

Cost of Education & Training - Teacher Notes

Directions:

Fill in the blanks.

Education Options Segment

1. Post-Secondary Education

- Refers to attainment of education past the **high school** level
- Is necessary for many careers
 - an estimated 60 percent of all jobs in the U.S. require some sort of post-secondary education
- Can increase **earning potential**
 - studies show individuals with college degrees make about 84 percent more over their lifetimes than those with only a high school diploma or GED

2. Post-Secondary Education Options

- Include:
 - public universities and **colleges**
 - private universities
 - **community** colleges
 - vocational and trade schools

3. Public Universities & Colleges

- Are schools mainly funded by **state government** and tend to be larger than private universities, allowing them to have a **larger variety** of majors
- Examples include:
 - Texas Tech University
 - Kansas State University
 - University of North Carolina

4. Private Universities

- Are schools which tend to operate as **educational nonprofit** organizations, receiving the majority of their funding through tuition, donations and **endowments**
- Examples include:
 - Harvard University
 - Princeton University
 - University of Notre Dame

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5. Community Colleges

- Are **two-year** colleges, which award associate degrees and allow students to have the option to **transfer** into four-year universities or colleges
- Examples include:
 - South Plains College
 - Redlands Community College
 - Tarrant County College

6. Vocational & Trade Schools

- Are **short-term** schools which tend to focus on specific topics or careers and help prepare students for the workplace by earning diplomas, certificates or **licenses**
- Examples include:
 - Universal Technical Institute
 - Vista College
 - ITT Technical Institute

7. Undergraduate Degrees

- Include:
 - associate degrees
 - offered at **community colleges**
 - require approximately two years of study
 - bachelor's degrees
 - offered at **four-year colleges and universities**
 - require approximately four years of study

8. Graduate Degrees

- Include:
 - master's degrees
 - offered at **four-year colleges** and universities
 - require a bachelor's degree and one to two additional years of study
 - doctoral degrees
 - offered at four-year colleges and universities
 - require a bachelor's degree, a master's degree, and **two to three** additional years of study
 - professional degrees
 - offered at four-year colleges and universities
 - require a student to attend medical school, law school, etc.

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9. Continuing Education Options

- Include:
 - **certifications**
 - required for selected careers to ensure a student has met certain qualifications within a field
 - **licenses**
 - required for selected careers to ensure a student has authority to engage in a specific career field

Professional certifications and licenses are used for jobs such as plumbing, auto repair, pest control and cosmetology.

10. Choosing a Post-Secondary Education Path

- Requires considering the following:
 - academic **reputation**
 - career interest
 - admission requirements
 - location
 - **size**
 - personal budget

11. Academic Reputation

- Refers to the overall **beliefs and opinions** about a school based upon various qualities and attributes
- Is determined by the school's:
 - research capability
 - teaching quality
 - financial resources
 - student engagement
 - **graduation** rates, etc.

12. Academic Reputation

- Can be found by researching and checking ratings through **surveys** such as the 'Times Higher Education World Reputation Rankings' or the 'Princeton Review'

Students should consider talking to current students and setting up a **campus tour** to find out more about the selected school.

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13. Career Interest

- Refers to the **career path** or field of study in which a student is interested
- Should impact post-secondary options because:
 - not all schools offer the same fields of study
 - different career choices require different degrees, certifications or licenses
 - some schools offer **stronger programs** for different fields of studies than others

14. Admission Requirements

- Are **set criteria** established by a school which students are required to meet in order to attend
- Vary depending upon the school
 - not all schools have the same requirements
 - students should research **requirements** for schools which they would like to attend

For example, having a specific SAT score may be required at one school whereas at another school they prefer a particular ACT score.

15. Admission Requirements

- Examples include:
 - grade point averages (GPA)
 - **education level**
 - high school diplomas/GED
 - **test scores**
 - SAT
 - filling out the admission application for the school

16. School Location

- Should be taken into consideration for **personal and financial** reasons such as:
 - comfort with distance from home
 - cost associated with in-state versus out-of-state colleges and universities
 - **atmosphere attributes**, such as population size and weather conditions
 - available resources including hospitals, shopping, etc.

Students who attend school out of state can end up paying more for tuition than those who attend school in-state due to additional fees.

