

## Susan Beacham: Parents, stop and think before you pay a dorm premium

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Financial education guru Susan Beacham, of Chicago, has an interesting take on a story that ran earlier this month in the **Chicago Tribune**: “Luxury dorms: Purdue University, other schools build swanky housing to lure undergrads.” by Sara Olkon.

Susan is still reeling from what she read. Her post:

### **Dorm room upgrades-- the good life**

Purdue built a residential hall for students, First Street Towers, which will provide your college student with maid service, private bathrooms, climate-control panel, communal lounge - two on every floor - equipped with 47-inch flat-screen TVs, entertainment centers custom designed by

Amish carpenters, free Wi-Fi and kitchenettes with ceramic tile. Rooms start at \$13,800 per academic year, which includes at least 10 dining-hall meals a week. Price for the same room and board arrangement in a standard room? \$5000 less.

All 356 spots sold out in two days.

Boston University unveiled a 960-bed luxury dorm with walk-in closets, large private bathrooms and washer and dryers to alert students via computer when their sheets are dry. Again, these rooms run about \$5000 more than the standard room.

Ah, but we are not done yet. Arizona State University offers students a spot in Vista Del Sol, a 1,841 bed facility that has a heated pool, hot tub, sand volleyball court and four tanning booths. But wait, that's not all! Kitchens, washer and dryer, cable and internet services. Rent? About \$1,000 a month - \$12,000 a year- (12-month lease is required) vs. \$6,500 per academic year for a standard room on campus.

Ashely Hendzell, 19 and a sophomore from Tinley Park, IL who snared one of the pricey rooms at Purdue, explains her decision to spend \$5000 more this way: “You are going to be in debt anyway, might as well enjoy.”

Okay everyone. Listen up. This makes no sense. Colleges are building these pricey dorms because your kids want to live at school like they live at home. And you, the parent, pay for this upgrade rather than saying no. At what expense? It's not just that you pay more now - but you will pay a much higher price later - when your college student graduates and wants to continue the high life - on your tab. You are setting your kids up for great disappointment when they enter the real world and see what they can afford on their first paycheck.

Eventually, your child will need to foot their own bill. Eventually, you will have to stop paying for their convenience. Why not stop when they go to college? When they are young enough to adapt? Why make this harder on you and your kids by making them think that the life of luxury is something they are entitled to?

The cost of a college education is gift enough parents. Stop there and take the extra \$5000 and place it in your retirement accounts. Trust me, you'll thank me later.

Parents, students, what's your take?