**Life After High School: Navigating Education, Career and Debt**

**Classroom Resources for Middle and High School**

Today’s 17-year old high school student faces life-changing decisions with long-term consequences. The first is whether to pursue a college degree or some other education credential after graduating high school. Twenty years ago this was also an important decision, but today it carries more urgency and complexity.

The cost of college has risen over the last five years—substantially if looking at the published “sticker” price; but not as much if factoring in available grants and scholarships (net price.)1 And fewer students or their parents have saved for the total cost. In 2015, nationally 7 **in 10 seniors (68%) who graduated from public and nonprofit colleges were reported to have student loan debt, with an average of $30,100 per borrower. The averages for Virginia were not as high with 59% of the students graduating having debt, with the average debt being $27,717.**2  This year’s graduates are the most indebted class ever. For many graduates, the income they earn is not sufficient to enable them to easily repay their loans. Even worse, too many students drop out—leaving them with the debt, but not the diploma.

But every choice has a cost, and the cost of *not* going to college or pursuing another credential is also very high. The average college grad earns $1.19 million over the course of his or her career—almost double that of someone with only a high school diploma.3 And if a person invests even a fraction of that earnings-difference, the power of compounding over time can grow the investment substantially. Also, on average, those with a degree beyond high school are less likely to be unemployed.4

Students need to also recognize that college isn’t the only avenue for education beyond a high school diploma. There are multiple pathways which may also offer a higher earnings potential, each with varying degrees of costs (e.g. industry credential, military service, employer-provided program.)

And when this young decision-maker hits the working world, there are still many decisions to make in order to survive, and thrive in our dynamic global economy. These young workers require an understanding of personal finance and economics that daily life just doesn’t provide—but which our schools can, if they are equipped to do so.

This teaching unit is designed for high school students with many aspects equally valuable for middle school students. Topics include:

* Economic decision-making: setting goals and making choices; using decision-making models to weigh the costs and benefits and tradeoffs of choices.
* Investing in yourself. How personal choices about education, training, skills and careers impact future earnings.
* Choosing a path post-graduation: deciding between entering the workforce immediately, attending college or a training program, entering the military, or pursuing entrepreneurship.
* Choosing a college and a major that is right for you.
* Paying for higher education. Loans, grants and scholarships—what to consider and how to apply.
* Managing money.
* Controlling debt before it controls you.
* Consequences of our choices lie in the future—looking ahead to the life you want.

Through lessons and activities, students are asked to reflect on their goals, research relevant information to assist them in pursuing their goals, and use decision-making models to become better decision-makers.

There are other economic concepts in the Standards of Learning for the high school Economics and Personal Finance course, and, to a lesser extent, middle school Civics & Economics, which also provide important context for many of the decisions students must make, now and in the future. While not dealt with extensively in this unit, an understanding of the following also increases the likelihood that students will become better decision-makers. These include an understanding of:

* Our market-based economy and the need to have skills and knowledge that are in demand in the labor market.
* The influence that the laws of supply and demand have on wages.
* How credit works. What is required to get it and pay it back?
* The value of saving for education (VA529 and other opportunities) and the “power“ of compound interest

With education and a solid decision-making framework, students will be better prepared to make prudent choices about education, training, and career. They will better understand the implications of their decisions, be more prepared for the working world, and be more financially responsible.

Footnotes:

1. [College Board- Trends in Higher Education](https://trends.collegeboard.org/home). Between 2011-12 and 2016-17, published tuition and fee prices rose by 9% in the public four-year sector, by 11% at public two-year colleges, and by 13% at private nonprofit four-year institutions, after adjusting for inflation. But the increases in net prices that students actually pay have been smaller. <https://trends.collegeboard.org/college-pricing/figures-tables/tuition-and-fees-and-room-and-board-over-time-1976-77_2016-17-selected-years>
2. [The Project on Student Debt](http://ticas.org/posd/home), an initiative of [The Institute for College Access & Success](http://www.ticas.org/). See <http://ticas.org/posd/map-state-data> See also, [US News, May 9, 2016](http://www.usnews.com/education/best-colleges/paying-for-college/slideshows/10-student-loan-facts-college-grads-need-to-know). <http://www.usnews.com/education/best-colleges/paying-for-college/slideshows/10-student-loan-facts-college-grads-need-to-know>.
3. [Hamilton Project](http://www.hamiltonproject.org/papers/major_decisions_what_graduates_earn_over_their_lifetimes/), Sept. 29, 2014. <http://www.hamiltonproject.org/papers/major_decisions_what_graduates_earn_over_their_lifetimes/>
4. Bureau of Labor Statistics http://www.bls.gov/emp/ep\_chart\_001.htm

Visit [www.vcee.org](http://www.vcee.org) for professional development opportunities scheduled for teachers and counselors.

