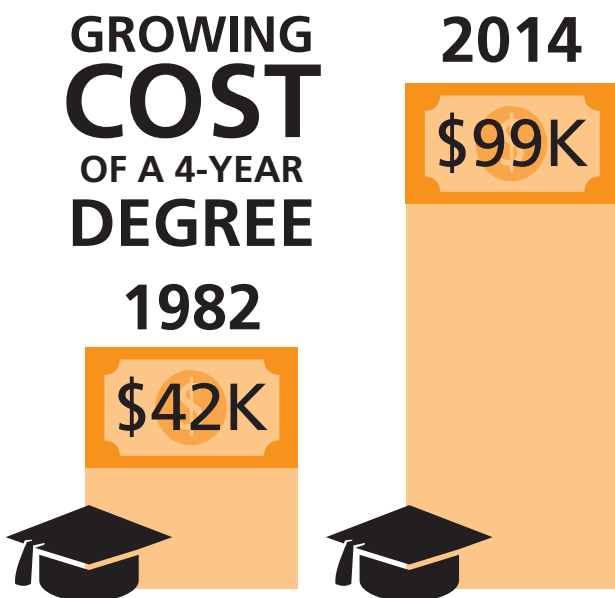


WHY IS IT IMPORTANT TO HAVE THE DISCUSSION ON WHAT YOU WANT TO DO WITH YOUR LIFE?

“Fewer than half of high school students across the country feel they’re ready for college and careers, even though these remain top goals for students...”

(Edsource.org)



College costs have risen dramatically over the past decade or more. Unfortunately, financial aid hasn't kept up with tuition increases, making college more expensive for students and parents.

U.S. Department of Education, National Center for Education Statistics, 2015



This guide includes some introductory steps and information needed to start the conversation about life after high school. Below are additional resources that provide more detailed information for this decision-making process:

Broke, Busted & Disgusted Film

Guides for high school students, college students, parents, and student debt
brokebusteddisgusted.com/start/

U.S. Department of Education

ed.gov/

Federal Student Aid, An Office of the U.S. Dept of Education

studentaid.ed.gov/sa/

FAFSA

fafsa.ed.gov/

College Board

collegeboard.org/

BigFuture by the College Board – College Planning

bigfuture.collegeboard.org/

PayScale – College ROI Report

payscale.com/college-roi

1. Determine Your Path.

Some high school students know what they want to do after graduation and what path they need to take to accomplish their goal, while others aren't as sure and don't know what the next steps are to take.

To help guide you on your exploration, the following steps can help you determine your path:

- Explore your interests.
- Explore your options for post-secondary education institutions.
- Explore your options outside of the traditional education institutions.

WHAT ARE YOUR INTERESTS?

Before deciding on school and where to go, you should first try to identify what it is you are interested in. What can you see yourself doing after college?

Use this chart to help you identify your interests and uncover the career opportunities and salary potential.

	INTEREST 1
Career Option	A
Industry Demand	B
Salary Potential	C



College Board is a great online resource to help research both majors and career profiles.
bigfuture.collegeboard.org/majors-careers

- A Write in your interest in each column heading. For example: *Animals*
- B Add a career option for that interest. For example: *Veterinarian, groomer, etc.*
- C Research the projected demand for this career into the future.
- D What is the salary potential upon graduation for this career option?

	INTEREST 1	INTEREST 2	INTEREST 3	INTEREST 4
Career Option				
Industry Demand				
Salary Potential				

WHAT ARE YOUR OPTIONS: POST SECONDARY?

If school is your next step, what options best fit your goal and financial situation? Use the chart on the next page to better understand the colleges and their costs and success rates.



One option to help lower your debt is to attend a community college before transferring to a four-year school. If this is of interest, make sure you meet with an advisor or counselor to understand available schools and courses, and how credits transfer.

	1	2	3	4
NAME OF INSTITUTION				
Tuition Rate				
Room and Board				
Books and Supplies				
Transportation				
Personal Expenses				
Graduation Rate				
Average Salary After Graduation				

There are options available that provide a no-debt or low-debt approach to continuing your education. These options may not be right for everyone, but if you are interested, make sure you fully research and understand these paths to education and a career.

