

WHY INVEST FOR

# CHILD EDUCATION

AS EARLY AS POSSIBLE



SAFFOLLYA

Investment Advisory

Partnering in your financial success...

*Raising a child is no child's play....*

65% of the parents spend over a half of their yearly income on their child's education & extra co-curricular activities.

A survey done by ASSOCHAM on "Parents wary of rising education cost of kids" of young parents for their children education, has revealed that average spending on a SINGLE child at primary/secondary education on expenses EXCLUDING tuition fees has gone up from Rs. 35,000/- in 2005 to over Rs. 65000/- in 2011. [Total Cost Rs. 94000]

*While the annual income on an average well off parents have not risen by more than 28% to 32% during the corresponding period.*

Majority of Parents nearly spend on average more than 18Lakh – 20 Lakh in raising a child by the time their teen graduates from high school.

*78% of the parents said that an average family where only one member works, it's impossible to pay even one child's education.*



Transport is one of the most expensive components of a child's schooling. This costs parents an average of 12,000 per child per year.

Footwear works out as being more expensive than textbooks. Shoes cost parents 3,000 -5,000 per child per year. The schools forces to buy uniform, text book, stationery, shoes etc. from school shops which is three times higher than the normal price so that they can charge whatever price they choose in the absence of competition.

Parents spend 9,600 per child per year on lunches. Packed lunches cost more than school lunches on an average.



Secondary-level tuition set parents back by about Rs.6, 000-10,000/- monthly.

56% of the children said that their parents can't afford extracurricular activities.

The family with two children calculated that if one child goes to dance and music school, to tutors of English and mathematics, as well as sport e.g. swimming, which is very good for a child's health, the monthly fees would be 4,000-6,000 Rs per child. And the same activities cost for younger children also.

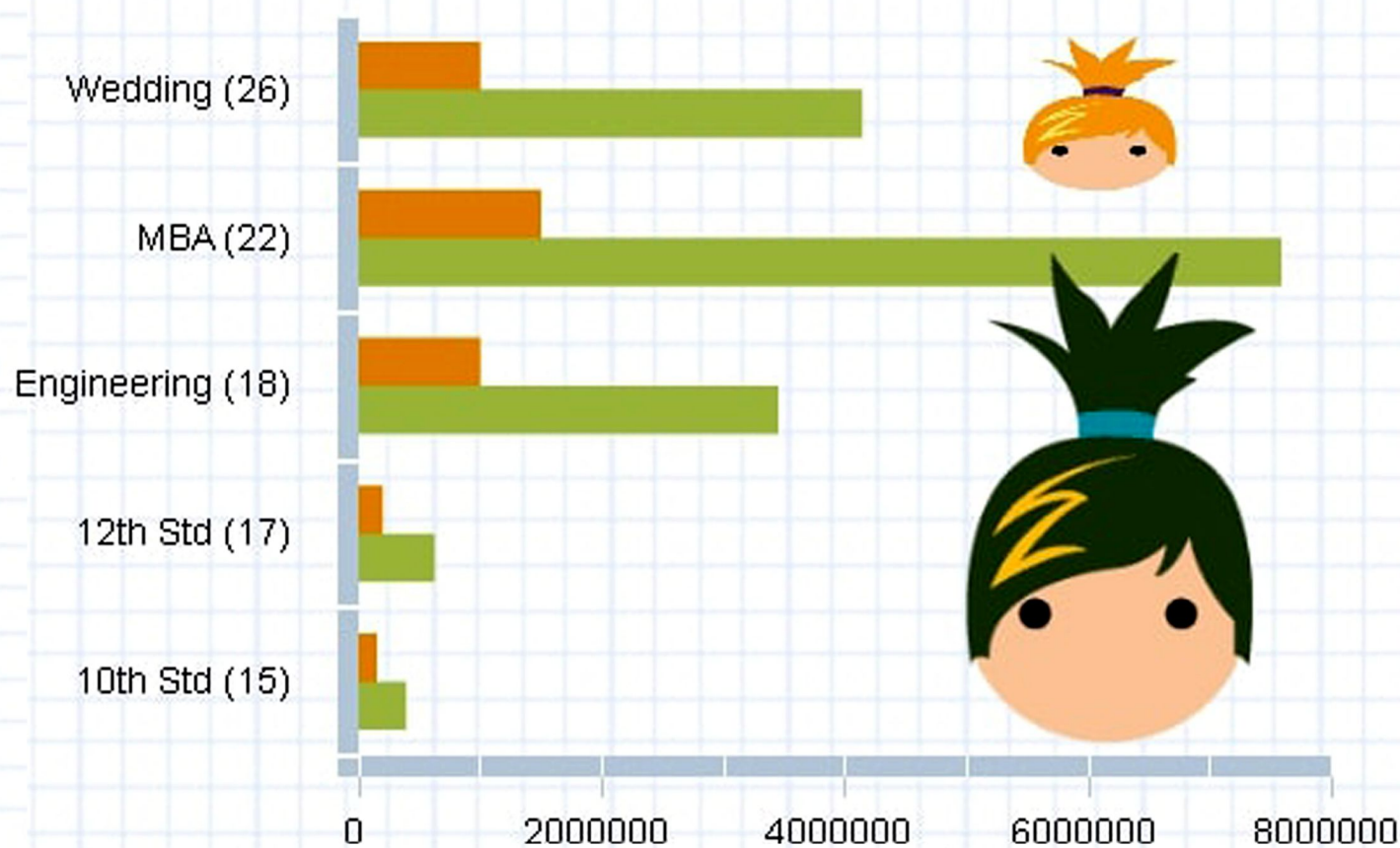
Private Tuitions have also witnessed a increase of about 45%-60% in the last 10 years as during this period majority of middle class parents have been spending of their monthly incomes on them.



