Choices Beyond High School & Student Loans

Mrs. Gwen Skoyen
Career & Technical Education Coordinator
West Allis-West Milwaukee School District
Outline

* Weighing Options & Opportunity Costs
* Increasing College Costs
* Student Debt is Rising
* What Students Should Do
* How to Calculate Student Loan Repayment
Post-Secondary Options

- On-the-Job Training
- Military Training / Military Education Programs
- Apprenticeship
- Technical Certificate
- Two-Year Associate’s Degree
- Four-Year Bachelor’s Degree
Weighing Options & Opportunity Costs

* HUGE Life Decision
* Rational Decision-Making
* Think Critically about All Options
* PACED Steps
  * Define the **Problem**
  * List **Alternatives**
  * Determine **Criteria**
  * Evaluate the Alternatives
  * Make a **Decision**
Post-Secondary Options

Example: Respiratory Therapy Technicians

Respiratory Therapy Technicians

**WHAT THEY DO**

Provide specific, well defined respiratory care procedures under the direction of respiratory therapists and physicians.

$47,810 national average

**Related to...**

**WHAT IT TAKES TO GET THERE**

Education Obtained by those Currently in the Field

- Associate's Degree
- Bachelor's Degree
- Post-Secondary Certificate
- Some College
Schools in Wisconsin
Example: Respiratory Therapy Technicians

<table>
<thead>
<tr>
<th>Name</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHIPPEWA VALLEY TECHNICAL COLLEGE</td>
<td>EAU CLAIRE</td>
</tr>
<tr>
<td>GATEWAY TECHNICAL COLLEGE</td>
<td>KENOSHA</td>
</tr>
<tr>
<td>MID-STATE TECHNICAL COLLEGE</td>
<td>STEVENS POINT</td>
</tr>
<tr>
<td>MID-STATE TECHNICAL COLLEGE</td>
<td>MARSHFIELD</td>
</tr>
<tr>
<td>MILWAUKEE AREA TECHNICAL COLLEGE</td>
<td>MILWAUKEE</td>
</tr>
<tr>
<td>MORaine PARK TECHNICAL COLLEGE</td>
<td>WEST BEND</td>
</tr>
<tr>
<td>NORTHCENTRAL TECHNICAL COLLEGE</td>
<td>WAUSAu</td>
</tr>
<tr>
<td>NORTHEAST WI TECHNICAL COLLEGE</td>
<td>GREEN BAY</td>
</tr>
<tr>
<td>UW - GREEN BAY</td>
<td>GREEN BAY</td>
</tr>
<tr>
<td>WAUKESHA COUNTY TECHNICAL COLLEGE</td>
<td>PEWAUKEE</td>
</tr>
</tbody>
</table>
Pay & Job Outlook
Example: Respiratory Therapy Technicians

Wage Information for Respiratory Therapy Technicians, 2014:

<table>
<thead>
<tr>
<th>Wage Level</th>
<th>Statewide Hourly</th>
<th>Statewide Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry</td>
<td>$16.22</td>
<td>$33,730</td>
</tr>
<tr>
<td>Average</td>
<td>$23.33</td>
<td>$48,530</td>
</tr>
<tr>
<td>Experienced</td>
<td>$26.89</td>
<td>$55,930</td>
</tr>
</tbody>
</table>

Number of Jobs for Respiratory Therapy Technicians, Wisconsin, 2012 - 2022:

<table>
<thead>
<tr>
<th>Estimated Employment</th>
<th>Percent Change</th>
<th>Ave. # Openings per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2022</td>
<td></td>
</tr>
<tr>
<td>171</td>
<td>193</td>
<td>12.87%</td>
</tr>
</tbody>
</table>
College is an Expensive Investment

* Private Four-Year College Tuition
  * Often over $50,000 per year or about $1,500 per week!
* State Four-Year Universities
  * Less expensive than private
* Two-Year Technical Colleges
  * Less expensive than private or state four-year
College Costs are Rising

- **Two** times faster than health care . . . and health care is up 257%!
- **Three** times faster than inflation
  - During the last 30 years, inflation has risen 106%, while college tuition has risen by 439%.
College Costs are Rising

* “College tuition rose 6 times faster than the increase in average earnings of college graduates over the last two decades.” (Forbes)

* Government is Cutting Funding
  * In 1980, Wisconsin state funding covered 33% of public university costs
  * Currently it covers less than 20%
Sources of Financial Assistance

* Scholarships (no repayment)
* Grants – Based on Financial Need (no repayment)
* Assistance from Family Members
* Military Education Programs
* Student Loans
Sources of Financial Assistance

