



# PATHWAYS

TO EDUCATION AND CAREER SUCCESS

FINANCIAL  BEGINNINGS

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Presented by



## ABOUT PATHWAYS

The Financial Beginnings Pathways program helps students successfully transition from high school to post-secondary education and into adulthood through informed and proactive financial decisions. The Pathways program teaches students how to navigate the complex maze of financial decisions – from loan agreements to household budgets to career choices – that are foundational to a successful adulthood.

Pathways is a program offered at no charge and includes five modules, each 60-90 minutes, for high school and college students. To find out more about the Pathways program visit: [www.FinancialBeginnings.org](http://www.FinancialBeginnings.org)

### HIGH SCHOOL MODULES:

- Career & Education Path
- Comparing Schools & Costs
- Financing College

### COLLEGE MODULES:

- Managing Debt Accumulation
- Managing Debt After College

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# YOUR ROADMAP

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## MANAGING DEBT AFTER COLLEGE

- Set financial goals
- Minimize debt accumulation
  - Start saving early
  - Be a lifelong learner
  - Continue to review and make adjustments

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## MANAGING DEBT ACCUMULATION

- Calculate debt repayment before borrowing
- Create a realistic budget
- Compare actual income and expenses to your budget and make adjustments as necessary

COLLEGE ↑

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## FINANCING COLLEGE

- Research and apply for scholarships
- Apply for financial aid via the FAFSA
  - Compare financial aid awards
- Understand the terms of your loans before borrowing

HIGH SCHOOL ↓

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## COMPARING SCHOOLS & COSTS

- Know the total cost of school before you apply
- Research your future salary
- Calculate the Return On Investment (ROI)
- Keep student loan debt below annual starting salary
- Calculate your future student loan payment

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## CAREER AND EDUCATION PATH

- Explore career options
- Research marketplace salaries
- Become a well-rounded candidate
- Determine your education path
  - Research schools

# PATHWAYS

# OVERVIEW OF PATHWAYS - HIGH SCHOOL

## Career & Education Path

### Explore Career Options

- Consider your personal preferences, skills, abilities, interests, achievements, personality and knowledge.
- Keep in mind that you may decide to change careers, so it is best to keep your options open.
- Utilize career assessments, job shadowing, networking, volunteering, career counseling, and internships to help you explore various careers or solidify your career choice.

### Research Salaries

- Understand that you will likely be starting at the lower end of the salary range and have to move up in compensation and responsibilities.
- You may need to climb the career ladder within your desired field to get to your ideal position.

### Become a Well-Rounded Candidate

- Future schools and employers want to know that you are well-rounded in your skill sets. Ways to demonstrate this are volunteering, working as an

intern, playing sports, serving on student government, or engaging in music or art.

- When considering your future career it is important to keep in mind what you would like your life to be like. Your career will impact other aspects of your life such as family, finances, and leisure activities.

### Determine your Education Path

- Align your education with your desired career. Consider Trade school or an Associates Degree, Bachelor's Degree, Master's Degree, Law Degree and/or Doctorate.

### Research Schools

- Consider such aspects as school prestige, the strength of the school offerings in your desired major, and geographic location.

## Comparing Schools & Costs

### Know the Total Cost of School before Applying

- Don't rule out a school based solely on the "sticker price".
- Utilize the Net Price Calculator to estimate your cost of attendance before applying.

### Calculate the Return on Investment (ROI)

- Use the rule of thumb that your first year starting salary should be greater than the total debt you have when you leave school.

### Explore Options to Keep Debt Low:

- Keep living costs down.
- Save on books and supplies.
- Work during school and breaks.

### Calculate your Future Student Loan Payment

- Estimating your student loan payment before applying to a college can help you avoid a school you cannot afford or one that will cost you more than the value of your future career.

## Financing College

### Research and Apply to Scholarships

- Devote time to researching the thousands of scholarship opportunities available and apply for those that represent the best fit for you.

### Apply for Financial Aid via the FAFSA

- In order to receive federal grants and/or loans you will need to fill out the FAFSA.
- The application opens on October 1st of each year and funds are awarded on a first-come, first-served basis. It is important to fill out the FAFSA early in October.

### Compare Financial Aid Awards

- Utilize resources from the CFPB to compare financial aid awards.

### Understand Loans before Borrowing

- You should never take on debt without first having a plan for repayment. Be sure to calculate your estimated post college student loan payment before taking out a loan.

