



I have two young children. Are School Education Funds that assist with future education costs everything that they are cracked up to be?

Helen, Bundaberg

Starting a savings plan for your kids' education is a brilliant idea and something that every responsible parent should start as early as possible. As you probably already know, the cost of raising a family and putting them through schooling isn't cheap. So if you can spread the financing of these costs over as many years as possible the better.

The School Education Funds that you mentioned are great in terms of getting you disciplined – by both putting in a regular amount and restrict you from withdrawing funds. But they are generally pretty poor when you have a look at their investment return which is generally not more than 2%.

Instead I recommend you make your money work harder with higher returns by opening an online savings account. The extra interest that you earn will make it easier down the track in years to come as those schooling costs start rolling in. Good luck!