* Student Loans - Currently 71% of Students Attending Wisconsin Public Universities

* Student Loans – Increase from 50% (1992-1993) of Students Attending Wisconsin Public Universities
Student Debt is Rising

- Average Debt at Graduation is $29,400
- Current National Total Student Debt is $1.3 Trillion
- Americans currently Owe More on Student Loans than on Credit Cards
Student Loan Balances

Student Loan Borrowers by Balance Level (2012:Q4)

- $1 – $9,999: 39.11%
- $10,000 – $24,999: 29.98%
- $25,000 – $49,999: 18.11%
- $50,000 – $74,999: 6.63%
- $75,000 – $99,999: 2.59%
- $100,000 – $149,999: 2.12%
- $150,000 – $199,999: 0.85%
- $200,000 and above: 0.60%

Total number of borrowers is 37.5 million.

Percentages do not add to 100 due to rounding.
Percent of Delinquent Loan Balances by Type

Percent of Loan Balances Delinquent 90+ Days (by Loan Type)

- Credit Cards
- Student Loans
- Auto Loans
- Mortgages
- Home Equity Loans

College Grads with Jobs . . . That Do NOT Require a Degree

Recent Graduates with Jobs That Do Not Require a Degree

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>27.4%</td>
</tr>
<tr>
<td>2008</td>
<td>30.3%</td>
</tr>
<tr>
<td>2009</td>
<td>31.4%</td>
</tr>
<tr>
<td>2010</td>
<td>32.0%</td>
</tr>
<tr>
<td>2011</td>
<td>34.3%</td>
</tr>
<tr>
<td>2012</td>
<td>37.0%</td>
</tr>
<tr>
<td>2013*</td>
<td>36.7%</td>
</tr>
</tbody>
</table>

NOTE: *Through May.
SOURCE: Center for Labor Market Studies at Northeastern University
Career & College Evaluate Criteria

- Expected Annual Pay
- Job Outlook % (Marketable Occupation)
- Programs Offered
- Graduation Rates
- Job Placement Statistics
Career & College Evaluate Criteria

- Cost of Tuition
- Geographic Location
- Student-to-Faculty Ratio
- Housing Options
- Extracurricular Programs
<table>
<thead>
<tr>
<th>University of Wisconsin School</th>
<th>Tuition Per Semester</th>
<th>Total Cost if Graduating in Four Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>UW-Madison – Undergrad Engineering</td>
<td>$ 5,905.08</td>
<td>$ 47,240.64</td>
</tr>
<tr>
<td>UW-Madison – Undergrad Business Administration</td>
<td>$ 5,705.16</td>
<td>$ 45,641.28</td>
</tr>
<tr>
<td>UW-Madison – Undergrad Other</td>
<td>$ 5,205.12</td>
<td>$ 41,640.96</td>
</tr>
<tr>
<td>UW-Milwaukee</td>
<td>$ 4,695.41</td>
<td>$ 37,563.28</td>
</tr>
<tr>
<td>UW-Stout</td>
<td>$ 4,534.50</td>
<td>$ 36,276.00</td>
</tr>
<tr>
<td>UW-La Crosse</td>
<td>$ 4,397.17</td>
<td>$ 35,177.36</td>
</tr>
<tr>
<td>UW-Eau Claire</td>
<td>$ 4,371.88</td>
<td>$ 34,975.04</td>
</tr>
<tr>
<td>UW-Superior</td>
<td>$ 3,997.08</td>
<td>$ 31,976.64</td>
</tr>
<tr>
<td>UW-River Falls</td>
<td>$ 3,875.87</td>
<td>$ 31,006.96</td>
</tr>
<tr>
<td>UW-Whitewater</td>
<td>$ 3,799.80</td>
<td>$ 30,398.40</td>
</tr>
<tr>
<td>UW-Stevens Point</td>
<td>$ 3,834.39</td>
<td>$ 30,675.12</td>
</tr>
<tr>
<td>UW-Green Bay</td>
<td>$ 3,789.16</td>
<td>$ 30,313.28</td>
</tr>
<tr>
<td>UW-Platteville</td>
<td>$ 3,745.54</td>
<td>$ 29,964.32</td>
</tr>
<tr>
<td>UW-Oshkosh</td>
<td>$ 3,718.58</td>
<td>$ 29,748.64</td>
</tr>
<tr>
<td>UW-Parkside</td>
<td>$ 3,663.00</td>
<td>$ 29,304.00</td>
</tr>
</tbody>
</table>
Post-Secondary Options
Example: Graphic Designer