WHAT ARE YOUR OPTIONS: MILITARY?

If school isn't your next step but is still in your plan, is a career in the military for you?



Visit the U.S. Department of Veteran Affairs to see if the GI Bill can provide financial assistance in obtaining a degree.
benefits.va.gov/gibill/

WHAT ARE YOUR OPTIONS: GAP YEAR?

Maybe you aren't ready for school or need hands-on experience to help figure out what career is best for you. This option is not for everyone, but many students may benefit from taking a year off between high school and college. This decision shouldn't be taken lightly, but when done right, it can have a great impact on how you approach your post-secondary education.

- A gap year doesn't necessarily mean a year of self-exploration traversing across the world.
- In fact, some colleges are now encouraging students to take a gap year before continuing their education.
- However, there are some steps which experts say are crucial to ensuring a successful experience.
 1. Apply to college – and then defer enrollment. This way the student knows they have something waiting for them.
 2. Create a structured plan – are you going to work in a field you are interested in, job-shadow, or work part of the year to fund travel?
 3. Students need to help fund this gap year – they need to take accountability and responsibility to help provide for this gap year.

(SOURCE: Gap-year resources; time.com/97065/gap-year-college/)



American Gap Association
americangap.org

2. Money Conversation.

The rising cost of a college education and the long-term financial consequences of taking on student loan debt demand that parents and students develop a financial plan for education.

- Are your parents able to help pay for your education? YES NO UNSURE
- If, YES, how much can they contribute? \$ _____ MONTHLY YEARLY
- How much are you responsible for paying? \$ _____
- How will you fund your portion? SCHOLARSHIPS/GRANTS JOB LOANS UNSURE

UNDERSTAND THE TRUE COSTS OF COLLEGE

Too often, students and parents only focus on the tuition and room and board costs of college. However, there are many additional costs associated with going to college that impact a student's finances.

In addition to tuition and fees and room and board, keep in mind the following additional costs:

- Books and supplies — textbooks, notebooks, and computer or technology fees.
ESTIMATED EXPENSE: \$ _____
- Personal expenses — laundry, cell phone, eating out, entertainment, clothing.
ESTIMATED EXPENSE: \$ _____
- Transportation — will you have a car (gas and parking), or pay for other modes of transportation?
ESTIMATED EXPENSE: \$ _____



To get an idea of what colleges costs may look like when you enroll, using a cost calculator like the one on the College Board website can provide you with an estimate. **NOTE** – this is based on the “sticker price” of the school and doesn't include any scholarships, grants, financial assistance, or the like. However, using this type of calculator is beneficial in helping you see the full cost of a college education and not just one year of school.

bigfuture.collegeboard.org/pay-for-college/college-costs/college-costs-calculator

OTHER FINANCIAL CONSIDERATIONS

In addition to the costs and financial assistance of your school options, there are other criteria important when weighing your options.

Here are the basics: what kind of will you attend college, where is it located, what the campus is like, and what types of academic programs are offered.

Other considerations that can have an impact?

- What is the annual average cost?
ESTIMATED EXPENSE: \$ _____
- What is the graduation rate? _____ %
- What is the average salary after attending? \$ _____
- What is the ROI on your college? _____

WHAT IS ROI?

You need to look at your education as an investment. Like any investment, you want to know the return – what are you going to make after graduation or how long will it take for you to pay off your debt? Looking at your education in this manner will help you evaluate your options and choose the path that leads to less debt and a quicker return on your investment.

A standard rule of thumb is that your student loan debt should be equal or less than your expected starting salary out of college in order to fit within an acceptable percentage of your budget. But taking on as little debt as possible is always desirable.

FACTOR NO. 1

The Net Price You Will Pay

FACTOR NO. 2

Your Potential Debt

FACTOR NO. 3

How Long It Takes to Graduate

FACTOR NO. 4

Your Earning Potential



Return on Investment (ROI)

As a result of the recent economic downturn, along with mounting student debt, more attention has been given to the Return on Investment (or ROI) for various academic degrees. ROI factors allow students to determine what degrees will allow them to obtain higher-paying jobs to maximize their ROI as soon as possible after completing a degree or certificate.

