



KP Financial Services
—Financial Planning Specialists—

NEWSLETTER

July 2015

51 New Street, Carrick-on-Suir,
Co. Tipperary, Ireland.

tel: 051 — 642306

fax: 051 — 642307

mob: 087 — 2465312

email: info@kpfinancial.ie

web: www.kpfinancial.ie

Welcome to the latest edition of KP Financial Services Newsletter.

KP Financial Services is here to support your Protection, Investment, Savings, Pension & Mortgage Business every step of the way.

This month's newsletter covers the following:

- Savings – Giving Your Children The Best Education

Savings – Giving Your Children The Best Education

Providing the Best Possible Future

Alright. We admit it. Saving doesn't sound very exciting. It implies sacrifice – and nobody likes to give up any of the lifestyle that they currently enjoy. But it's a question of priorities. What matters most? Maintaining your current expenditure? Or ensuring that your children or grandchildren will gain an important advantage in life?

School fees planning involves building up a capital sum to help you meet the future cost of your children's education - and, ideally, their living costs whilst at college or university. This sum should be sufficient to fund the difference between the fees that will fall due and the amounts that you expect to be able to pay out of income at the time.

But don't delay! You should start building this educational fund as soon as possible. This will spread the cost over the longest possible period – and give you the maximum opportunity to benefit from investment growth. These factors will reduce the amount you need to set aside each year – and make it more affordable.

Don't overlook the cost of going to University or College

Most parents would like their children to have the opportunity of going to a university or college – provided, of course, that they have the talent and inclination. Alternatively, some students may prefer a vocational course that can lead to other important skills and qualifications.

At the same time, more and more firms are now requiring candidates for employment to have been educated to degree level – or have some form of professional qualification. But, whilst this can broaden the mind, it can also stretch the bank balance.

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Fortunately, despite much political discussion, fees for third-level education have yet to be re-introduced – but who knows what will happen in the future?

There are other costs too, over and above college and university expenses, that you may wish to consider. For example, many students like to take a “gap year” between school and university, to work overseas, travel the world - or simply to gain a broader experience of life. This will often involve significant costs in terms of travel, accommodation and food – some of which you may wish to meet.

Then, when education is resumed, there will be further costs to contend with. Nobody can live for nothing – and students are no exception. If the student is living at home, there will be no accommodation costs of course, but there will still be the costs of food, travel, books, entertainment and so on – which can be surprisingly high. Particularly in the larger cities.

The Costs of Private Schooling

The table below shows the fees in 2015 / 2016 at leading private schools. But don’t forget that inflation is likely to increase the fees considerably, as the years go by.

School	For Day Pupils	For Boarders
Blackrock College, Co. Dublin	€6,500	€17,250
Glenstal Abbey, Murroe, Co. Limerick	€10,600	€17,950
Rockwell College, Cashel, Co. Tipperary	€5,950	€12,500

Sources: Blackrock College Website / Glenstal Abbey Website / Rockwell College Website July 2015

Did You Know.....

- 8 in 10 parents support their child with college related costs, contributing at least €421 per month on average per child.
- 42% of parents use their savings to fund third level education, 25% borrow short term loans.
- Those parents who use their saving to fund their child’s third level education, have been saving for 8 years on average.
- Excluding rent and bills, students are spending €516 each month on their daily expenses
- 84% of all parents struggle to cover the cost of third level education.

Monthly Costs of a Typical Student

Monthly Expenses	Average Spend
1. Food	€182
2. Travel	€99
3. Books & Materials	€82
4. Social Life	€67
5. Clothing	€49
6. Phone	€37
Overall Spend	€516

Source: The Irish League of Credit Unions 2013

So, where's the money coming from?

The answer, more than likely, is you – through the amounts you set aside for the purpose. The cost may seem daunting. But, fortunately, a lot of things are cheaper now than they were a few years ago. Food, clothing and electricity, to name but three.

So you should have some extra money to spare. With the right commitment, therefore, you should be able to set aside quite a bit for the future.

What's more, there could well be some ways in which you can cut down your expenditure, without making too great a sacrifice.

- Maybe you could think of eating out, or having a take-away less frequently, each month instead.
- If you are a smoker, why not give up the habit? It could be good for your health too!
- Does your TV package include any channels that you don't watch? If so, could you switch to a cheaper contract?
- There may be part of your present lifestyle that you could cut back, in order to save some money.

You will probably be surprised at how much small savings like that can add up to.

Help with Planning Ahead.....

There are three main ways in which you can pre-fund the educational fees – and the most appropriate one for you will depend on your personal circumstances. And how soon the fees will be required:

1. A capital sum can be invested now
2. Regular saving can be set aside out of income and invested
3. A combination of a capital sum and regular savings can be arranged

..... and Help with Implementing your Plan

Your Adviser will recommend the most appropriate arrangement for you. This plan offers:

- The growth potential of stockmarket investments - including access to some of Ireland's best performing funds.
- The peace of mind of knowing that your investments can be spread across a range of different funds and fund managers.
- The knowledge that your investments will be professionally managed by a team with a proven record of investment success.

Contact Us

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KP Financial Services
-Financial Planning Specialists-

51 New Street, Carrick-on-Suir,
Co. Tipperary, Ireland.

t: 051-642306
f: 051-642307

e: info@kpfinancial.ie
w: www.kpfinancial.ie

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