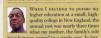
## Can you get a degree without the debt?

Yes! Finance guru Alvin Hall's seven-point plan shows parents and students how

## Alvin Hall's Generations of Money Saturday 12 04nm Radio 4 FM



annual cost was nearly three times what my mother the family's sole

one that would enable me to expand my that can never be lost or stolen. abilities, teach me to think critically, and serve me well long into my professional life. So I took on a challenge that many young people today are also facing - finding a way, any way, to pay for my college education.

In order to cover some of my costs, I worked on campus during the school year. I always got a summer job - perhaps the most memorable one was working at a gunpowder factory! I applied for scholarships and grants and, ves, I took out loans. Piecing together these sources of income enabled me to pay my tuition bills, feed and house myself, and receive the training that has made possible my entire subsequent career. In the process, I taught myself, using common sense, how to handle money responsibly. As a result, there is part of me that believes I truly earned my education.

For the majority of students thinking about university education often places a burden on part of the money. Make it clear how much the three generations: the student, the parents and even the grandparents. Thankfully, there are tried-and-tested ways of avoiding or reducing financial distress to the family. Here are seven that I know from experience will work

"A good education is the only

Start saving today, Parents should begin setting aside money for a child's education as early as possible. Small amounts regularly saved can grow into a surprisingly large college fund. The Government may be abolishing Child Trust Funds in 2011, but if you have one that's up and running, you can add to it every year until your child reaches 18. At holiday times and on birthdays, encourage grandparents, other family members and friends breadwinner, earned in a single year. In fact, to contribute to the child trust fund or children's she couldn't afford to contribute a single penny. saving account, instead of giving another piece of I could have gone to a cheaper university, but I clothing or toy that will end up ignored after a few wanted the best curriculum I could qualify for weeks A good education is the only thing of value

> Consider targeted gifts from grandparents. If the future student's grandparents are reasonably affluent and have a history of being generous, parents should talk to them about helping to pay towards their grandchildren's education while

they are alive rather than leaving a gift in their wills. Under the tax rules, anyone can give away up to £3,000 every tax year without being liable for inheritance tax, or a larger sum if you survive for seven years after making the gift. Yes, this will most likely mean that the parents will inherit less. But this is a selfless and generous way of helping to pay for a child's education while at the same time affirming the importance the entire family places on learning.

Make paying for education a shared responsibility. When parents know they can't pay for the full cost of their children's education. they should sit down with the children (and maybe going to university in the UK today, the phrase bring in the grandparents, too) to discuss how the "earn an education" perfectly captures the family can meet this challenge together. Don't feel tough new reality they face. Paying for a guilty about insisting the child should earn and save

family - parents and grandparents - will contribute and how much is beyond their means. This kind of honest dialogue is supportive and helps the student to understand the need for self-sufficiency.

Don't neglect retirement savings. Parents should not stop contributing to their retirement or pension plans in order to pay for their mistakes that loving well-meaning parents make It's important for parents to secure their retirement so they won't later become a burden on their children, who will be spending the years to come repaying their education loans and building their - it's about finding other ways to economise in order to contribute to your child's education withou endangering your own future.

Earn some of the cost of your education. The prospective student should figure out how much he or she could earn by getting a job during the term, or taking a year or two off to work before enrolling in classes. If getting a full-time job in these tough times proves too difficult, think of a skill that a business friends or family, would be willing to pay for, like computer training or repair,

Keep borrowing to a minimum, Just because you can borrow money to pay for your education at a cheap interest rate doesn't mean you should take out the maximum you can and saddle yourself with long-term debt. Remember you will have to repay those loans in the end and

in a world where inh security and economic stability. Things used to be or how unfair things are are no longer guaranteed, a heavy debt burden adds enormously to the life risks you face. Draw up a budget. Children and parents

today. Those "good of days" are gone forever - for good or bad. But it is still possible to get a university education that will pay hin dividends long after the debts have been repaid.

should work together to create a weekly or monthly budget for the university-bound student. Take an especially close look at the amount allocated to discretionary spending. Make sure you sign up for the best phone-plan and take advantage of all the student Setting up a budget may and perhaps a bit fussy. but it is vital if a student is going to maintain control over his or her finances during the university years - and beyond.

And finally... Be positive. thinking about how everyone in the family can chin in to And please, for your own peace of mind, stop moaning. complaining about how

thing of value that can never be lost or stolen"