**TOPICS COVERED AND AVAILABLE RESOURCES TO USE WITH STUDENTS**

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| **Topic: Economic decision-making: setting goals and making choices** | | |
| Resources | Essential questions | Essential understandings |
| Crowing About College  How to tackle a problem little by little and applying this to any financial goal, such as having enough money to pay for college or a trade school. Published by the SIFMA Foundation in 2016. <http://www.projectinvested.com/Markets-In-Action/Crowing-About-College/>  Choices and Changes in Life, School and Work: Grades 9-10 Lesson 1: “Making Choices” (found on Virtual Economics)  Choices and Changes in Life, School and Work: Grades 9-10 Lesson 2: “Choosing Between Alternatives” (found on Virtual Economics)  Choices and Changes in Life, School and Work: Grades 9-10 Lesson 4: “What Influences Incentives?” (found on Virtual Economics) | “What goals do I have for the long term? For the short term?”  “What am I willing to give up in order to meet my goals?”  “How can I make better choices?”  “How can I deal with my problems one at a time…when they won’t get into line?” | Choosing one thing involves giving up something else (opportunity cost)  It is important to weight the costs and benefits of your choices before making a decision  Positive and negative incentives influence your choices  Incentives are not the same for everyone |

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| **Topic: Investing in yourself** | | | |
| Resources | | Essential questions | Essential understandings |
| Video: “Human Capital” Found on EconEdLink and Virtual Economics. [http://www.econedlink.org/tool/230/Human-Capital-Concept-Video (3](http://www.econedlink.org/tool/230/Human-Capital-Concept-Video%20(3) minutes)  Financial Fitness for Life: 9-12, Lesson 6: “Why Some Jobs Pay More Than Others.” (found on Virtual Economics)  High School Economics, Lesson 13: “Who Decides Wage Rates?” (found on Virtual Economics)  Choices and Changes in Life, School and Work: Grades 9-10, Lesson 7, “Human Capital and Productivity.”  Gen-I Revolution, Mission 3: “Investing in Human Capital – Education.” <http://www.genirevolution.org/> Students help Matt determine whether to continue formal education after he graduates. | | “Why do some jobs pay more than others?”  “How can I get the kind of job that I want?”  “Who decides wage rates?” | Increasing your human capital increases not only your salary, but the range of choices you have.  Increasing your human capital increases your chances of getting and keeping a job.  Human capital is about “making yourself scarce;” that is, having skills that not everyone else has.  Salaries are influenced by supply and demand. |
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| **Topic: Choosing a path post-graduation: college, industry credential, career, military, and entrepreneurship** | | | |
| Resources | Essential questions | | Essential understandings |
| Career Clusters: Pathways to College and Career Readiness  Students can explore the different pathways associated with career clusters and select an area(s) of interest. <http://www.doe.virginia.gov/instruction/career_technical/career_clusters/index.shtml>  Invest in What’s Next (Richmond Fed) Lesson 1 Exploring My Options. Students identify their income goals and explore what kind of education may be right for them. [www.investinwhatsnext.org](http://www.investinwhatsnext.org)  Go College Now (Wells Fargo). A one-hour film plus a longer feature-length version follows the adversity and difficult decisions of four real-life high school students who are trying to be the first in their families to go to college. <http://www.gocollegenow.org/>  Financial Fitness for Life: 9-12, Lesson 3: “Decision-Making.” (found on Virtual Economics)  Lesson: “Be All That You Can Be…For Minimum Wage?” This lesson shows that education matters in a military career, too. Low-skill military jobs command low pay, while high-skill jobs command higher pay. EconEdLink.  <http://www.econedlink.org/teacher-lesson/94/Be-All-You-Can-Be-Minimum-Wage>  Lesson: “What Makes an Entrepreneur?” EconEdLink. <http://www.econedlink.org/teacher-lesson/228/What-Makes-Entrepreneur> | “What type of careers are available in areas that interest me and what is the average salary range?”  “What kind of education do I need to finance the lifestyle I want?”  “Is getting good grades enough to get me to college?”  “If I choose the military, do I still need to think about human capital?”  “What makes an Entrepreneur?” | | The education that you pursue affects the kind of job you can get.  No matter what kind of path you choose, your human capital will impact your wage and range of future choices.  Entrepreneurship requires a special kind of human capital: risk-tolerance, and the ability to change ideas into reality |