WHAT IS NET PRICE?

Your net price is a college's sticker price for tuition and fees minus the grants and scholarships and education tax benefits you receive. The net price you pay for a particular college is specific to you because it's based on your personal circumstances and the college's financial aid policies. (*bigfuture.collegeboard.org*).

The federal government requires that most colleges have a net price calculator on their websites to better assist students and parents understand the full financial implications.

Keep in mind this only provides an estimate of your financial responsibility. This is not a confirmed letter of financial aid or assistance.



Another resource to view colleges ROI is the PayScale College ROI Report. You can review various schools or search by a particular school.
payscale.com/college-roi

3. Research Your Options. Develop a Financial Plan.

The most important step to getting financial assistance is to fill out the FAFSA – Free Application for Federal Student Aid.

Why?

Most students are going to need financial assistance in addition to their and/or their parent's financial contributions to their college education. Even if you don't think you will qualify for need-based aid, other things like federal student loans or college-based need may require a FAFSA to be completed. The FAFSA determines whether students are eligible for financial aid such as federal loans, grants, or work-study. In addition, many colleges require a FAFSA to be on record to determine their own financial assistance packages.

When?

You should submit your FAFSA as soon as it is available. This will help increase your chances of getting assistance.

TYPES OF AID AVAILABLE

There is a variety of financial aid available from the government and other sources. A great resource for more information on the types of aid, who gets aid, and how to apply for aid is the Federal Student Aid website.



studentaid.ed.gov/sa/types/work-study

SCHOLARSHIPS

Most students don't appreciate the value of scholarships when it comes to paying for college. There are numerous types of scholarships available, and this is FREE MONEY that does NOT need to be repaid. There are a lot of free resources available to search for scholarships – make sure you take advantage of them and put in the additional time needed for that free money for college.

GRANTS

Like scholarships, grants do not need to be repaid – again, FREE MONEY.

WORK-STUDY

You may qualify for federal work-study, which provides part-time jobs for students with financial need. This allows students to earn money to pay toward their college education expenses.

STUDENT LOANS

There are federal student loans and private student loans. There are key differences between these types of loans, including repayment, interest rates, financial need, credit check, and consolidations options.

STATE AID

Regardless of whether you are or aren't eligible for federal aid, you may be eligible for state aid. Contact your state grant agency for more information.



www2.ed.gov/about/contacts/state/index.html

COLLEGE AID

Many colleges will offer financial assistance of their own. You will want to visit the schools website or contact the financial aid office for more details.

FINANCIAL AID CHECKLIST

	COMPLETED	AMOUNT AWARDED
FAFSA		
Completed on:		
SCHOLARSHIPS SUBMITTED		
COLLEGE FINANCIAL AID		
STATE AID		
STUDENT LOANS		

BORROW WISELY

College is an exciting stage in life and it is very easy for students to lose focus on repayment of loans after college. This is why preplanning is so important. One aspect of preplanning is to estimate how much you will owe upon graduation and if this will be an affordable option.

As you are putting your financial plan together, utilize a repayment calculator to see what your options may look like after college. This can be a great tool to keep track of your debt as you go through college.



studentaid.ed.gov/sa/repay-loans/understand/plans#estimator

4. Analyze Your Opportunities.

Now that you have done your research, it is time to compare your opportunities. A standard approach of Pros versus Cons is definitely a beneficial way to compare your options. But taking it a step further and using a SWOT Analysis approach may give you better insight.

What is a SWOT Analysis?

A SWOT Analysis is a technique that is useful for understanding the strengths and weaknesses of your options, as well as the opportunities and threats (or barriers) to your decision.

S – STRENGTHS

- What are the advantages of one option over the other?
- What is unique or more beneficial about this option versus other options?
- Does this option have a good graduation or retention rate?

W – WEAKNESSES

- Does this option require you to take on more debt than other options?
- Does this option have poor graduation or retention rates?
- Are the class sizes too small or too big for you?

O – OPPORTUNITIES

- Does this option provide better career opportunities after graduation?
- Does this option allow you to take on less debt than other options?
- Does this option have a strong focus on your desired major/career?

T – THREATS

- Will money be a barrier in attending this option?
- Is the location of this option a barrier?
- Is the campus size or transportation options a barrier?