# OVERVIEW OF PATHWAYS - COLLEGE

## Managing Debt Accumulation at College

### Calculate Debt Repayment before Borrowing out Debt

- Debt accumulation can put undue stress on your college experience, which could lead to academic failure. Only accumulate debt if you have a plan to pay it back.
- Do you want to get married, have children, purchase a house, or retire early? These are all things you should take into consideration now. The more debt you accumulate, the longer it will take to pay it off, and the more difficult you will find it to achieve your future goals.

### Create a Budget

- It is important to develop a budget tracking system that will work for you. There are several ways to do this such as online software, money applications, spreadsheets, or simple pen and paper.

### Compare Actual Expenses to your Budget and Make Adjustments as Necessary

- Creating a budget is pointless unless you maintain it and make adjustments as necessary. Avoid setting yourself up for failure by developing a budget that is realistic.

## Managing Debt After College

### Personal Financial Goals

- Goal setting is a key part of successful money management.
- Set short, intermediate, and long-term goals. Review goals regularly.

### Minimize Debt Accumulation

- Debt can be a tool to leverage assets, but you need to use it wisely.
- Understand the terms of all loan documents and always have a plan for repayment.

### Start Saving Early

- Time is on your side! The earlier you start saving, the more time you have for the value of your savings to compound and grow.
- Make savings automatic by using payroll deduction or automatic account transfers.

- Be sure that you are utilizing the right investment vehicle for your savings goals.

### Be a Lifelong Learner

- The finance industry changes constantly. Be sure to keep up-to-date on changes in the market and adjust your behaviors accordingly.
- Seek sound professional advice when appropriate.

### Continue to Review and Make Adjustments

- Financial planning is an important process you will want to revisit throughout your life.
- Track your progress and make adjustments when needed.
- Enjoy the rewards that come with proper money management.

## RESOURCES

### Free Application for Student Aid (FAFSA)

[FAFSA.gov](http://FAFSA.gov) - Apply | [PIN.ed.gov](http://PIN.ed.gov) - Obtain PIN

### U.S. Department of Education

[Studentaid.gov](http://Studentaid.gov) - General resource  
[Collegecost.ed.gov](http://Collegecost.ed.gov) - School cost comparison  
[Collegenavigator.ed.gov](http://Collegenavigator.ed.gov) - School comparison  
[NSLDS.ed.gov](http://NSLDS.ed.gov) - Review your student loans  
[StudentLoans.gov](http://StudentLoans.gov) - General resource

### CareerOneStop

[Careerinfonet.org/scholarshipsearch](http://Careerinfonet.org/scholarshipsearch)  
-Search for scholarships

### ACT

[ACTProfile.org](http://ACTProfile.org) - Career assessment and degree recommendations

### Bureau of Labor Statistics

[Bls.gov](http://Bls.gov) - Searchable job statistics, including wages

### FINAID

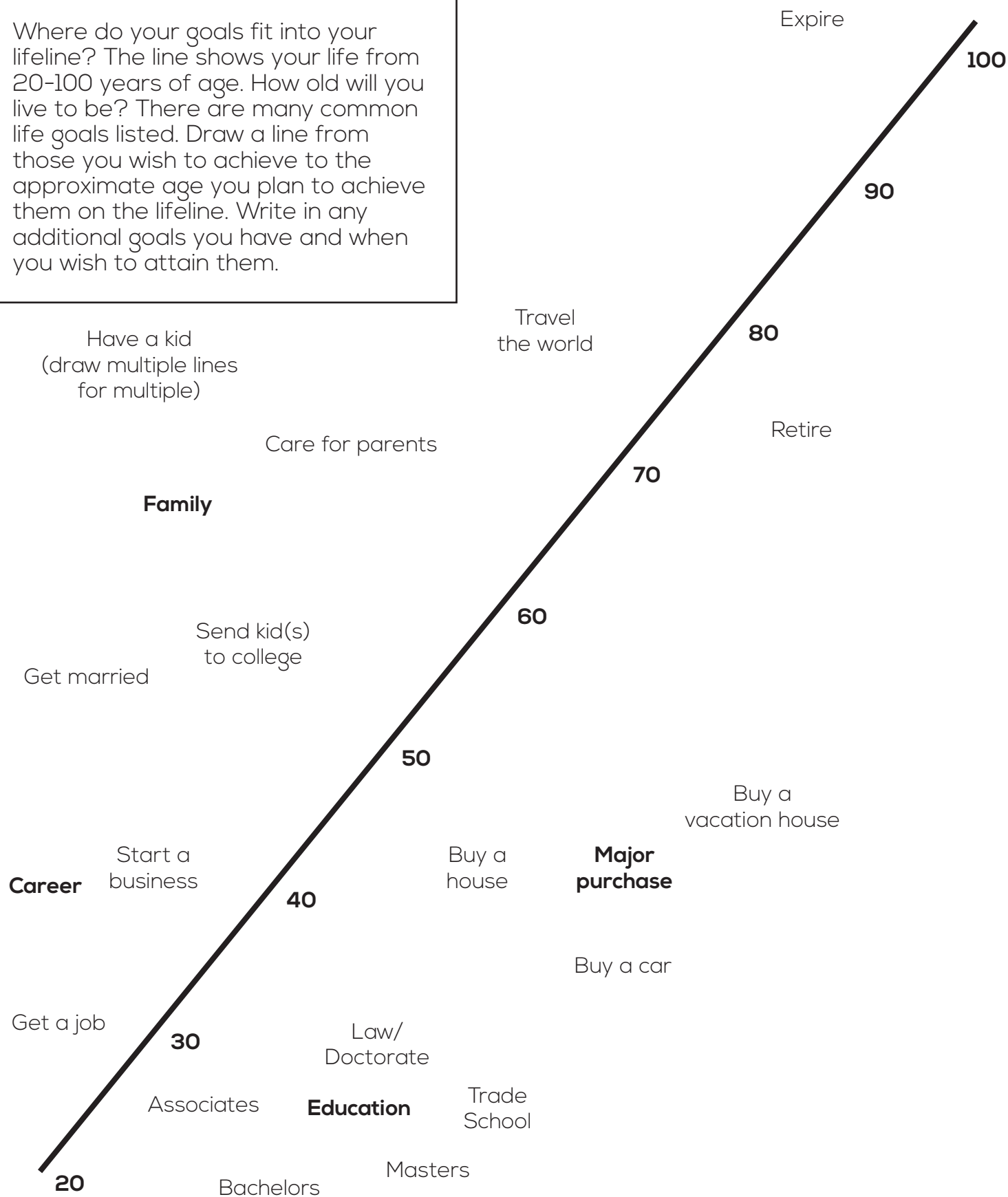
[Finaid.org/calculators/](http://Finaid.org/calculators/) - Student loan calculator

