College is expensive. It’s going to cost you time, money, and a lot of effort. It’s also one of the ways to increase your earning potential, human capital, and your personal development.

Learn more about understanding college costs by watching this video and then expand your knowledge by completing this worksheet by yourself or with an adult!

Try It Yourself!

Read each station and write a response. Then answer the four questions at the bottom.

Station #1
The website for an elite (meaning hard to get into), private college shows its estimated cost of attendance as $78,872–81,322. In reality, though, the table below shows how much the average student pays based on their family’s income in a recent year. What do you think about the difference?

<table>
<thead>
<tr>
<th>Family income</th>
<th>Average cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$30,000</td>
<td>$5,311</td>
</tr>
<tr>
<td>$30,001-$48,000</td>
<td>$10,383</td>
</tr>
<tr>
<td>$48,001-$75,000</td>
<td>$11,372</td>
</tr>
<tr>
<td>$75,001-$110,000</td>
<td>$19,829</td>
</tr>
<tr>
<td>$110,001+</td>
<td>$46,118</td>
</tr>
</tbody>
</table>

Sources: Amherst College tuition 2020-2021 (https://www.amherst.edu/tuition) and the U.S. Department of Education’s College Scorecard (https://collegescorecard.ed.gov/school/7164465-Amherst-College)

Response:

Station #2
Below are the costs listed on a large public university’s website for students who live in the state (residents) and those who live outside the state (non-residents). What do you notice?

Residents:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$12,080</td>
</tr>
<tr>
<td>Typical residence hall</td>
<td>$6,292</td>
</tr>
</tbody>
</table>
Station #3
Colleges and universities have what is called a sticker price and a net price. They work kind of like what is called the MSRP or manufacturer’s suggested retail price at a store. The sticker price is higher than what some people pay. The net price is what people actually pay. At a store, people might negotiate a better price with a salesperson, have a coupon or a discount code, or buy the item on sale. What do you think impacts how much a student will pay to attend college?

Response:

Station #4
Researchers took a look at what they considered “good jobs,” which they defined as jobs that paid workers 25-44 years old $35,000 or more and workers 45-64 $45,000 or more. In addition, the median earning had to be $56,000 for all workers with less than a 4-year college degree and $65,000 when including those with a 4-year college degree. Below is part of what they found. If you were writing a news headline for this report, what would it be?

<table>
<thead>
<tr>
<th>Typical 7-day meal plan</th>
<th>$4,036</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated books, supplies, and living expenses</td>
<td>$5,250</td>
</tr>
</tbody>
</table>

Non-residents:

<table>
<thead>
<tr>
<th>Tuition and fees</th>
<th>$31,120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical residence hall</td>
<td>$6,292</td>
</tr>
<tr>
<td>Typical 7-day meal plan</td>
<td>$4,036</td>
</tr>
<tr>
<td>Estimated books, supplies, and living expenses</td>
<td>$5,894</td>
</tr>
</tbody>
</table>

Source: University of George, Office of Student Financial Aid, 2020-2021(https://www.admissions.uga.edu/afford/)
Some people claim that everyone who goes to college and earns a degree will earn more than people who do not. Others claim that what matters most is the major or program of study a person picks. Analyze the graph below and share what you notice.

Median earnings by major

Source: Georgetown University Center on Education and the Workforce, The Educational Pathways to Good Jobs (https://cew.georgetown.edu/cew-reports/3pathways/)

Source: Georgetown University Center on Education and the Workforce, Five Rules of the College and Career Game (https://cew.georgetown.edu/cew-reports/5rules/)
Response:

Station #6
Some people worry about how much debt many college students have when they graduate. Review the following statistics then answer this question: Do you think the nation is facing a student loan crisis?

1. Total student loan debt: $1.56 trillion
2. Total U.S. borrowers with student loan debt: 44.7 million
3. Borrowers in the class of 2017, on average, owed $28,650. Of those graduates who are currently making student loan payments, the average monthly payment is between $200 and $300.
4. About half of the students who went to college in 2018 borrowed some money to pay for it.
5. In 2019, the average new vehicle loan hit a record high of $31,099. For used autos, the average loan rose to a record of $19,589. In 2019, the average monthly payment for a new vehicle loan hit an all-time high of $515. The average used auto loan payment was $371 per month, also a record.

