



# A BUDGET FOR YOUR CHILD'S HIGHER EDUCATION

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**By Vibhuti Marolika**

What is the age of your child? \_\_\_\_\_

What career path would you like your child to pursue? \_\_\_\_\_

What degree would be required for this career? \_\_\_\_\_

How long is the course for? A \_\_\_\_\_ years

Are you planning for these studies to be done abroad? Yes / No

Let us start with doing some homework on the cost of your child's higher education:

<b>Expenses for higher education</b>	<b>Average cost in today's terms (₹)</b>
College Fees	
Accommodation Expenses	
Food Expenses	
Travelling Expenses	
Miscellaneous Expenses (Laptop, books etc.)	
<b>Total (B)</b>	

The total cost for your child's education in today's terms is therefore

$$A \times B = C \text{ _____}$$

We have assumed that the cost of education will go up by 10 percent per year, lets adjust C for this inflation to find its future value.

Select an inflation multiple based on how far away your child is from starting the course.

Years	Inflation Multiple (D)
5 years	1.6
10 years	2.5
15 years	4.1
20 years	6.7

The funds you would need at the time of higher education would therefore be:

$$C \times D = \text{_____}$$

We have assumed a high inflation for the cost of education because that's what past history suggests. You need to evaluate whether this inflation figure is accurate for your requirements and adjust the inflation multiple accordingly. It is also the case that your child could want to pursue a different degree than what you have planned and therefore it is important to regularly review your

requirements and update the numbers on the basis of your child's preferences and the cost of that education.

Send us your work and we can help you put your plan into action!



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