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17. School Size

- Varies depending on the school
 - some schools are bigger than others
- Can be determined by researching total enrollment, **student-to-faculty ratios**, and class sizes
- Can impact a student's **comfort level**

For example, students from smaller high schools might feel more at home at a college or university which offers smaller class sizes.

18. Personal Budget

- Refers to the set amount of money a student is **willing/able to spend** on their education and personal needs
- Should be taken into consideration so students attend a school which they are able to afford
- Should be discussed and determined by a student, their guardians and/or a **financial advisor**

Most schools offer financial aid offices, which have financial aid advisors who will help a student plan their budget.

Cost & Financing Segment

1. Post-Secondary Education Costs

- Include:
 - tuition and **fees**
 - room and board
 - books and supplies
 - **transportation**
 - personal expenses

2. Tuition & Fees

- Include the price paid **for each class** taken, as well as comprehensive fees, such as athletic passes and **library fees**
- Prices can change depending on the number of credits taken or if the student is attending school in state or out of state

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3. Tuition & Fees

See **Post-Secondary Education Costs Student Handout** for slide graphic

4. Room & Board

- Refers to costs of housing and food
 - may be on campus
 - such as dorm rooms or on-campus apartments
 - includes on-campus meal plans
 - may be off campus
 - such as an apartment or house
 - includes funds spent at restaurants and grocery stores

If a student decides to go to a school located close to their home, they have the option to live at home with their family which can decrease living expenses for a student.

5. Room & Board

See **Post-Secondary Education Costs Student Handout** for slide graphic

6. Books & Supplies

- Are required for the majority of college courses
- Prices vary depending on where students buy their books and supplies
- Can include:
 - textbooks
 - lab manuals
 - laptops/tablets
 - e-books

Students should research the resources available to them to get the best deals on books and supplies. For example, students can rent a book at a lower fee rather than buying it. However, they will be required to return the book by a certain date.

7. Books & Supplies

See **Post-Secondary Education Costs Student Handout** for slide graphic

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8. Transportation Expenses

- Consists of **expenses** which come from commuting to and from campus
- Can also come from commuting **to and from** your home, workplace, etc.

Students can save money by using different forms of transportation. For example, if a student decides to ride a bike to and from class, they will most likely spend less money on transportation than a student who drives a vehicle to and from class.

9. Transportation Expenses

*See **Post-Secondary Education Costs Student Handout** for slide graphic*

10. Personal Expenses

- Refer to the **day-to-day expenses** a student may have aside from their education costs
- Can include:
 - utilities
 - laundry
 - **hobbies**
 - bills such as a car loan or mobile phone

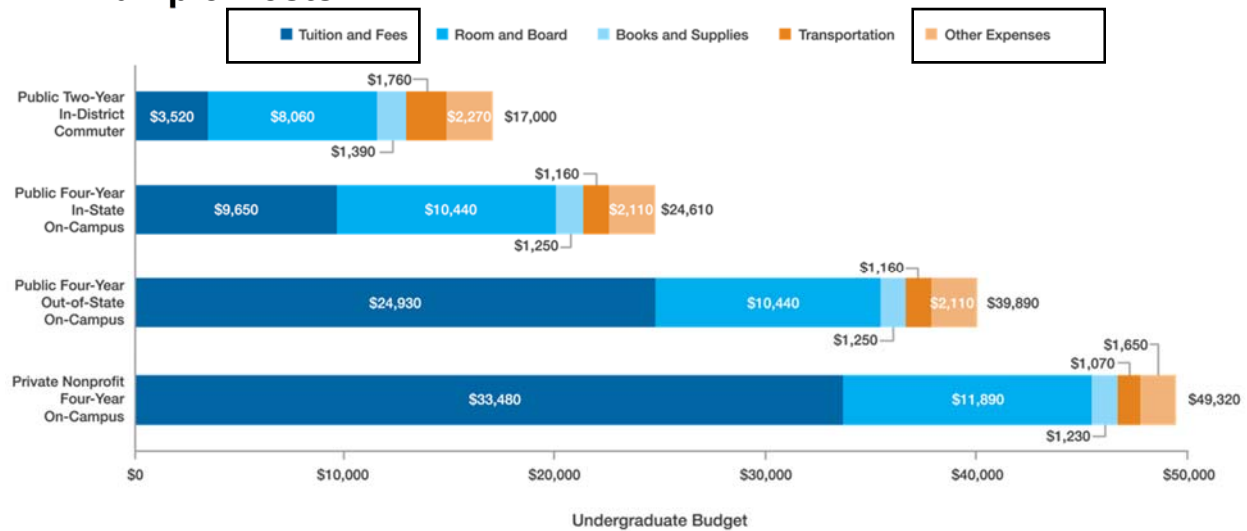
Budgeting for personal expenses and entertainment is necessary to help with the quality of life and social development.