## AVERAGE EXPENSES FOR PARENT IN A YEAR

Cost	Annual Cost- For One Child	Annual Cost- For Two Children
<b>School Expenses</b>		
• Shirt/ Trousers/ Skirts	3000	6,000
• Shoes	3500	7,000
• Bag / Bottles	1800	3500
• Sports Kit	3500	7000
• Text books	4500	8500
• School trips	3800	7000
• School Clubs	2500	4000
• Computer	2500	3800
• Pack lunches + Transport + Tution	36000	75000
• Building Fund	15,000-25,000	30,000
• Fairs	3500	5500
• Stationery/ Newspaper	3000	5600
<b>Tuition/ coaching Expenses</b>		
• Primary Level	3,000	6,000
• Secondary Level	8,000/-	10,000
<b>Extra Co-curricular Expense</b>		
• Primary Level	2,000	4,000
• Secondary Level	4,000	8,000

# Present Vs Future Cost



Assumptions - Present Age 5 Years  
Inflation Education 10% & Wedding 7%



Have you planned for your children's future?

Planning is bringing the future into the present so that you can do something about it now. Someone rightly said "A good plan today is better than a perfect plan tomorrow". So do not delay and prepare a plan today.

# INVESTING THROUGH SIP

It is not enough to choose to invest, but to choose the right investment plan. Consider your income and the amount you can spare for investment, analyze the time in hand, before making your investment decisions. The returns that are expected should be sufficient to meet your needs at the time, so be careful while making investment decisions.

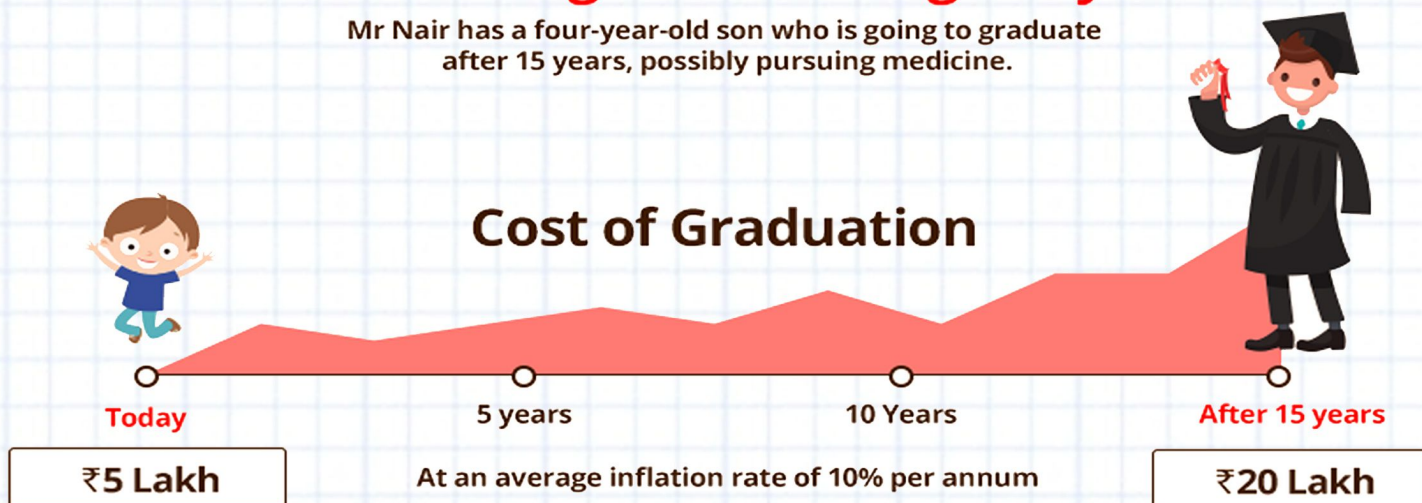
SIP Amt.	Rs.5,000	Rs.10,000	Rs.25,000	Rs.50,000	Rs.1,00,000
Period's	Value if Investment at the end of the holding period (in Lacs)				
3 yrs	2	4	10	21	41
5 yrs	4	8	19	38	76
7 yrs	6	12	29	59	117
10 yrs	10	19	49	97	195
15 yrs	19	38	95	191	381
17 yrs	24	48	121	241	483

\*Rate of return is assumed @ 9%.

\*Return may or may not sustain in future.

## Advantage of investing early

Mr Nair has a four-year-old son who is going to graduate after 15 years, possibly pursuing medicine.



## Investment

If you invest today

**₹4,000**

Every Month

(Plus you can earn a return of 12% per annum)

VS

If you invest after 5 years

**₹9,000**

Every Month

(You pay more than double the rate due to the delay)

# THANKS

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OPPORTUNITY  
TO WORK  
WITH YOU



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3

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2000<sup>+</sup>

CLIENTS



50<sup>+</sup>

CITIES



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