

Back to Private School, But Can You Really Afford The Pricey Tuition?



Mark Avallone, CONTRIBUTOR

I help people on their path to Financial Freedom. [FULL BIO](#) ✓

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It's that time of year again. Before we know it, our kids will be walking into their classrooms for the first time this term. This is the time of the year when my office is asked almost daily, "Can I afford this private school tuition?" The national average private school tuition is approximately \$10,096 per year, with elementary school averaging at \$7,394 and high school weighing in at \$13,373. And it can be much higher in a pricey suburb. No wonder it's a big concern for parents, especially the parents of younger children who are often asking me, "Can I afford this tuition for the next 16 years, plus college, and be able to retire before I'm 80?"

We all want the best for our kids, and that makes questions like these very emotional. I find the best way to approach these extremely personal finance questions is from a non-emotional, mathematical standpoint. I like to think of it as creating a formula where you can input your data, and an answer is provided whether you like it or not.



ARLETA, CA - AUGUST 17: Scot Tateinan (L) and Joeg Tateinan with STATE Bags hand out Honest - STATE Bags with Yoobi supplies to kids entering kindergarten on August 17, 2015 in Arleta, California. (Photo by Charley Gallay/Getty Images for The Honest Company)

Cash Flow Review

Though most think of a cash flow statement as something reserved for business, these statements are invaluable in your personal life as well. A quick Google search of "cash flow statement for personal finance" will lead you to several worksheets and templates.

Fill in the cash flow statement, review your monthly, recurring cash flow, and ask yourself these questions: How much money do I have left over each month after covering necessary expenses? How much of that money do I want to spend on fun and other luxuries that I thoroughly enjoy? Once you have drilled down to this number, ask yourself this final

question: How much do I have left to fund my retirement? If you can save more than enough to meet your retirement goal, then yes, you can afford the tuition.

Generating Cash

Affording the tuition is only half the battle. Once you start paying the tuition bills, you may have a shortfall in your monthly cash flow. If you completed the cash flow exercise, and you chose to pay the tuition even though you really couldn't afford it, you may even be in a position where you can't fund your retirement. It's time to consider an alternative way to generate cash and sometimes increasing income can close the gap.

The old fashioned way was to work more or to get a second job. Second jobs are not very popular, as they take away time from family, etc., but if you have your heart set on sending junior to private school and you aren't funding your own lifestyle or retirement, then what other choices do you have? One idea we discuss with our clients is to explore passions and hobbies and finding employment that area. Working a second job in an area you love won't feel as much like work. So look into that local university for a part-time teaching job, or find a local restaurant that needs a wine expert, or whatever else will put a smile on your face while you don't dig yourself a retirement ditch.

Also, keep in mind that although private schools have their benefits, public schools have their own benefits too. And just because you can't afford private school today, does not mean that you won't be able to afford it in the future. I've seen budgets and savings plans work wonders for families. By just questioning your ability to pay, you're a step ahead of many of your peers you are taking some smart steps that may help you have the solid financial future you are striving for.

Contributor's Bio

Mark Avallone is the author of Countdown To Financial Freedom, and founder and President of Potomac Wealth Advisors, LLC a financial advisory firm serving clients through holistic financial planning and wealth management. Avallone writes on a variety of financial topics, and his contributions have appeared in the Wall Street Journal as well as in Forbes where he is a regular contributor. He has appeared on CNBC and has been a repeat guest on the Fox Business Network. His insights have also appeared in USA Today, U.S. News & World Report, The Washington Post, and other leading publications.