



## Need: Education Fund

Parents know their children can pay a price for not having a sound education. According to the U. S. Census Bureau, adults with a bachelor's degree earned an average of \$54,689 in 2005, while those with a high school diploma earned \$29,448.\*

Using life insurance as a tool, you can provide for education funds, even in the event of your death.

Rising costs have made it more important than ever to build an education fund. Over the past decade, costs have increased an average of five to six percent annually.\*\*

*Estimate what you will need:*

### Estimated Costs for Four-Year Colleges

	Today	In 5 yrs.	In 10 yrs.	In 15 yrs.
Public College	\$51,184	\$64,789	\$86,990	\$116,797
Private College	\$121,468	\$153,756	\$206,441	\$277,177
Harvard	\$178,420	\$225,847	\$303,233	\$407,136
University of Texas	\$66,424	\$84,081	\$112,891	\$151,573
University of Missouri	\$62,816	\$79,513	\$106,759	\$143,340
University of North Carolina	\$54,000	\$68,354	\$91,776	\$123,222
University of California, Berkeley	\$83,832	\$106,116	\$142,476	\$191,296

Based on 2006-07 costs for resident tuition/fees, books/supplies, room and board, and other expenses. It does not include any offsets from grants or tax benefits. Assumes a 6.3 percent average annual increase for public colleges and a 5.6 percent increase for private institutions. Costs and increases based on *Annual Survey of Colleges 2006-07*, The College Board, 2006.

### Total Needed for Educational Fund

\$

\**Educational Attainment in the United States: 2006*, U.S. Census Bureau, Population Division, Education & Social Stratification Branch, 2007.

\*\* *Trends in Higher Education Series: Trends in College Pricing 2006*. The College Board, 2006.

## Solution

1. Total needed for income continuation \$ \_\_\_\_\_

2. Total needed for mortgage fund \$ \_\_\_\_\_

3. Total immediate cash needed at death \$ \_\_\_\_\_

4. Total needed for education fund \$ \_\_\_\_\_

Total Amount of Life Insurance Needed \$ \_\_\_\_\_

### Less

Existing insurance (personal and group) \$ \_\_\_\_\_

Other liquid assets (mutual funds, stocks, CDs, savings, etc.) \$ \_\_\_\_\_

Amount of Additional Life Insurance Needed

How much can you set aside each month to satisfy all these needs?