



FINANCIAL AID

Is college worth the cost?

name _____

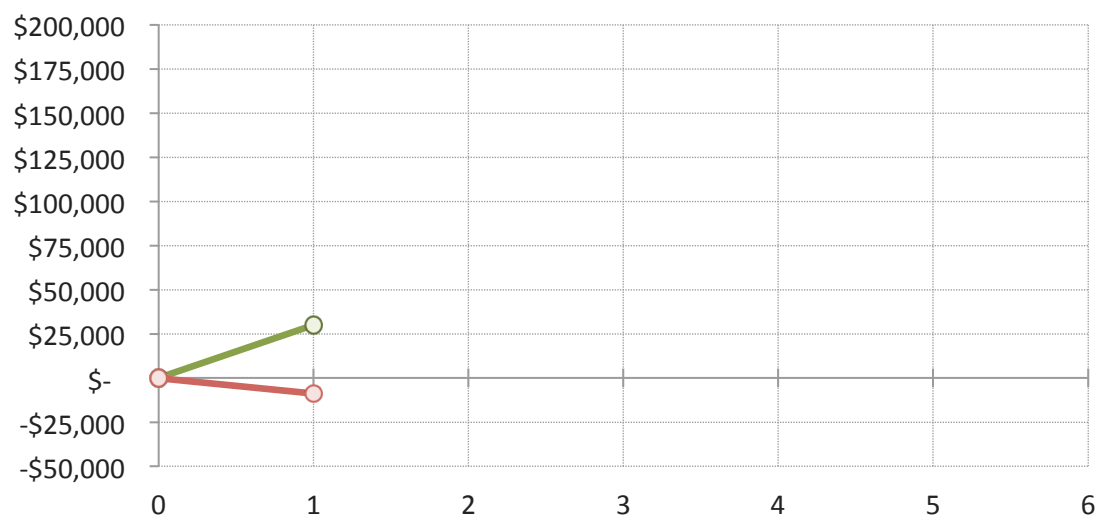
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Act One: Commence(ment?)

- 1 When you graduate from high school, you can enter the workforce or go to college. According to the National Center for Educational Statistics, the median income for someone with a **high school diploma** is \$30,000/year, and \$47,000/year for someone with a **bachelor's degree**. A bachelor's degree typically requires four years of college, and a year of college – tuition and expenses – costs \$8,800 on average in the United States.

For each option, calculate and graph the net income – total income minus costs – in the years after high school.

	Net Income Since High School Graduation						
	0 years	1 year	2 years	3 years	4 years	5 years	6 years
High School Diploma	\$0	\$30,000					
Bachelor's Degree	\$0	-\$8,800					

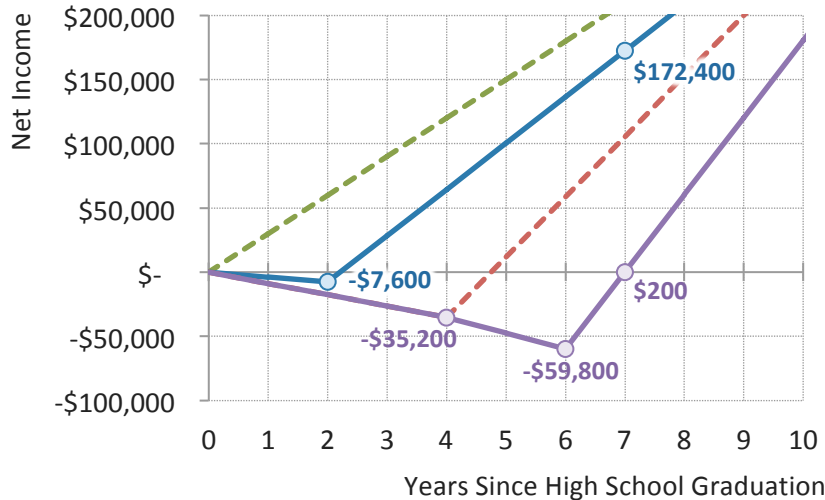


- 2 Imagine an 18 year-old high school senior is debating whether to take a job after graduation or to go to college. How many years would it take until each option resulted in the same net income, and how old would she be at this point? Based on this, do you think it would be a smart decision for her to attend college? Explain.



Act Two: Cap & Gown

- 3 Students who opt for college have another decision to make: which degree to pursue. In addition to a **bachelor's degree**, the graph below shows the net incomes for two additional degrees: an **associate's degree** and a **master's degree**. For each, determine the annual tuition and expenses, as well as the median annual income.



- 4 Imagine three high school seniors are debating which degree to pursue. For each choice, determine how old they would be when each educational path yielded the same net income. Then, if workers retire at 65 years old, what would be the expected lifetime net income for each option?

	Associate's vs. Diploma	Bachelor's vs. Associate's	Master's vs. Bachelor's
Age when Paid Off			

	Diploma	Associate's	Bachelor's	Master's
Lifetime Net Income				

- 5 In reality, how much you earn depends not just on what degree you have, but also what you studied. The average starting salary for someone with a bachelor's degree in petroleum engineering is \$98,000, and \$33,100 for someone with a bachelor's degree in social work. When deciding what to study (and for how long), how important do you think average income is, and do you think it's the most important factor? Explain.