

Educational Letter To Our Grandchildren

Over the years, I have encouraged many individuals to help pay for their children's and grandchildren's college tuition with tax-favored dollars through Internal Revenue Service Code Section 529 (or "529 Plans"). Whether funding a four-year college or a trade school, these plans can be a great way to jumpstart a child's career.

Unfortunately, I've too often seen children (or grandchildren) view 529 Plans as a financial transaction. In that light, it's understandable that they feel a sense of entitlement. Accompanied by a personal letter from a parent or grandparent, however, a gift to a 529 Plan might be more meaningful and the receiver more grateful. A letter might even motivate a child or grandchild to work harder to make Grandma and Grandpa proud! Like "Why We Established Trusts for You," the purpose of this letter is to convey the spirit of the gift.

Dear grandchildren,

It is hard for us to believe that you will be graduating from high school and are proud of you and your accomplishments. We understand that you plan to attend college. While many people your age feel it is their "right" to attend college, that was not always the case. It was a privilege for a select few. As you prepare for this next chapter of your life, we want you to know how we would like to help.

Did you know the term "school" comes from a Greek word that means "free time?" School was a reward or an honor that was bestowed upon a young person who was allowed to spend some time thinking, learning and being introduced to new ideas rather than working in the fields all day.

Education is a life-long process that doesn't end when we graduate from high school (or college). On the contrary, our real education begins when we leave school, which is why the graduation ceremony is called a "commencement."

We were the first in our families to attend college. Rather than go to college, both of our fathers went directly into the military and our mothers were expected to get jobs. Very few women were allowed to continue their education back then. When our parents gave us the opportunity to attend college and offered to help pay part of our tuition, we each jumped at the chance! College was a wonderful experience. Not only did we learn about the world, but it is where we first met and fell in love!

When your father and his brother graduated from high school, we helped them pay part of their college tuition. We did not have enough to pay all of it, so they each worked part-time jobs and took out some student loans. They each worked hard and excelled in school. We think the fact they had to pay part of their tuition made them appreciate the value of school even more.

Since you were born, we have been putting money into a “529 Plan College Savings Account” for you hoping this day would come. As you know, college tuition, room and board can be very expensive. Many students graduating from high school simply cannot afford to go on to college. Others attend parttime so they can work fulltime to pay their tuition. It is our hope that the funds that we provide, combined with those of your parents, and your own work, will enable you to go to a school of your choice. Ideally, you will graduate with little debt.

As the third consecutive generation, to attend college, you are now part of a new family tradition. Please keep us apprised of your progress. We are excited for you as you start this new adventure!

Love,

Grandma and Grandpa