Navigating the Cost of Education

By Rebecca L. Palmer

As parents, we want to raise happy children and provide them with the tools to pursue their passions. Sometimes these pure intentions are interrupted by a change of relationship status. Planning for the future is difficult during a divorce proceeding but putting together a joint plan for your child's education is as important as the division of assets, spousal support, and custody.

The Florida Compulsory Education law states that children must attend school from six to sixteen, but no law requires parents to pay for their child's education. Private versus public school may be a point of contention between separating spouses, but there is also the question – where does the financial responsibility lie?

The ideal scenario is for each parent to provide equal support, but that is not possible due to a difference of income or lack of accountability in many cases. Private elementary and intermediate education can rival higher learning institutions' fees, and Florida's 4-year college tuition has become more expensive, with the average in-state tuition climbing to approximately $15,000 a year without living expenses.

After working with many divorcing couples concerned about their child's education, I recommend that along with child and spousal support agreements, my clients also negotiate a primary, intermediate, and higher education tuition and expenses agreement as part of their divorce settlement. The agreement should outline what each parent is responsible for and provide a clear understanding of variables such as tuition limits, how and when payments will be made, what expenses will be covered, and considerations that cover when parents would stop paying educational costs in the case of job loss or a decrease in income. This legal document will be held up by a court of law, just like other financial support agreements.

Another way that separated spouses can plan for a child’s future education without negotiating each payment long after the separation is by establishing saving accounts. Two popular options include setting up a trust or escrow account or a 529 College Saving Plan. A trust or escrow account can be established in a child’s name with the sole intention of paying tuition. The trustee will use the account to pay for college when it is time. The 529 College Savings Plan allows you to make the most out of the compound interest from invested funds. Withdrawals from the 529 Savings Plan are tax-free as long as they are used for qualified higher education expenses.

A child’s learning starts at home. Whether you are together or divorced, teaching your children the importance of education and making sure you plan how to provide financial support is critical. Support provided by both parents to pursue their goals is worth investing in.

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