Sources: Forbes, Student Loan Debt Statistics In 2019: A $1.5 Trillion Crisis; CNBC, Here’s how much the average student loan borrower owes when they graduate; CNBC, Americans borrow record amounts for auto loans even as interest rates rise

Response:
Vocabulary:

- **College**: A school that people attend after high school which offers 2- and/or 4-year degrees and may offer additional advanced degrees
- **Financial aid**: Grants, scholarships, work-study programs and other assistance available to students which lowers their cost to attend college
- **Major**: The area of study a person chooses when in college
- **Middle skill jobs**: Those which require more than a high school education and less than a college degree, including two-year degrees, certification programs, and training in the trades
- **Net price**: The actual amount students pay to attend a college or university
- **Private college or university**: Colleges and universities that do not receive state government support and do not differentiate their tuition based on where people live
- **Public college or university**: Colleges or universities that are usually associated with a specific state in which money from the state government makes it possible for students who live in that state to pay a lower tuition rate than those who do not
- **Sticker price**: The price a college or university lists on its website or in other information which does not include the average amount students receive in financial aid
- **Student loan debt**: Money people owe for college or other education beyond high school
- **Student loans**: Debt people incur to pay for college. May be taken on by the student and/or parents/guardians
- **Total cost of attendance**: Tuition, housing, meals, living costs, plus transportation costs
- **Tuition**: The amount paid for taking classes

Please select the correct answer for each of the following questions.

1. People who earn a 4-year college degree _______ earn more than people with no formal education beyond high school.
   a. Always
   b. Sometimes
   c. Never

2. Which of the following is **NOT** a traditional choice people make after high school?
   a. College
   b. Military
   c. Internship
   d. Trades or certificate program

3. Which of the following should you know before deciding to go to college? **Select all that apply**.
   a. Alumni price
   b. Sticker price
   c. Net price
   d. Discount price

4. Which of the following statements are TRUE? **Select all that apply**.
   a. Public colleges always cost less than private ones.
   b. There are many factors people should consider when deciding on their future job.
c. Paying for college is about more than just what the college says it will cost on its website.
d. Going to the same college can cost some students less than others.
### Facilitation handout

**Station 1** - Sticker price and net price paid by family income are shown for an elite, private college. **What do you think about the difference?**
- The price shown on a college or university's website (the **sticker price**) is often different from the amount many students actually pay (called the **net price**).
- Many students qualify for **financial aid** — help paying for higher education — based on their families’ income. This means that students whose families earn less, often qualify for more financial aid. Their net price is typically lower as a result.

**Station 2** - The cost to attend a public college as both a resident and a non-resident are shown. **What do you notice?**
- The primary difference in price is the **tuition** (what you pay to take classes).
- Public colleges charge less to residents because they are supported by taxpayers in that state.
- There are fees and charges in addition to paying tuition. When comparing costs, students should consider the **total cost of attendance**.
- Even though public schools may seem to be less expensive, they often offer less financial aid.

**Station 3** - Students learn the terms sticker price and net price. **What do you think impacts how much a student will pay to attend college?**
- Students who have visited station 1 may answer this question differently than those who have not.
- Point out various factors including family income, academic achievement, athletic talent, and special circumstances which might qualify a person for financial aid.

**Station 4** - A pie chart shows the percent of people with each education level who have “good jobs.” **If you were writing a news headline for this report, what would it be?**
- There are people with varying levels of education who have “good jobs.”
- **Middle skill** means education such as a 2-year degree, training in the trades, or a certification program.
- Many of the people with high school degrees and “good jobs” have moved into managerial roles in jobs that do not require further education, such as construction, manufacturing, and retail.

**Station 5** - The median earnings of individuals with majors in eight different areas are shown. **Analyze the graph below and share what you notice.**
- Not all college graduates can expect to earn the same amount. The field in which a person studies (their **major**) makes a difference in how much they will earn.
- Graduates who majored in architecture and engineering have the highest median earnings followed by computers, statistics, and mathematics. Those in education as well as psychology and social work have the lowest.

**Station 6** - Statistics about student loans are compared with ones for car loans. **Do you think the nation is facing a student loan crisis?**
- Many people who attend college borrow money called student loans to help them pay for it.
- Borrowing money for education is often considered a good investment because people with more education tend to have higher incomes.
- Whether or not student loan debt is a crisis depends on your outlook. Some people think it is a huge concern. Others compare them to car loans and think education is “better” debt than a car loan because of the value it adds to most people over the long term.

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**Answer key**
1. B - sometimes
2. C - Internship
3. B - Sticker price and C - Net price
4. B - There are many factors people should consider when deciding on their future job, C - Paying for college is about more than just what the college says it will cost on its website, and D - Going to the same college can cost some students less than others.