### Consumer Finance Protection Agency (CFPB)

[ConsumerFinance.gov/students/knowbeforeyouowe/](http://ConsumerFinance.gov/students/knowbeforeyouowe/)  
- Financial aid comparison

# LIFELINE

Where do your goals fit into your lifeline? The line shows your life from 20-100 years of age. How old will you live to be? There are many common life goals listed. Draw a line from those you wish to achieve to the approximate age you plan to achieve them on the lifeline. Write in any additional goals you have and when you wish to attain them.



# LIFELINE

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20's	30's	40's	50's	Golden years

# FINANCING COLLEGE

Career and Schooling Needed	Your Answers
1. Ideal job:	
2. The average starting salary: <i>The Bureau of Labor Statistics - <a href="http://www.bls.gov/oes/current/oessrcst.htm">http://www.bls.gov/oes/current/oessrcst.htm</a></i>	
3. What degree will you need in order to obtain your ideal job?	
4. How many years of school must you attend?	
<b>Cost of School</b>	
5. Using the Net Price Calculator determine your Net Price after grants and scholarships. Each college posts their own calculator. <i><a href="https://nces.ed.gov/ipeds/netpricecalculator/Default.aspx">https://nces.ed.gov/ipeds/netpricecalculator/Default.aspx</a></i>	
6. Multiply the Net Price by the number of years to complete.	
<b>Paying for School</b>	
7. Of the above amount, how much are you able to pay for personally?	
8. Will your parents be helping to pay? If so, how much?	
9. Subtract both your and your parents' contribution from the net price. <i>This is the amount you will need to borrow.</i>	
<b>Student Loans</b>	
10. Do you have student loan debt already? If so, how much?	
11. Add existing student loan debt to the amount you will need to borrow. <i>This is your total estimated student loan debt.</i>	
12. Estimate your monthly student loan payment after completing school. <i><a href="http://www.finaid.org/calculators/loanpayments.phtml">http://www.finaid.org/calculators/loanpayments.phtml</a></i>	
13. How much total interest will you pay?	

How does your total monthly student loan payment compare to your expected monthly salary?

Have you ever figured your total cost for school and debt before?

Does this exercise make you want to change some of your decisions about how to pay for college? Please explain.



# POST GRADUATION

The average undergraduate starting salary is approximately \$44,000.

Utilize [paycheckcity.com/calculator/salary/](http://paycheckcity.com/calculator/salary/) to calculate the monthly take home pay for a single individual making \$44,000 annually.

Gross monthly wages: \_\_\_\_\_ Net monthly wages: \_\_\_\_\_

Work out a budget utilizing common budget ranges.