11. Personal Expenses

*See **Post-Secondary Education Costs Student Handout** for slide graphic*

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12. Example Costs



13. Paying for Post-Secondary Education

- Can be done by utilizing funds from:
 - personal savings or income
 - student loans
 - scholarships
 - student grants

14. Paying for Post-Secondary Education

- Can require filling out forms and paperwork such as:
 - FAFSA
 - scholarship or grant applications

15. FAFSA

- Stands for Free Application for Federal Student Aid
- Allows students to apply for federal grants, loans and work-studies provided by the U.S. Department of Education
- Is available for all students to apply for, by creating a FSA ID on the FAFSA website and filling out and submitting the application provided

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16. Financial Aid Eligibility

- Depends on a student's:
 - Expected Family Contribution (EFC)
 - **year of enrollment**
 - enrollment status
 - cost of attendance (COA)
 - financial need

A student's college or career school will ultimately decide the **amount of financial aid** a student is eligible for.

17. Expected Family Contribution

- Refers to a **set amount of money** an institution feels a student's family could contribute to their education
- Can be calculated by using family information, such as:
 - family tax information
 - family assets
 - family size
 - **family benefits**
 - family members attending college or career school during the year

18. Expected Family Contribution

- Is calculated by a formula created by the **U.S. Department of Education**
 - students' household income, assets, benefits, **family size** and family members who attend college or career school could all be factors used in the formula

19. Cost of Attendance

- Refers to the amount of money a student **will have to pay** in order to attend the college or career school of their choice
- Can be calculated by using estimates of:
 - tuition and fees
 - room and board
 - **books and supplies**
 - transportation
 - personal expenses

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20. Financial Need

- Refers to the difference in a student's cost of attendance and a student's **expected family contribution**
 - Is taken into consideration when a student applies for financial aid
- Calculating Financial Need
Cost of Attendance (COA) – Expected Family Contribution (EFC)
= **Financial Need**

21. Filling out a FAFSA

- Requires a student provide:
 - student's **Social Security number**
 - student's parents' or guardians' Social Security numbers
 - only if the student is considered dependent
 - student's driver's license number
 - if available
 - student's alien registration number
 - if not a U.S. citizen
 - **federal tax information** or tax returns
 - for the student
 - if married, both student and their spouse
 - if dependent, the student's parents

22. Filling out a FAFSA

- Requires a student to provide the following:
 - **untaxed income** information
 - such as interest income, child support, etc.
 - information on savings accounts, investments, **real estate** and any other assets a student may have
 - list of colleges and/or career schools the student would like to attend

23. After Filling out a FAFSA

- A student's FAFSA information will be shared with colleges and/or career schools provided on the **FAFSA application**
- The student can go check their FAFSA application status on their FAFSA account by using their FSA ID
- The student will receive a **Student Aid Report**, which is an overview of the information they provided on the FAFSA application

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24. Once Approved for FAFSA

- A student's college or career school of choice will explain how and when the financial aid will be **disbursed**
- The student will be expected to sign a promissory note if they are receiving aid for the first time
- The student should keep in contact with the **school's financial aid office** to ensure understanding of the financial aid process

25. FAFSA

- **Applications** can be found by visiting **fafsa.gov**

26. Scholarships

- Are set amounts of money which are rewarded to students based on certain **merit-based criteria**
- Are a great way for students to pay for their education without having to worry about paying it back after graduation
- Can be found by doing research and talking with a student's **school counselor**

