

Top 5 Tips on Funding Your Child's Education

Posted **September 16, 2020**

Every parent dreams of the best for their child, including the best educational opportunities. From choosing the ideal primary and secondary schools, to encouraging their children to pursue a career of their choice at a tertiary institution, the ultimate pursuit is a life of stability for their children, built on the foundation of a solid education. Sagicor Bank explored the options for making this possible in their recent Financial Enrichment Session entitled Funding Your Child's Educational Dreams. With speakers from the University of the West Indies, University of Technology, AIM Educational Services and Sagicor Bank, the discussion was rich and full of practical tips for parents with children at any stage.

[Watch the Financial Enrichment Session here.](#)

Today we share just five of the tips given in the Financial Enrichment Session, that can benefit parents in getting their children on the right path to tertiary education.

1. Start Saving Early

One of the most important reasons to start saving early is the power of compounding. This allows you to earn extra money on the interest that you received on your initial deposit. When you start saving from an early stage, you have a longer period to build up to a substantial amount where you can earn more interest.

"As a parent, I started savings plans for my children at an early age. I remember my daughter who is now 16 had said to me from she was younger 'Mommy I want to be a pediatrician'. As parents we want to ensure we can do everything in our power to assist our children in achieving realizing those aspirational and educational dreams that they have." Natalee Wedderburn.

2. Save Consistently

Consistency is key with savings accounts and is best maintained by implementing the 'Set It and Forget It' approach. By implementing an automatic direct deposit from your salary account into your child's savings account through a standing order, you will never have to worry about remembering to save.

3. Apply for Scholarships

Even with consistent savings it can often be challenging to fund a tertiary education. Nicole McLaren Campbell, founder of AIM Educational Services shared practical tips on how students can build a competitive profile for scholarship applications. She encourages students to go above and beyond in their classes, focusing not only on their academic performance, but also choosing to do extra subjects where possible. Additionally, she recommends students continue to the next level of advanced studies and complete Caribbean Advanced Proficiency Examination (CAPE) studies, as opposed to pursuing a tertiary scholarship immediately following the Caribbean Secondary Educational Certificate (CSEC) examinations.

The best time to work towards this competitive profile is from the 4th form level or earlier.

"You can't just wake up in 6th form and decide I need to build a competitive profile to get \$40M in college scholarships. Not how it works. You have to be thinking about this from 4th form." Nicole McLaren Campbell

4. Use Your Home's Equity

The equity in your home is the difference between the value in your home and your mortgage balance. If your property is mortgage free, the equity is the difference between the value of the property and what the financial institution will lend. With a [Home Equity Loan](#), you can use this value or equity to fund your child's tertiary education expenses. Kerrian Forrester, Mortgage Officer at Sagicor Bank, also recommended applying for the full tuition cost when applying for Home Equity Loan, to guarantee the funding for the entire duration of the program of study.

5. Get Your Children Involved

Encourage the habit of saving in your children and help to save towards their future by opening a savings account for them. From an early age this can aid them in understanding the value of working towards a goal and the benefits of saving. The [Sagicor Bank Star Savers Account](#) is easy to open and can be linked to your account as the parent. A Star Savers account can be opened with as little as \$200 JMD with no minimum monthly deposit and the account holder can obtain a debit card at 12 years of age.

For even more tips, watch the Financial Enrichment Session on our YouTube channel here:

