

# The Education Payoff



**WSECU**

WASHINGTON STATE EMPLOYEES  
CREDIT UNION

# Where will you be in 10 years?

Where are you living?

What is the size and condition of your house?

Are you married?  
Have children?

What kind car are you driving?

What kind of fun things are you able to afford?



# Does education pay off?

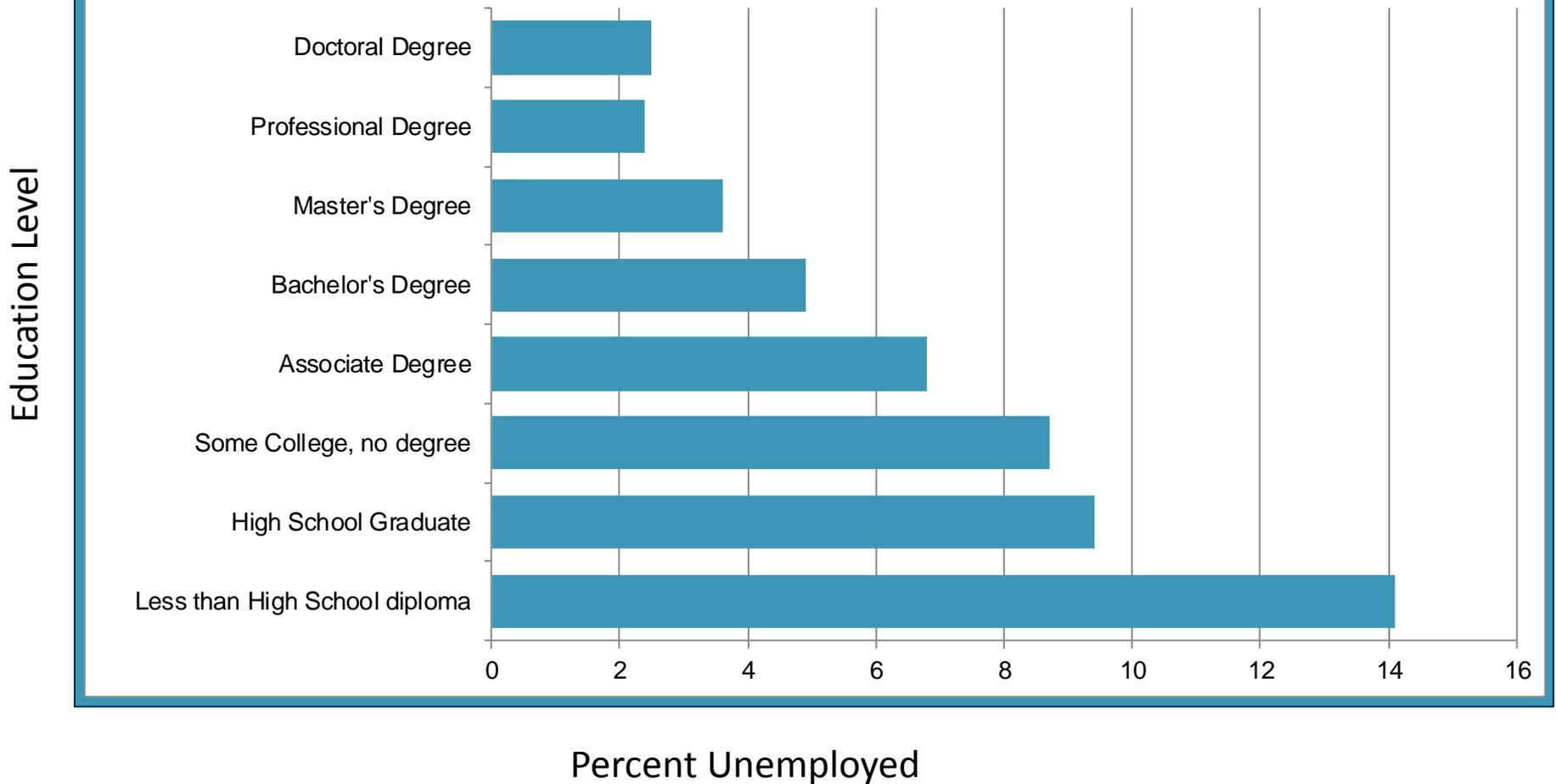
In general, the more education you receive, the higher your earnings will be.

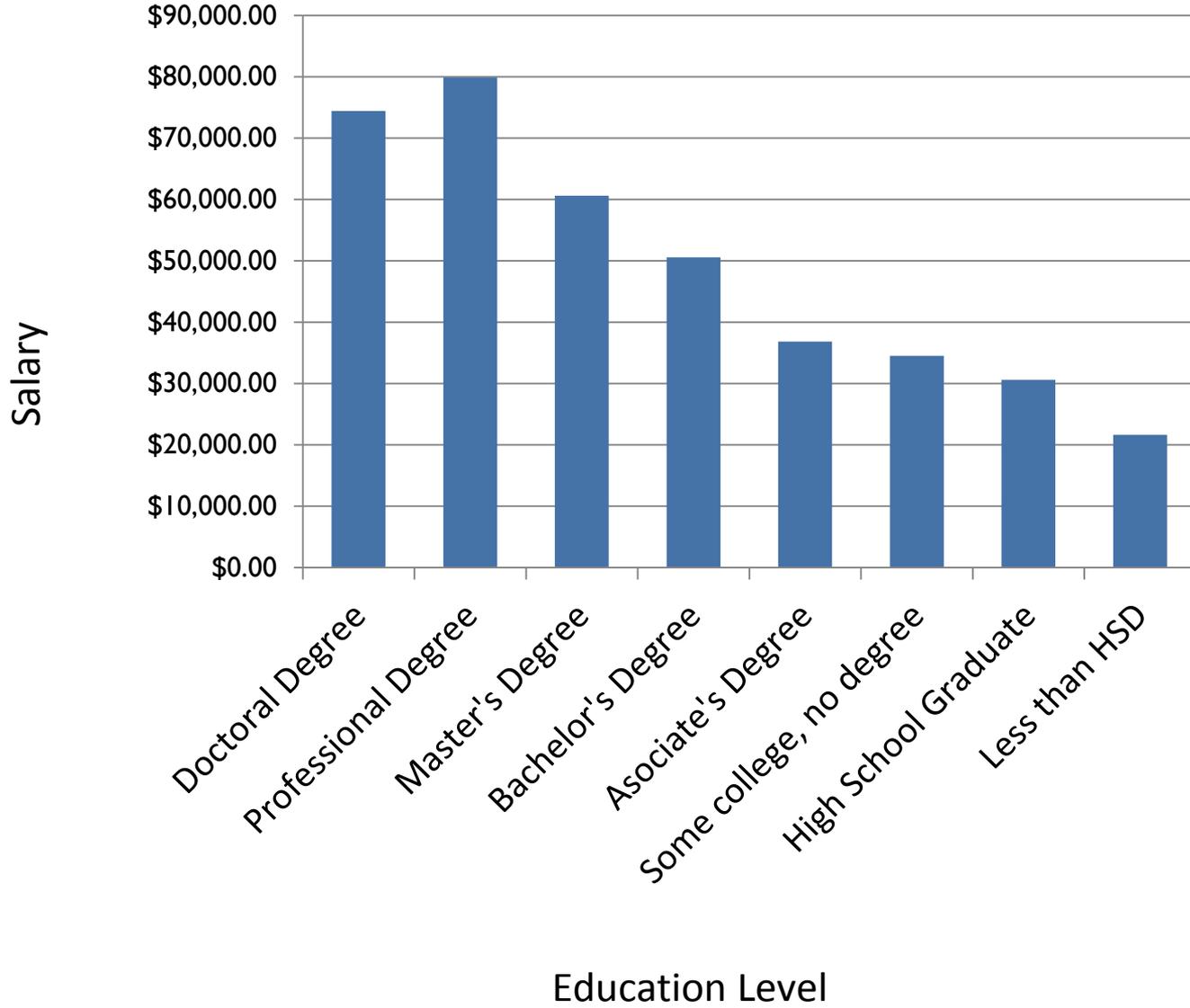
The higher your income, the more choices you will have about savings, purchasing, etc.

You will also have the security of being able to provide for your family.

Investing in your education is a sound financial decision.

## Average Unemployment Rate for Workers Percent





# Education Pays!

Review the charts and answer the following questions:

- How would your life be different if you earned a professional degree?
- If you had an associate degree?
- If you didn't graduate from high school?
- What are the advantages and disadvantages of each level of education?

# Education Pays!

How many of you would like to attend college?



What school would you like to attend?



Any idea how much 4 years of tuition will cost in total?

# College Can be Expensive

## Basic forms of financial aid:

- Loans
- Grants
- Scholarships
- Work-study programs

Applications take awhile so start a year before you plan to attend school.

Obtain a FAFSA to apply for these funds.

# Financial Aid Forms

## FAFSA

FREE

Can file beginning January 1st

Needs Analysis:

- Does not include home equity
- Assumes students may not be able to contribute
- Tied to governmental studies of the low standard of living.

## CSS Profile

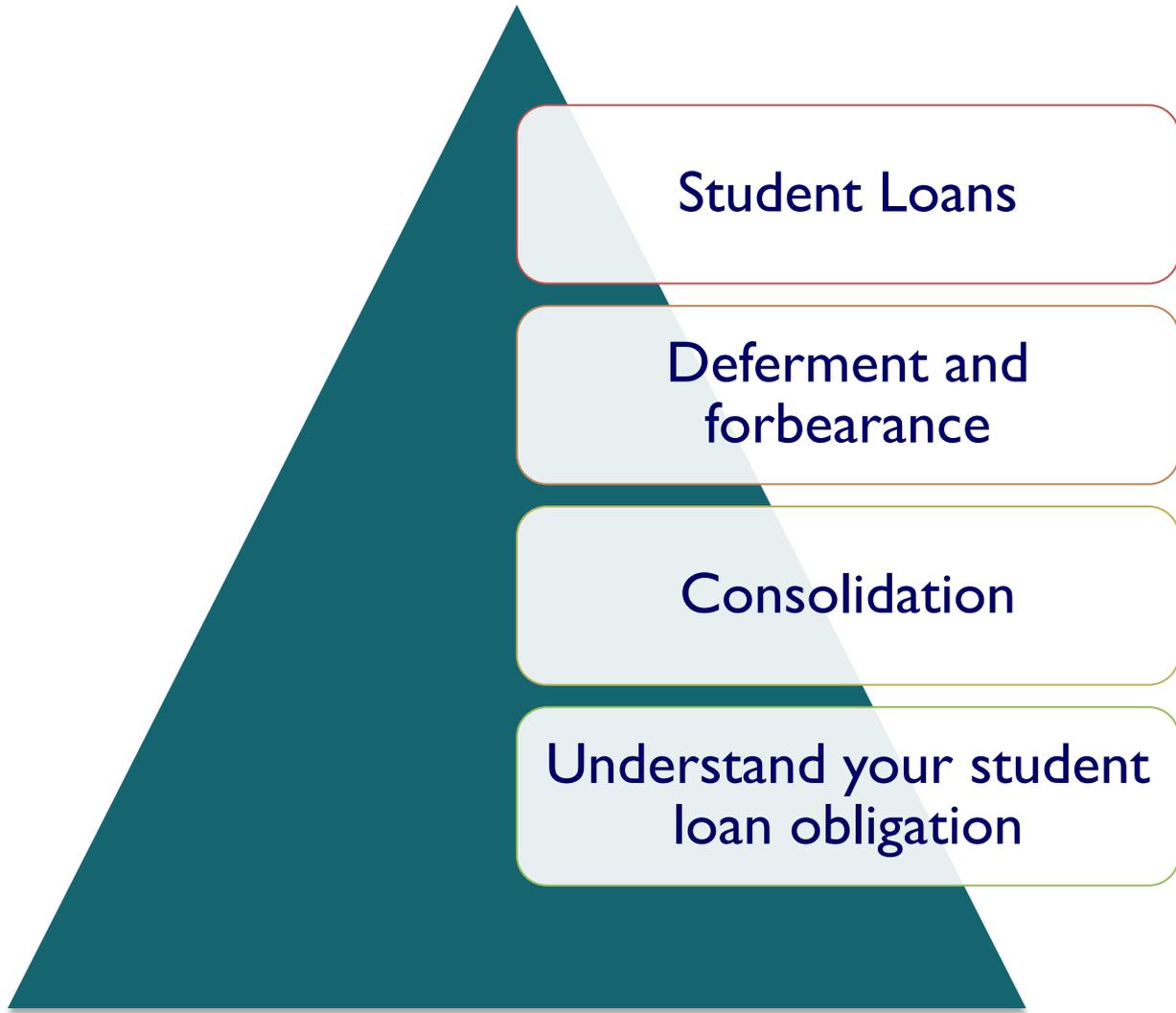
Charges fees

Can file prior to January 1st

Needs Analysis:

- Takes into account home equity
- Assumes the minimum level of contribution from the student
- Tied to the consumer price index

# Financial Aid Facts



# Loan Possibilities

Federal Perkins Loan

Stafford Subsidized  
Loan

Stafford  
Unsubsidized Loan

Federal Parent Loan  
for Undergraduate  
Students (known as  
PLUS loan)

Private Loans

# Tips for Avoiding Loan Scams



The U.S. Dept. of Education does not send out mailers, advertisements or promotions to encourage borrowing money.

Don't let promotions or incentives cloud your judgment.

Don't give out personal information unless you know with whom you are dealing.

Check out the track record of particular private student lenders with your state AG office, consumer protection agency or BBB.

# Scholarships and Grants

## Scholarships

- Require an application and meeting certain criteria
- Do not need to be paid back

## Grants

- Rewarded based on certain criteria- mostly financial need
- Can apply by completing the FAFSA

# Avoid Scholarship Scams

- Never pay a fee for scholarship or application information.
- Never give out your bank account or credit card number.
- Don't fall for "guarantees" of scholarships or other claims.

# Jobs and Work Study

Find a job on campus.

A job off campus.

Work Study

# College Financing Alternatives

Some community service programs offer loan forgiveness options or grants in exchange for your help. For example:

- Americorps
- Peacecorps
- Friends of Vista
- Teach for America

# Reducing the Cost of College

Consider in-state schools and commuting to school.

Buy used textbooks.

Start at a 2 year college and then transfer

Research CLEP tests and credit for life experience.

# Reducing the Cost of College

Consider summer classes at a less expensive school

Take advantage of cooperative education

Maximum the number of classes you take if your school charges by the semester.

# Option for Repayment

If you are  
struggling to repay  
the loan:

- Create a budget
- Contact the loan provider
- Negotiate payment options
- Inquire about loan consolidation
- Inquire about loan rehabilitation program

# Repayment and Credit

## Payments affect your credit report

Being on time with payment will help your score

Missed or late payments will bring your score down

Negative information stays on your report for 7 years

With rare exception, student loans do not go away with bankruptcy

# Bankruptcy and Student Loans

Student loans are ineligible for cancellation (discharge) in bankruptcy

- Unless you can prove "undue hardship"
- Physically unable to work
- No chance of you making money.

# Four Year College Alternatives

## Apprenticeships

- Provide employment and training
- Certification or license upon completion

## Associate Degrees

- 2 year degrees

## Certificates

- Range from 1-2 years
- May mix education and hands on training

## On the job training

- Ex: police and firefighters

# Career Options

## Career Options

- What interests you?
- What is the income potential?

## Education requirements

- What do you need to enter the field?

## Compare Costs

- Evaluate training costs of different programs

## Debt load

- How much can you afford?
- How can you reduce costs?

# Contact Information

## **Josh Bergman**

800.562.0999 x50113  
jbergman@wsecu.org

## **Karen Childs**

800.562.0999 x35704  
kchilds@wsecu.org

## **Suzanne Klenk**

800.562.0999 x10027  
sklenk@wsecu.org