27. Scholarship Applications

- Can be found a variety of ways, such as:
 - contacting college or career school **financial aid offices**
 - getting in touch with school counselors
 - talking to different foundations, religious or community organizations, local businesses, **civic groups**, professional associations related to students field of interest, etc.
 - the free scholarship search tool provided by the U.S. Department of Labor

28. Eligibility Requirements for Scholarships

- Vary depending upon the scholarship
- Can include:
 - **academics**
 - leadership, student involvement and extracurricular activities
 - **financial** need

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29. Academics

- Refer to the **performance** a student has on their courses of study
 - performance is measured by **grade point averages** and standardized testing scores
- Are looked at by many colleges and universities to determine a student's acceptance

Students who achieve high GPAs and score well on standardized tests like the ACT or SAT, can be eligible to receive certain scholarships. For example, students who score in the top one percent of the PSAT are eligible for the National Merit Scholarship.

30. Leadership, Involvement & Extracurricular Activities

- Refer to a student's involvement within **school organizations** and activities
 - such as sports, student council and clubs
- Are a good way for students to build up their **résumés** and highlight their interests and achievements

31. Leadership, Involvement & Extracurricular Activities

- May be required for **certain scholarships**
 - for example, students involved in organizations such as National FFA, National Honor Society and HOSA are eligible for scholarships **within their organization**

32. Student Grants

- Are set amounts of money which are rewarded to students based on certain **financial need criteria**
- Do not typically require the student to **pay them back** after graduation
 - so long as the student meets the conditions of the grant
- Generally require a student to fill out and submit a FAFSA

33. Types of Student Grants

- Include:
 - Federal **Pell** Grants
 - awarded to only undergraduate students
 - do not have to be repaid
 - Federal **Supplemental** Educational Opportunity Grants (FSEOG)
 - awarded directly by each participating school's financial aid office
 - not all schools offer FSEOG

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34. Types of Student Grants

- Include:
 - Teacher Education Assistance for College and **Higher Education** Grants (TEACH)
 - require a student to enroll and complete certain classes
 - require a student to work a certain type of job
 - Iraq and Afghanistan **Service Grants**
 - available to students whose parent or guardian died as a result of military service in Iraq or Afghanistan after 9/11 attacks
 - require the student be under the age of 24 or enrolled in college part-time at the time of the death of the student's parent or guardian

35. Student Loans

- Are set amounts of money which students can **borrow** to help pay for their education
- Require a student **to pay back** the set amount of money they borrowed along with interest
- Include:
 - need-based loans
 - non-need-based loans
 - state loans
 - private loans

36. Student Loan Examples

- Include:
 - **direct subsidized loans**
 - available for undergraduate students who possess financial need
 - direct unsubsidized loans
 - available for undergraduate, graduate and professional students, but do not require financial need
 - **direct PLUS loans**
 - available for graduate or professional students and parents of dependent undergraduates to aid in paying for expenses which other financial aid has not covered

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37. Student Loan Examples

- Include:
 - direct consolidation loans
 - available to all students with multiple federal loans, allowing them to combine them into a single loan
 - **Federal Perkins Loan Program**
 - school-based loans available to undergraduate and graduate students who possess exceptional financial need
 - **Federal Family Education Loan Program**
 - private-lender loans which come from banks and other financial institutions for students

38. Federal Student Loans Characteristics

- Do not require a student to start paying back their loan until **after graduation**
- Interest rates are fixed and not as high as private loan interest rates
- Do not require a credit check
- Can be **consolidated**
- Have several repayment options
- Offer student loan forgiveness

39. Private Student Loans Characteristics

- Most likely require payments while a student **is still in school**
- Can include high interest rates
- Can require established credit and a credit check
- Cannot be consolidated
- Offer few **repayment plans**
- Most likely do not offer student loan forgiveness

40. Other Methods of Payment

- Include:
 - **federal** work-studies
 - **military** programs

41. Federal Work-Studies

- Allow students to go to college and obtain different **part-time jobs**
- Are available to students who possess financial need
- Are available for both **full-time and part-time** students
- Are available to students who attend schools which are a part of the Federal Work-Study Program

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42. Military Programs

- Are **tuition assistance programs** provided by the U.S. Military
- Allow students to get a set amount of their tuition paid for and in return they **will have to serve** in the U.S. Military

43. Military Programs

- Include:
 - Reserve Officer Training Corps (ROTC) program
 - prepares young adults in colleges and universities to become **officers** in the U.S. Military
 - The Post-9/11 GI Bill
 - provides educational benefits for soldiers who have at least **90** days of aggregate active duty service after Sep.10, 2001
 - Community College of the Air Force (CCAF)
 - grants two-year Associate of Applied Science (AAS) degrees in association with Air University

44. Play iCEV Video

Show *Applying for Financial Aid* video segment.

