than what we had. In that vein, I commonly see people try to focus on saving for their kids' college educations prior to focusing on their own retirement.

The common adage, "Your kids can borrow for college, but you can't borrow for your retirement," remains true.

Instead of approaching the daunting task of fully funding your kids' education and fully funding your retirement without a clear plan around the two conflicting objectives, consider some alternative ways to help fund college.

Within the context of your family's personal values, ask yourself if you are helping your kids by funding all of their college costs? I would respectfully submit that our kids need some "skin in the game" if we are funding a 6-figure expense over at least four years, in order to appreciate it. My parents made very clear from day one that they were not saving for our college, but focusing on saving for their retirement. In my family, only straight A's and swimming very fast (ostensibly to get an athletic scholarship) were acceptable, if we wanted to go to the school of our choice.

While operating out of a place of fear wasn't optimal, it forced me to come up with different ways to accomplish my goal. Consequently, I came out of school with an undergraduate degree in industrial engineering from Georgia Tech and zero debt. In addition, I had saved enough personal money to fully fund a six month adventure trip to Central and South America and was able to start my current practice as a 24-year-old.

Consider your family's values around what you want to create for your kids and their education before you start spending all of your retirement funds, equity in your home, etc.

Even if you want to help with school, consider multiple funding options:

**1) Apply for summer internships or a year-round co-op program for your student to make money.**

This is a great way for your student to get actual on-the-job experience, while still getting their degree. It allows them to test out different industries to see if they like it, so that when they graduate, they can continue in the space. I was able to get some very high paying summer internships that allowed me to fully focus on my studies during the year. Through these internships, I realized that I **didn't** want to do these things.

**2) Have your student get a job during the school year.**

It's important that your student not only learns to work hard academically, but also learn how to serve a customer or client. This could mean simply waiting tables or working as a technician at an electronics store. In whatever job your child is able to find, this is where the intangibles I referenced really start coming into play.

**3) Create a matching program based on grades or earned income for your student.**

Consider giving your student a set dollar amount, per credit hour, based on grades – i.e. \$100/credit hour for an A, \$75/credit hour for a B, etc. Similarly, you can match the earnings on the W2 from their job to go towards their tuition.

**4) Find groups/clubs/organizations on campus that give scholarships/pay for students in leadership positions.**

For me, this experience paid my housing costs and gave me on-the-job experience in team leadership, fundraising, politics and entrepreneurship, and ultimately led to the awareness that I was an entrepreneur at heart.

**5) Lastly, consider all the traditional routes.**

This piece goes without saying and includes you paying with income. You can fund with personal assets or via loans. I will write another article around all the technical ways to accomplish this.

While in school and for years after, I was angry at my parents. As the typical upper-middle class kid, I thought it was my parents' inherent duty to fully pay for my education. In retrospect, however, I can see that I would DEFINITELY not be where I am today without all of the experiences I had in working to pay for my own education – internships, jobs, leadership roles within Georgia Tech organizations, etc. As the cliché goes, it was all about the journey, not the destination.

Also, it's important to note that I am a much bigger Georgia Tech fan as an adult than when I was in school. With my longer term perspective, I can now see clearly what I got out of my educational experience as well as the life experiences necessary to get this education. I am currently a proud Georgia Tech alumnae and donor.

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