

Student Debt is Deeper Than You Think

PLANNING IS KEY TO SUCCESS

Every generation bemoans the fact that things today are far more expensive than they were 20 years ago. But home prices and consumable goods aren't the only expense skyrocketing. The cost of college has risen at an alarming rate, to the point of putting college out of reach for many, especially if they don't plan ahead.

RISING COST OF COLLEGE

The College Board's Trends in College Planning 2018 Report documented the changes in college expenses over the last few decades and the results are staggering.



PUBLIC FOUR-YEAR INSTITUTIONS



During the 1988-1989 school year, tuition averaged just **\$3,360***
**with prices adjusted to reflect 2017 dollars*

Today, that average has risen to **\$10,230 - THAT'S A 205% INCREASE.**



AT PRIVATE INSTITUTIONS
tuition costs increased by **111%**

The 1989 average tuition for a private nonprofit four-year institution was \$17,010, in 2018 dollars, compared to the 2018-2019 cost of **\$35,830.**

THE RESULT IS WORSE THAN YOU THINK

It's difficult to comprehend the collective \$1.6 trillion of America's student loan debt.² That's the second largest consumer debt, behind only our collective mortgage debt- and the repercussions are much higher if you run into trouble repaying your student loans.

If that \$1.6 trillion isn't bad enough, a new report from Brookings Institute suggests that the current default rate of 10-12% could rise by 40% by 2023. That should be considered a crisis by us all.



IT'S WORTH IT

With proper planning, saving for college is worth it. The median income for a person with a bachelor's degree in 2018 (the most recent data available) was \$62,300. That's \$24,000 more than the median income for a high school graduate, (Bureau of Labor Statistics.)⁴ In addition, the unemployment rate for college graduates is significantly lower than that of high school graduates.



PLANNING IS KEY

It's never too early to begin your child's college funding plan. However, as with other types of financial planning, bear in mind that your child's college funding plan requires a disciplined approach.

Working with a financial advisor to establish a goal and determining how much you need to (and can) save for your child's tuition. More than simple saving, this means creating an investment plan, a strategy, and the right vehicle so that you can increase growth potential and steadily accumulate more for college.

Together, we can begin building a personalized financial plan that is consistent with your overall goals and objectives. Contact me today to set up an appointment.