45. Play iCEV Video

Show *Budgeting for College & Student Loans* video segment.

Paying it Back Segment

1. Paying it Back Considerations

- Include:
 - **interest** rates
 - repayment plans
 - student loan consolidations
 - student loan forgiveness
 - **companies** paying off student loans

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2. Interest Rates

- Describe the percentage of the loan which must be paid back **in addition** to the amount a student borrows
 - the higher a student's interest rate, the more they will be required to pay over time
- Are set by **Congress** for federal student loans
- Vary depending on the type of loan

Calculating Interest Formula

$$\text{Outstanding Principal Balance} \times \text{\# of Days Since Last Payment} \times \text{Interest Rate Factor} = \text{Interest Amount}$$

3. Calculating Interest

- Includes a student's:
 - **outstanding principal balance**
 - the remaining portion of the original student loan amount and any interest which has been capitalized
 - number of days since last payment
 - is simply the amount of days from which a student made their last loan payment
 - **interest rate factor**
 - the daily rate of interest on the loan

Calculating Interest Rate Factor

$$\text{Interest Rate} / 365.25 \text{ days} = \text{Interest Rate Factor}$$

Be sure to enter the interest rate as a decimal. The 365.25 days represents a year and a quarter day. The quarter day is to account for a leap year.

4. Example

Kelly has an outstanding **principal** balance of \$10,000. It has been 15 days since she made her last payment and her interest rate factor is **4.45** percent.

$$\$10,000 \times 15 \times (.0445 / 365.25) = 18.275$$

Kelly's interest is \$18.28.

5. Repayment Plans

- Are **flexible plans** which are created to help students pay off their loans over a certain period of time
- Can be created to fit a student's needs and goals
- Are based on **how much money** a student makes

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6. Repayment Plan Options

- Include:
 - **standard** repayment plans
 - graduated repayment plans
 - extended repayment plans
 - revised pay as you earn repayment plan
 - income based repayment plan
 - income **contingent** repayment plan
 - income sensitive repayment plan

7. Standard Repayment Plans

Loans Eligible	Monthly Payments	Borrower Eligibility
<ul style="list-style-type: none"> • Direct Subsidized loans • Direct Unsubsidized loans • Subsidized Federal Stafford loans • Unsubsidized Federal Stafford loans • PLUS loans • Consolidated loans 	<ul style="list-style-type: none"> • Fixed monthly payments • Students have up to 10 years to pay back loans • Students with consolidated loans have up to 30 years to pay back loans 	<ul style="list-style-type: none"> • All loan borrowers are eligible

8. Graduated Repayment Plans

Loans Eligible	Monthly Payments	Borrower Eligibility
<ul style="list-style-type: none"> • Direct Subsidized loans • Direct Unsubsidized loans • Subsidized Federal Stafford loans • Unsubsidized Federal Stafford loans • PLUS loans • Consolidated loans 	<ul style="list-style-type: none"> • Payments will increase after every two years • Students have up to 10 years to pay back loans • Students with consolidated loans have up to 30 years to pay back loans 	<ul style="list-style-type: none"> • All loan borrowers are eligible

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9. Extended Repayment Plans

Loans Eligible	Monthly Payments	Borrower Eligibility
<ul style="list-style-type: none"> • Direct Subsidized loans • Direct Unsubsidized loans • Subsidized Federal Stafford loans • Unsubsidized Federal Stafford loans • PLUS loans • Consolidated loans 	<ul style="list-style-type: none"> • Fixed or graduated monthly payments • Students will have up to 25 years to pay back loans 	<ul style="list-style-type: none"> • Direct loan borrowers who have borrowed more than \$30,000 • FFEL borrowers who have borrowed more than \$30,000

