

Spending on private school

Last week, Joyce shared about saving private fees. I agree with her.

Here's my predicament. Retirement or private school fees? But it is a decision we have to make. My eldest is about to do her UPSR and on the brink of secondary school. With two more in tow at 10 and seven years old and the family's money-making machines – both husband and I averaging 50 – we feel saving for education as well as for retirement are equally important.

Saving our kids!

Joyce shared a pertinent fact that our parents did not have to spend on private education. Having gone through sekolah kebangsaan, I never entertained it either. My kids are in government school, albeit a Chinese one.

Chinese schools are schools of hard knocks. Smart ones top academically-inclined co-curriculum activities. Most only get through, slightly bruised, battered and maybe, none the wiser. For my kids' sakes, I hope not as I see them thrive in other areas. Academically, school is tough!

As we see national school policies being flipped about more than Ramly burgers and contents seemingly aimed to instil fear and division rather than critical thinking and unity, parents turn to other options. International schools and home-schooling are seen as better options. These alternatives are costly.

Timing savings

We started saving for tertiary education when each child was born, separate from retirement. What we did not foresee is how



Several options are open to parents who prefer the costly options for their children's education

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our education policy is failing our kids today. With the world becoming globalised, our Noughties need skills our schools are not equipped to impart.

What are our options?

1. Find a school with fee just under RM20,000 per year. This will set us back RM80,000 to RM90,000 for the four years in today's money.

2. Start investing now. If we save RM2,000 every month in an conservative portfolio for next two years and compound at 6% per annum, we save about RM50,000 for 3rd and 4th years' fees. This is still barely enough if fees go up more than 8% p.a. So, the savings are enough only for two years of international school education.

3. Start even earlier. When you have more time, you can catch up by investing more aggressively. At 10% returns p.a., your RM2,000 per month savings can accumulate to a pool of RM150,000 over five years.

Hard knocks but these are choices parents have to make. What would you do?

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