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| **Topic: Choosing a college and a major that is right for you** | | |
| Resources | Essential questions | Essential understandings |
| Invest in What’s Next (Richmond Fed). Lesson 1 Exploring My Options [www.investinwhatsnext.org](http://www.investinwhatsnext.org)  Video: [“Choosing a College” from the St. Louis Fed](https://www.stlouisfed.org/education/personal-finance-101-conversations)  (5 minutes) <https://www.stlouisfed.org/education/personal-finance-101-conversations>  The Student’s Guide to Choosing a Major. Articles, statistics, and graphics that provide information about how to choose a major <http://www.bestcolleges.com/resources/choosing-a-major/>  Guide to Choosing College Majors: Princeton Review. This short article includes some rules of thumb for thinking about choosing a major. <http://www.princetonreview.com/college-advice/choosing-college-majors>  Gen I Revolution: Mission 2 - <http://www.genirevolution.org/>  Students help Veronica choose a tentative career. | “How do I choose a college major?”  “What sort of things should I consider when thinking about a major?”  Which majors pay the most? (And is that what matters to me?)” | The major that you choose affects the kind of job you can get and the range of choices you will have in the future.  You may choose a major for any number of reasons: to get a dream job, to earn a lot of money, or simply because you are interested in the subject matter. But it’s important to know what you’re getting into. |
| **Topic: Paying for education – managing money and controlling debt** | | |
| Resources | Essential questions | Essential understandings |
| Invest in What’s Next (Richmond Fed) Lesson 2: Budgeting for My Future. Students examine their education funding options, manage student loans, and balance their desired lifestyle with their expected future income.  <https://www.investinwhatsnext.org/>  CNN Money Debt Calculator. This easy-to-use calculator helps teach the implications for debt for life spending habits. <http://money.cnn.com/calculator/pf/debt-free/>  Lesson: “How Will I Pay for College?” EconEdLink. <http://www.econedlink.org/teacher-lesson/1297/How-Will-I-Pay-College>  Federal Student Aid website (U.S. Dept. of Education). <https://studentaid.ed.gov/sa/types/grants-scholarships>  [Videos: Completing the FAFSA, (8 minutes) and Paying for College](https://www.stlouisfed.org/education/personal-finance-101-conversations) (8 minutes) from the St. Louis Fed <https://www.stlouisfed.org/education/personal-finance-101-conversations>  Tuition Funding Sources: A website to help students search for scholarships  <http://www.tuitionfundingsources.com/registration/>  The 10 best sites to look for scholarships as listed in a January 2012 article in USA Today. It includes Fastweb.com  <http://college.usatoday.com/2012/01/30/the-10-best-sites-to-look-for-scholarships/>  Lesson: “The Hidden Costs of College.” EconEdLink. <http://www.econedlink.org/teacher-lesson/1296/Hidden-Costs-College>  (handout – Beware the Hidden Costs of College checklist)  Video: Saving for College Episode 2 [St Louis Fed Continuing Feducation](https://www.stlouisfed.org/education/continuing-feducation-video-series/episode-2-saving-for-college) series <https://www.stlouisfed.org/education/continuing-feducation-video-series/episode-2-saving-for-college>  News Article: Loans are not “free money.” Examples where students did not carefully consider what the consequences of using college loans for a lavish lifestyle in college.  <http://www.usnews.com/education/best-colleges/paying-for-college/articles/2013/07/24/undergrads-blow-it-with-student-loan-refunds>  Financial Fitness for Life: Grades 6-8, Lesson 7: “Managing Cash” (found on Virtual Economics)  Learning, Earning, and Investing for a New Generation, Lesson1: “Why Save?” (found on Virtual Economics) | “What options are there for paying for college or other education programs?”  “What do I need to do to be debt-free?”  “What kind of education financing is best?”  “What does it mean to live within my means?”  “How can I plan my finances to spend less than I earn?” | There are many ways to pay for college or other education programs: savings, working during college, summer jobs, grants, scholarships, and loans. Each option comes with costs and benefits.  Saving for college allows you to take advantage of compound interest. But it’s essential to start saving as early as possible.  Loans can be a viable option to cover some education expenses, but it’s important to remember that they must be repaid—and with interest. Before taking out loans it is important to consider the required monthly payments after graduation.  Working during school allows you to avoid excessive debt. But working can delay graduation, and delaying graduation can lead to non-completion of the degree/certification.  Some students drop out of school, and leave with the debt but not the diploma. Thus, they have none of the gain, but debt that will be even more challenging to payoff. |

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| **Additional Resources** |  |
| Resource | Description |
| Great Advice for Parents: Fall 2016 provided by Inceptia and written by NerdWallet  <https://www.inceptia.org/PDF/Inceptia_Eguide_Fall2016.pdf?utm_source=Bitly&utm_medium=email&utm_campaign=Great%20Advice%20for%20Parents> | Gives parents timely advice on what they should know leading up to the college enrollment process, as well as steps to take now to help their teen be financially prepared. |
| Investing In a College Education (EconEdLink) <http://www.econedlink.org/topics/12> | In this 6 lesson module, students will learn how to weigh the costs and benefits of attending college. They will go through the decision-making process as they consider which school to attend and options for financing their education. |
| Navigate: Exploring College and Careers  Dallas Fed materials for grades 7-9 http://[www.dallasfed.org/educate/navigate/index.cfm](http://www.dallasfed.org/educate/navigate/index.cfm) |  |
| [Atlanta Fed’s Katrina Classroom, Lesson 4, Back to School](https://frbatlanta.org/education/katrinas-classroom/lesson4.aspx)  <https://frbatlanta.org/education/katrinas-classroom/lesson4.aspx> |  |
| [TeachingMoneyVa.org](http://teachingmoneyva.org/) | Classroom resources identified to assist Virginia teachers in teaching Economics & Personal Finance |