10. Revised Pay As You Earn Repayment Plan

Loans Eligible	Monthly Payments	Borrower Eligibility
<ul style="list-style-type: none"> • Direct Subsidized loans • Direct Unsubsidized loans • Direct PLUS loans • Direct consolidated loans, which do not include PLUS, Direct or FFEL loans made to parents 	<ul style="list-style-type: none"> • Will be 10 percent of a student's discretionary income • Recalculated each year, based on student's updated income and family size • If married, student's and spouse's income will be considered • If a student has not repaid their loan within 20 to 25 years, their outstanding balance will be forgiven 	<ul style="list-style-type: none"> • Any Direct loan borrower with eligible loan type

11. Income-Based Repayment Plan

Loans Eligible	Monthly Payments	Borrower Eligibility
<ul style="list-style-type: none"> • Direct Subsidized loans • Direct Unsubsidized loans • Subsidized Federal Stafford loans • Unsubsidized Federal Stafford loans • PLUS loans • Consolidated loans, which do not include PLUS, Direct or FFEL loans made to parents 	<ul style="list-style-type: none"> • Will be 10 to 15 percent of a student's discretionary income • Recalculated each year, based on student's updated income and family size • If married, student's and spouse's income will be considered • If a student has not repaid their loan within 20 to 25 years, their outstanding balance will be forgiven 	<ul style="list-style-type: none"> • Requires the student to have high debt compared to student income

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12. Income Contingent Repayment Plan

Loans Eligible	Monthly Payments	Borrower Eligibility
<ul style="list-style-type: none">• Direct Subsidized loans• Direct Unsubsidized loans• Direct PLUS loans• Direct consolidated loans	<ul style="list-style-type: none">• Will be less than 20 percent of a student's discretionary income• Recalculated each year, based on student's updated income and family size• If married, student's and spouse's income will be considered• If a student has not repaid their loan within 25 years, their outstanding balance will be forgiven	<ul style="list-style-type: none">• Any Direct loan borrower with eligible loan type• Parent borrowers can use this plan if they consolidated their loans into a Direct Consolidation loan

13. Income Sensitive Repayment Plan

Loans Eligible	Monthly Payments	Borrower Eligibility
<ul style="list-style-type: none">• Subsidized Federal Stafford loans• Unsubsidized Federal Stafford loans• FFEL PLUS loans• FFEL consolidated loans	<ul style="list-style-type: none">• Will be based on a student's annual income• Students will have up to 15 years to pay back loans	<ul style="list-style-type: none">• Any loan borrower with eligible loan type

14. Student Loan Consolidations

- Allow students to **combine multiple student loans** with one fixed interest rate, which is typically an average rate
- Allow students to have **one monthly payment** to the Direct Consolidation Loan, instead of multiple monthly payments

15. Student Loan Forgiveness

- Are programs which help take care of part of student loan debt, while the student makes payments in the meantime
- Programs include:
 - Public Service Loan Forgiveness
 - The Teacher Loan Forgiveness Program
 - **Military** Members
 - The Income-Based Repayment Plan
 - Pay As You **Earn**

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16. Companies Paying off Student Loans

- Allow students to receive a set amount of money from their employer to help pay off any student loan debts they might have
- Is beneficial for the student and allows them less stress over repayment issues

17. Example

Mason is an undergraduate student who possesses financial need. Mason filled out a FAFSA and got approved to borrow a direct subsidized loan for more than \$30,000. To repay the loan, Mason sat down with his financial advisor and decided to use the extended repayment plan. Mason will now have a fixed monthly payment and be required to pay off the loan within 25 years.

18. Example

Sara has multiple student loans. She decides to consolidate her loans into one direct consolidation loan, so she will have one monthly payment. Sara has decided to use the Revised Pay As You Earn repayment plan. Sara's monthly payment will be 10 percent of her discretionary income. If Sara fails to pay off her loan within 20 to 25 years, her loan will be forgiven.

19. If a Student Can't Pay It Back

- They should get in contact with their loan provider or advisor and discuss a plan which will help them find a way to afford paying it back
 - may include:
 - changing the payment due date
 - changing the repayment plan
 - consolidating the loans