First calculate the budget range (net monthly wages \* budget %)

Budget Line Item	Minimum (low % * Net monthly wages)	Maximum (high % * Net monthly wages)	Your Budget Amount (somewhere in-between minimum and maximum)
Housing 25-35%			
Transportation 5-15%			
Food 10-15%			
Personal care 5-10%			
Health care 10-15%			
Loan repayment 7-15%			
Utilities 4-7%			
Entertainment 1-5%			
<b>Total</b>			

Do any of the budget ranges seem too high or too low for your spending habits? If so, which and how would you adjust them?

# LOAN CONSOLIDATION

You are starting your first full year of work after graduating from college. With the New Year you have also come to the end of your student loan payment deferral period. You begin to receive several bills in the mail reminding you about your student loans. You start adding them up and find the student loan payments are quickly eating up the salary at your new job.

You've heard about student loan consolidation and have been offered the following terms on a consolidated student loan:

Loan Amount: 24,000  
 APR: 6.8%  
 Payment: \$183.20  
 Term: 20 Years

What is the total interest paid over the life of the loan?  
 (Monthly Payment \* number of monthly payments) - Original Loan Amount = Total Interest

Currently you are paying on 4 loans with varying APRs and payments. All have 10-year terms:

	Loan Amount	APR	Payment	Weight Factor = Loan Amount/ Total of All Loans	Weighted Interest Rate = Weight Factor * APR
<b>Loan 1</b>	\$10,000	7.5%	\$118.70	.416	3.12
<b>Loan 2</b>	\$4,000	3.5%	\$50.00		
<b>Loan 3</b>	\$5,000		\$58.05		
<b>Loan 4</b>	\$5,000	5.5%	\$54.26		
<b>Total of Loans</b>		<b>Total Monthly Payments</b>			

How much are your total monthly student loan payments?

What is your weighted average APR?

What is your expected total interest paid on all of the loans if you do not consolidate?

How much lower would your monthly payments be if you consolidated your student loans?

What is the difference in interest rate and total interest paid if you consolidate your loans into one versus staying with your current loans?

Do you consolidate your student loans? Why or why not?

# PATHWAYS SESSION TOPICS

The Pathways program is divided into five distinct modules that include specific activities and learning objectives:

- **Career & Education Path**

Students will: identify skills sets and interests for a variety of careers; explore the positions and salary ranges available within their desired careers; determine the educational requirements necessary to pursue their desired career; and, research schools that offer programs that further career objectives.

- **Comparing Schools & Costs**

Students will: research salary averages based on specific education and career aspirations; learn the total cost of their desired schools(s); compare total post-secondary expenses versus out of school annual salary and determine return on investment.

- **Financing College**

Students will: explore the different options available to pay for college; review available college loans and how interest accumulation

and payback options vary; and, learn the basics of a FAFSA and where to access additional support in completing an application.

- **Managing Debt Accumulation**

Students will: learn how student debt accumulation affects one's financial future and other life goals; learn how to budget to help limit student debt accumulation and spend and save money wisely; and, explore options for paying a greater amount of education expenses while in school.

- **Managing Debt After College**

Students will: take a realistic look at post-college living expenses; understand loan restructuring and consolidation options; create a budget for post-college life that includes student loan payments; and set long-term financial goals that incorporate savings and debt management.

# Financial Beginnings

## Our Mission

Financial Beginnings was founded in 2005 with the following mission:




Financial Beginnings empowers youth and adults to take control of their financial future. We provide educational programs that incorporate all aspects of personal finance to give individuals the foundation they need to make informed financial decisions.

## Our Model

We have a simple and full-service approach to program delivery:

<b>Learning Materials</b>	Students and hosts receive a resource guide full of valuable and applicable financial lessons.
<b>State Standards</b>	Our curricula meet state content standards for both Oregon and Washington.
<b>Trained Volunteers</b>	We train industry professionals to deliver our programs as volunteers at no cost to schools or community groups.
<b>Simple Registration</b>	Schools and community groups register online. We take care of the rest.

## Our Programs

	<p><b>FINANCIAL FRAMINGS</b></p>	<p><b>FINANCIAL FOUNDATIONS</b></p>
<p>This program is an introduction to money and personal finances or elementary students.</p>	<p>This program relates personal finance to the global economy for middle school students.</p>	<p>This program provides personal finance education for high school students and adults.</p>
<p><b>PATHWAYS</b></p>		
<p>This program provides lessons for high school and college students on career, college, and money management.</p>	<p>This program is a series of public forums about relevant and timely personal finance topics.</p>	<p>This annual conference is provided for educators to learn more about personal finance education, pedagogy, and resources.</p>