

Buying an Education

As in buying a home, there is a lot to consider when deciding how much education should be purchased. We don't always think about college as something we "buy." It's so much more. However, where our money is concerned, it is a purchasing decision.

The most important thing to remember when making this decision is that the position earnings have to balance with the cost of education.

For example, if you want to be a kindergarten teacher earning \$46,000 a year, it wouldn't be balanced to get a Master's degree costing \$100,000. It isn't balanced because it would take you 43 years to payoff just the principal amount if you were paying 5% of your income per year.

Even if you were paying 10% of your income per year it would take you 22 years, not including all the interest. And from a return on investment standpoint, are you going to use the Masters degree? Or would a Bachelor's suffice?

Many people jump into taking on student loans that have little chance of creating enough future income to consider it an

investment. And yes purchasing a degree is an investment. It is an investment towards your future earning potential.

You wouldn't invest in a stock that was never going to provide a profitable return would you? Your education should be viewed in a similar way.

HOW WILL YOU PAY FOR YOUR EDUCATION?

Scholarships & Grants \$

+ 529 & Other Savings

+ Monthly Spending Plan

+ Work Study

+ Student Loans

+ Other:

= TOTAL FUNDS AVAILABLE \$

\$50,000 Student Loans

= \$450 payment per month