Graphic Designer

WHAT IT TAKES TO GET THERE
Education Obtained by those Currently in the Field

- Bachelor's Degree
- Some College
- Associate's Degree
Pay & Job Outlook
Example: Graphic Designer

Wage Information for Graphic Designers, 2012:

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<tr>
<th>Wage Level</th>
<th>Statewide Hourly</th>
<th>Statewide Annual</th>
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<tbody>
<tr>
<td>Entry</td>
<td>$13.53</td>
<td>$28,150</td>
</tr>
<tr>
<td>Average</td>
<td>$20.42</td>
<td>$42,460</td>
</tr>
<tr>
<td>Experienced</td>
<td>$23.86</td>
<td>$49,620</td>
</tr>
</tbody>
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Number of Jobs for Graphic Designers, Wisconsin, 2010 - 2020:

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<thead>
<tr>
<th>Estimated Employment</th>
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<tr>
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<td>2020</td>
<td></td>
</tr>
<tr>
<td>6270</td>
<td>6860</td>
<td>9.4%</td>
</tr>
</tbody>
</table>
### Gross vs. Net Pay

**Single Person - $28,150 Per year**

<table>
<thead>
<tr>
<th>Your Paycheck Results</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Gross Pay</td>
<td>$2,345.83</td>
</tr>
<tr>
<td>Federal Withholding</td>
<td>$205.81</td>
</tr>
<tr>
<td>Social Security</td>
<td>$132.73</td>
</tr>
<tr>
<td>Medicare</td>
<td>$31.04</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$84.59</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>$90.00</td>
</tr>
<tr>
<td>401K Retirement</td>
<td>$100.00</td>
</tr>
<tr>
<td>Dental Insurance</td>
<td>$15.00</td>
</tr>
<tr>
<td><strong>Net Pay</strong></td>
<td><strong>$1,686.66</strong></td>
</tr>
</tbody>
</table>
UW-Stout – Menomonie
Tuition & Loan

UW-Stout Yearly Tuition $ 9,069
x Four Years 4
Loan Amount: $36,276
25-Year Loan @ 6.8%
$ 251.78 Per Month for 25 Years
$251.78 / $1,686.66 Monthly Net Pay =
15.00% Net Monthly Pay for Student Loan
UW-Stout
Loan Repayment

$ 251.78 Per Month
\times 300 \text{ Months (25 years)}
= \$75,534.00 \text{ Total Paid}
- \$36,276.00 \text{ Loan Amount}
= \$39,258.00 \text{ INTEREST ONLY!}
Western Technical College Tuition & Loan

Western Technical College Tuition $ 8,849
(66 Credit Program)

3-Years & 2 mo. Loan @ 6.8%

$ 259.49 Per Month for 3 Years & 2 Mo.

$259.49 / $1,686.66 Monthly Net Pay =

15% Net Monthly Pay for Student Loan
$ 259.49 Per Month
x 38 Months (3 years & 2 mo.)
=$ 9,860.62 Total Paid
- $ 8,849.00 Loan Amount
=$ 1,011.62 INTEREST ONLY!
The Drain on the Economy

* Massive Debt Will Impact the U.S. Economy Now and in the Future
* Repayment of Debt Will Limit Future Spending
  * Purchasing a Home
  * Getting Married
  * Having Children
College Choice 101 Video

- Federal Reserve Bank of St. Louis Website
- LINK: College Choice 101 Video
Sources

* PewResearch Center:  http://www.pewresearch.org/fact-tank/2014/05/30/5-facts-about-todays-college-graduates/
* College Choice 101 Video:  http://www.stlouisfed.org/education_resources/college101/
* Western Technical College:  http://www.westerntc.edu/
* Wisconsin Career Pathways  http://www.wicareerpathways.org
* Western Technical College:  http://www.westerntc.edu/
* UW-Stout:  http://www.uwstout.edu/admissions/costs.cfm
Sources

* Pay Check City: http://www.paycheckcity.com
* Student Loan Repayment: https://www.mappingyourfuture.org/paying/standardcalculator.cfm
* 2014-2015 Semester Tuition & Fees: www.uwsa.edu/budplan
Sources

- Military Education Information: http://www.schoolguides.com/the_military_helps_pay_for_college.html
- 8th Annual “Get Your Students Pumped Up” Workshop – Lambeau Field in Green Bay on October 17, 2014; Dr. Brian Schultz, Director & Dr. Jennifer Hafer, Associate Director of UW-River Falls Center for Economic Education