Using the cost and financial assistance information you have gathered, it can be helpful to put your top options together in a worksheet for comparison. This will allow you a side-by-side comparison of your options as you weigh your decision.

	OPTION 1	OPTION 2	OPTION 3	OPTION 4
ESTIMATED COST (EACH YEAR)				
Tuition and Fees				
Room and Board				
Books and Supplies				
Library				
Technology				
Recreation (eating out, social activities)				
Travel cost (vehicle, parking, etc.)				
Clothing and Miscellaneous				
TOTAL				

FINANCIAL PLAN				
Parental Contribution				
My Contribution				
Scholarships				
Grants				
College Financial Aid				
Work-Study				
Federal Student Loans				
Private Student Loans				
TOTAL				

ESTIMATED TOTAL				
Estimated Costs Total				
Financial Plan Total				
TOTAL				

ADDITIONAL CONSIDERATIONS/COMPARISONS				
Average Annual Cost				
Average Loan Amount				
ROI for Degree (i.e. after four years)				
Salary After Attending				
Freshman Retention Rate				
Graduation Rate				
Average Years to Graduate				
Student-to-Faculty Ratio				
School Size				
Curriculum				
Quality of Department of Study				
Location				
Campus Size				
Safety Statistics				
Demographics				

5. Manage Your Plan.

Your decision is made and you are on the path to your future. Whether you chose to attend a four-year college, two-year college, or an alternative option, developing strong money-management skills are necessary to ensure financial wellness.

CREATE A SPENDING PLAN

“People don’t plan to fail, they just fail to plan.” This paraphrased wisdom from Benjamin Franklin applies today to managing money and increasing savings. A budget is an important tool when creating your spending plan. It helps you determine how much of what you make you keep and where your money is going.

- Identify how much income you have each month.
- List all of your necessary expenses.
- Use the money left over each month wisely and put a little away in savings.
- Depending on your type of school loan, consider paying the interest while in school to help reduce what you will owe after graduation.

SPENDING ACCOUNT AND CREDIT CARDS

Handle your money and credit responsibly, as these can have an impact on both your immediate situation and your future.

SPENDING ACCOUNT

- Monitor your spending account by using online banking to review your transactions.
- Set up alerts to notify you of things like low balances, as you don’t want to spend money on things you can avoid, like fees.
- Keep an eye out for fraud on your accounts and notify the financial institution immediately if you notice unauthorized transactions.

CREDIT CARD

- Use your credit card wisely. Use your card in cases of emergency or for specific types of purchases.
- Don’t rack up unnecessary charges you will have to pay back, possibly with interest.
- Pay your bills on time, as this can have an impact on your credit score. Building a good credit history now will help you in the future as you look to buy a car or home.

STUDENT LOANS

If you will be taking out student loans, make sure you keep track of how much you borrow each year. It can be easy to look at each year individually, but you don’t want to be in over your head after you graduate.

- Research your scholarship and grant opportunities each year.
- Fill out your FAFSA each year to determine how much financial assistance you will receive.
- Create your financial aid checklist each year so you know exactly what you will owe in addition to financial assistance.
- Understand your repayment options on your student loans after graduation.
- Understand the type of student loans you take out each year. Depending on the type of loan, you may be responsible for the interest while in school. Consider paying the interest while in school rather than letting it build, as you will still owe this after graduation.

COLLEGE FINANCIAL PLAN - COMPARISON

	Year One		Year Two		Year Three		Year Four	
	Fall	Spring	Fall	Spring	Fall	Spring	Fall	Spring
ESTIMATED COST (EACH YEAR)								
Tuition and Fees								
Room & Board								
Books and Supplies								
Library								
Technology								
Recreation (eating out, social activities)								
Travel cost (vehicle, parking, etc.)								
Clothing and Miscellaneous								
TOTAL								
FINANCIAL PLAN								
Parent Contribution								
My Contribution								
Scholarships								
Grants								
College Financial Aid								
Work Study								
Federal Student Loans								
Private Student Loans								
TOTAL								
Estimated Total								
Estimated Costs Total								
Financial Plan Total								
TOTAL								