Formal Pilot Study of Student Loan App

Materials Required

- ✓ iPhone and Android phone with the app installed on them
- ✓ Handouts for each subject

Briefly demonstrate how the app works.

Six months after students graduate college, they will be required to start repaying their student loans, if any, and to do so on a monthly basis; the purpose of this study is to help students start thinking about that. Students will be asked questions like "What is your cost of tuition?" "How much does it cost to earn your degree?" "How much money can you afford to pay back each month?" and "How long will it take to pay the government back?" They will be asked to answer some of these questions without using the app and some with using the app.

Provide handouts and smartphones.

This exercise should take no more than 10 minutes to complete.

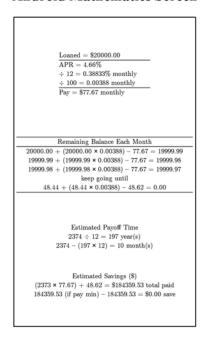
Please get started. If you have any questions, feel free to ask me. You do not need to use real numbers, but at least use numbers that are reasonable. Calculators are permitted. You can work in groups, as well, if you wish. You can also round your answers. "Matriculated" means to be enrolled in a degree program (e.g., business management).

App Overview

Android Main Screen



Android Mathematics Screen



The iOS app looks virtually identical to the Android app and behaves similarly. Whenever one moves the thumb of the Loaned (\$) slider/seekbar, presses on the thumb of the APR switch, selects a different percentage, or clicks on either the minus or plus button, the Pay Monthly (\$), Est. Payoff Time and Est. Saving (\$) amounts are automatically updated. One can swipe leftward to view the mathematics and swipe rightward to return to the main screen. One can reset the Pay Monthly (\$), Est. Payoff Time and Est. Saving (\$) amounts by moving the thumb of the slider/seekbar, pressing the thumb of the switch, or selecting a different percentage. 3.76% is the Direct Loan rate for July 1, 2016 to June 30, 2017. The build is 1.x (x), an alpha build.

Discussion

Directions: please answer the following questions

1.	What is your cost of tuition? (excluding fees)		\$
	Use the following chart to help you:		
	TUITION RATES (as of FALL 2015)	Full Time 12-18 credits/ equated credits	Part-Time
	Residents of New York City who are:		
	Matriculated Students Non-Matriculated Students	\$2400 per semester \$265 per credit	\$210 per credit \$265 per credit
	Non-Residents of New York City who are:	1 40.00	do.co II.
	Residents of New York State with B-81 on file Residents of New York State without B-81 on file Out-of-State Residents International Students Non-Matriculated Students	\$2400 per semester \$320 per credit \$320 per credit \$320 per credit \$420 per credit	\$210 per credit \$320 per credit \$320 per credit \$320 per credit \$420 per credit
2.	How much does it cost to earn your degree? (exclu	uding fees)	Ś
As	ssume you borrow money from the government to praduate college, you will be required to start paying	pay for your degree. Six	- · · · · · · · · · · · · · · · · · · ·
3.	How much money can you afford to pay back each	month?	\$
4.	How long will it take to pay the government back?	(excluding interest)	year(s)
			month(s)

Discussion using App

<u>Directions: please share the Android phone or iPhone app together, and answer the following questions</u>

The cost to earn an undergraduate degree is normally between \$20,000 and \$30,000.

- Use the slider/seekbar to select an estimate nearest to yours.
- Select your interest rate; if you are unsure, choose 4.66%.
- Select a monthly payment nearest to yours.

5. How long will it take to pay the government back? (including interest)	year(s)
6. Comparing #4 with #5, which takes longer? Why?	month(s)
7. Reduce your monthly payment to the minimum. You <i>can</i> negotiate with ler see why lenders set time limits, typically 10 years? (yes/no)	nders, but do you
8. How much can you save by paying more? (round to nearest dollar)	\$
9. Continually increase your monthly payment. Do you rapidly save more money? (ye	es/no)
10. How much should you pay monthly, in order to pay the government back amount of time?	in a reasonable
	•

(Time-permitting and as a bonus, the researcher asked participants whether they save money if they are not charged interest. Why or why not? Easter egg: Swipe to the left.)

Feedback Form

Directions: please be as descriptive as possible

How would you improve the app and its associated course material?