

MODULE 15

Paying For College

Higher education can be a ticket to better job opportunities, but it can also come with a hefty price tag. In this module, we'll explore various strategies to manage and pay for your college education.

We will dissect different types of scholarships, grants, student loans, and work-study programs. Plus, we'll show you how to fill out the FAFSA and apply for financial aid. By the end of this module, you will have a clear roadmap for investing in your education without breaking the bank.

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★ Key Takeaways From This Module



Guiding Questions

- What options are there out there to help pay for college or university?
- What is the opportunity cost of going to college and what other options are there?
- What are factors you are looking for in employment? Do they require a college degree or does it make it easier?
- In what ways are you able to get assistance from the government or lending agencies to help with college?

Enduring Understandings

- What opportunity cost is and how it is important to your career.
- Income and non-income factors that go into satisfaction with a job.
- There are multiple helpful resources that can assist in paying for college or provide loans that can help cover the cost.
- The key terms for any student loan document.



Grow Your Knowledge

Grow Your Income

Logically, it makes sense that the more unique and important tasks you're able to accomplish, the higher your salary. Let's check out the most common way to increase your earning potential - college - and talk about the benefits, risks and alternatives available after high school.



Opportunity Cost & Investing In Your Career



Opportunity cost is a fundamental economic concept that there is cost that is incurred when one gives up a potential benefit by choosing an alternative.

Opportunity costs can be thought of as the benefits or rewards that are not attained because an individual chooses to pursue another course of action.

The opportunity cost of an action is not necessarily monetary; it might also imply other benefits such as the time saved or pleasure gained from selecting one choice over another.

Making decisions without considering opportunity costs could result in low returns on investments or missed opportunities for further growth.

NOTE: *Evaluating an investment's potential return in terms of its opportunity cost helps investors make informed decisions about where to allocate their resources for maximum efficiency and profitability.*





There's More To A Job Than A Paycheck

When making career or job choices, one of the most important trade-offs to consider is between income and non-income factors.

- **Income factors** include how much you get paid, such as salary and bonuses
- **Non-income factors** include aspects such as work culture, job security, work-life balance, job satisfaction, and learning & growth opportunities can be just as important in the long run.

Ultimately, no two jobs are created equal and everyone will have different priorities when it comes to making career choices.

Depending on one's particular situation, financial stability may take precedence over other non-monetary considerations while for some people having greater autonomy or professional growth opportunities may take priority over salary.



Paying For & Affording College

Families may choose to help pay for the educational and training needs of younger family members to increase their earning potential, which can provide long-term economic security and financial stability for families.

There are many different sources of funding available for post-secondary education, ranging from private scholarships to government-based grants or loans.

One of the most common sources is Federal Student Aid (FAFSA), which is managed by the US Department of Education and provides a free opportunity for students to obtain federal student aid.

By completing the FAFSA form accurately each year you can maximize your chances of being eligible for multiple forms of college financial aid from these varied sources

In addition to Federal Student Aid, there are also a number of private organizations that offer scholarships or grants specifically designed for post-secondary education expenses.



Key Terms For Student Loans & FAFSA



Interest Rates: Federal student loans typically have a fixed interest rate, meaning that the rate of interest remains the same throughout the entire loan period. Private student loans, however, often have variable interest rates, meaning that it may increase or decrease over time based on market fluctuations. Generally speaking, federal student loan rates tend to be lower than private ones.

Repayment Rules: With federal student loans, borrowers can typically qualify for repayment plan options such as income-driven plans and deferment/forbearance. Private student loan lenders do not offer these kinds of options and instead require full repayment of principal plus interest within a specified time frame.

Other Characteristics: Federal student loans are provided by the government and tend to be more flexible in terms of eligibility requirements than private ones. Borrowers need to have a good credit score or a co-signer to qualify for private student loans.





How to Apply for a Student Loan

Researching student loan options is important before applying for a loan, as there are various types of loans available with different interest rates, repayment periods and borrowing limits.

Comparing the options and researching lenders is essential to ensure the loan fits your budget and needs.

When applying for a student loan it's important to have the necessary documents, such as proof of identity, academic transcripts, proof of income and bank statements.

You may need to provide details of any scholarships or grants you receive as well as your parents' tax returns if applicable.

The application process for a student loan can take several weeks or even months depending on the lender.

During this time it's important to keep up-to-date with payments or any deadlines required by the lender in order to avoid being charged late fees or having your application denied altogether.





Pay Is Not Equal

Even With Equal Education...

Although there has been dramatic improvement over the past 50 years, there are still employees making more money for the same job as their colleagues.

We discuss explanations for the wage gap & how it disproportionately affects certain groups over others.



We're Not All Paid Equal

Pay and salary differentials exist between employees in different types of jobs due to the level of skill, expertise, responsibility and experience required for the job. For instance, a doctor is likely to earn more than a janitor due to the advanced training and qualifications needed.

Geographical area can also be a factor in salary variation across different types of jobs. The cost of living in a specific region and the current demand for certain professions can affect overall wages.

Employers may also use pay and salary structures which reward certain desirable characteristics or accomplishments such as seniority, performance, or quality of work.

Within the same type of job, wages can vary significantly depending on an individual's qualifications and experience level.

Differences in employer size or benefits packages could contribute to salary discrepancies among workers in similar roles. Larger companies may be able to offer higher salaries plus additional perks such as full health insurance coverage or flexible working hours that smaller organizations cannot afford to provide.



The Gig Economy & Being Your Own Boss

Jobs such as driving for Uber, completing projects on TaskRabbit, or any of the other companies that allow individuals to set their own hours & pick their own projects are part of the gig economy.

The potential for high earnings and flexible work schedule are a big motivation for gig employment because workers can choose work that fits their work-life balance.

Workers in the gig economy may enjoy more autonomy as they are not tied to a single employer or job description, giving them an opportunity to explore different types of tasks and industries.

A downside of gig work is that it is often unstable and does not guarantee consistent income, as there may be periods when demand for services is low or jobs are hard to find.

Most gig workers do not receive employee benefits such as health insurance or paid vacation time from their employers, which can be huge costs and impact saving for retirement!



Key Takeaways From This Module



CORE & FUNDAMENTALS

- College can provide an opportunity to make more money in the future even after spending so much to go.
- Student loans can be beneficial and can grow your future earnings potential but it can also not impact anything if the cost outweighs the benefits.

APPLIED KNOWLEDGE

- College can provide great opportunities but can also be a waste for people who don't need it.
- When looking at anything in life opportunity cost can be applied and analyzed to determine if the choice is good or not.

RELEVANCE FOR YOU

- Some people can grow their earnings potential massively by going to college while others may not need a degree for what they want to do in life.

