**Student Guide: Is Debt Scaring You Away From College?**

**Unnerving university loans have students second guessing college**

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A Lesson in:

* Cost of Credit
* Failure to Repay Debt
* Credit Counseling

**Your Thoughts Before Reading:**

1. **Have you thought much about pursuing education after high school?** What would that look like for you if you decide to further your education? What are the advantages and disadvantages to getting a college degree?

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| **Advantages** | **Disadvantages** |
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1. **Take a moment to share the list with your classmates.** If you found that your peers had some good ideas that you overlooked, go ahead and update your list above.
2. **Taking a risk by going to college and investing in yourself can be scary.** Many students take out loans to get through their university experience. The career that they land as a result of furthering their education may or may not pay the bills for the debt. New college grads are finding that taking out loans for college does not always “pay.”

**Consider your career options and if a degree is needed.** Use the Bureau of Labor Statistics’ website, their Occupational Outlook Handbook <https://www.bls.gov/ooh/> to find the occupation that you are interested in. Use the **A-Z Index** to find the job, then answer the questions below:

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| --- | --- | --- |
| **Occupation** | **Entry Level Education** | **Median National Income** |
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1. **Take a closer look.** Now, visit <https://www.careeronestop.org/Toolkit/ACINet.aspx> and look at the demand for the career itself by location. In the Toolkit, choose **Occupation Profile** and enter the job title and the location (city and state) that you are interested in working in. Is there a high occupational outlook? What is the typical median income for that geographic area?

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| --- | --- | --- | --- |
| **Occupation** | **City and State** | **Job Outlook** | **Typical Income** |
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1. **Think about what you have discovered.** After doing a little research, perhaps you have some new thoughts about your future career. Be sure to weigh the choices in fields where a university education is not needed. Write down your thoughts about the occupations that you considered, considering the education needed and job outlook as well as potential income.

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| **My conclusions:**  |

**During the Reading with Newspaper in Education:**

1. **Examine the Cartoons for the Classroom**, **“**Is Debt Scaring You Away From College” from the *Tampa Bay Times*, and answer the questions for each given segment.

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| **Between the Lines** | **Talking Points** |
| What does Scott Nailor’s comment mean? Is this true? *Why or why not?* | 1.
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**After the Reading:**

1. **If you can work your way through college, even taking an extra year or two- you may be able to graduate without school loans.** Depending on the repayment structure for your college loan, it may be years before you pay off any of the principal. What have you heard about college debt? Is it worth it? *Why or why not?*

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1. Search for a “Student Loan Calculator” online. <<https://www.bankrate.com/calculators/college-planning/loan-calculator.aspx>> Find out how much it costs to take out a loan for $5,000, $10,000 and $50,000 over a 10 year period of time.

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| **Loan Amount** | **Interest Rate** | **Loan Term in Years** | **Principal Paid** | **Total Interest Paid** | **Loan Term in Years** | **Principal Paid** | **Total Interest Paid** |
| $5,000 | 4% | 10 years |  |  | 20 years |  |  |
| 5% | 10 years |  |  | 20 years |  |  |
| 6% | 10 years |  |  | 20 years |  |  |
| $10,000 | 4% | 10 years |  |  | 20 years |  |  |
| 5% | 10 years |  |  | 20 years |  |  |
| 6% | 10 years |  |  | 20 years |  |  |
| $50,000 | 4% | 10 years |  |  | 20 years |  |  |
| 5% | 10 years |  |  | 20 years |  |  |
| 6% | 10 years |  |  | 20 years |  |  |

1. **What do you notice about the table that you created above?**

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1. What are the consequences of not paying these loans in a timely manner? What if you miss a payment? Write a paragraph to explain the best choice for your career and education, make sure to explain why.

***Extension*:** Research your chosen career in a specific town and compare the pay to cost of living. Create a budget and find out how much money you have available and are willing to put towards student loans.