

Get Money Smart @ Lindenwood

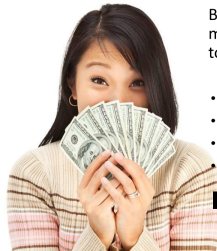
The Walking Debt: Securing Your Financial Freedom

2021-04-06

Tawni Hunt Ferrarini

Slide 1

Get Money Smart @ Lindenwood



Be empowered with the knowledge and skills to make wise financial decisions and take steps towards financial freedom

- Free
- Participate in person or online
- Earn the chance to win prizes
- Information & registration @ www.EconEd.Center

Sponsored by the Lindenwood Pride Fund and Hammond Institute for Free Enterprise



Link(s) on this slide:

- <https://www.lindenwood.edu/academics/centers-institutes/economic-education-center/get-money-smart-lindenwood/>

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Slide 2

Upcoming Events from 6 - 7 pm (CT)

- April 13 | Financial Stress and Mental Health During the COVID-19 Pandemic
Dr. Catherine Shoff and Bryce Takenaka
- April 20 | Budgeting: Change Your Destiny
Dr. Rob Rodermund
- April 27 | Invest Like Lindenwood: Learn Practical Investment Strategies
Investment Applications Student Team

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Special Event

The Cryptocurrency Debate

April 22 @ 7pm Zoom

Hear the pros and cons of cryptocurrencies from leading experts

Have the chance to ask your own questions



Larry White, PhD
George Mason University



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Financial Literacy Start Line


• <https://forms.gle/kVkqyThknEpPWKcz9>



Link(s) on this slide:

- <https://forms.gle/kVkqyThknEpPWKcz9>

Use this space to take notes:

Slide 5	Your Response
<p>Give two reasons for pursuing a college degree.</p> <p>1 2</p> <p> Students, write your response!</p> <p><small>Peer Deck Interactive Slide https://www.peerdeck.com/peer-deck</small></p>	

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Agenda for the Walking Debt

- 1. Describe the political hype.
- 2. Link college degrees to increases in lifetime earnings.
- 3. Identify who holds student debt and how much, on average.
- 4. Explain the tradeoffs.
- 5. Identify paths to minimize debt.
- 6. Connect college degrees to occupations, median earnings, and levels of job security.

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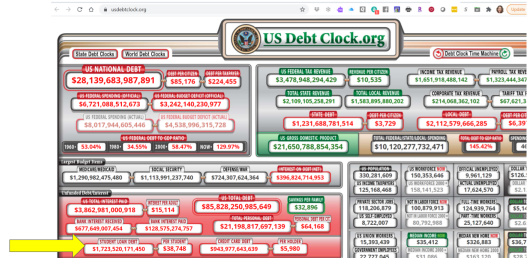
What the debt? What's in the news?



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Students hold \$1.7T in debt, about \$39K per student.

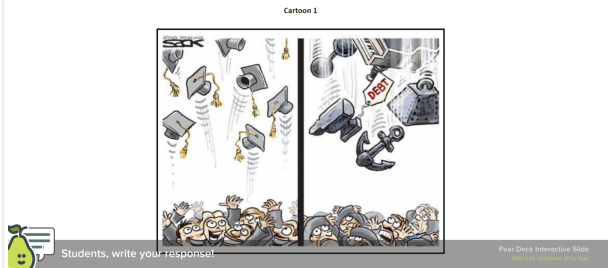


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Slide 9

Your Response

Describe what you see here.




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Slide 10

Facts about Student Debt, Brookings.edu

- 1. About one out of eight students hold some debt.
- 2. About 75% of student loan borrowers took loans to go to two- or four-year colleges. Those borrowers account for about half of all outstanding student loan debt.
- 3. Despite horror stories about college grads with six-figure debt loads, only 6% of borrowers owe more than \$100,000. They typically pursue advanced degrees.
- 4. Over the course of a full-time career, the typical U.S. worker with a bachelor's degree earns nearly \$1 million more than a similar worker with just a high school diploma. Nothing is said about debt loads.

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Slide 11	Your Response
<div><div><div><div><div>1. Describe an advantage to taking out a student loan.</div><div>2. Describe a disadvantage. Consider the future.</div></div><div><div>1</div><div>2</div></div></div></div><div><div><div><div>Students, write your response!</div></div><div><div>Peer Deck Interactive Slide</div><div>Do not remove this text.</div></div></div></div></div>	

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Slide 12

Benefits and costs of pursuing a college degree.

1. Benefits of attending college financed through cash flow include:
 - a. Over the course of a career from age 25 forward, the typical worker with a bachelor's degree earns nearly \$1 million more than a worker with just a high school diploma.
 - b. A similar worker with an associate degree earns \$360,000 more than a high school grad.
 - c. And individuals with college degrees experience more job security, financial stability, lower unemployment rates, and expanded opportunities for career advancement than their high school counterparts.

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Slide 13

The costs of attending college include

1. **Sacrifice the opportunity** of working full-time in a job that does not require a college degree or provides training or schooling as you work
2. **Direct costs** associated with attending college (tuition, room, board, fees, and more)
3. Possibility of taking out **student loans** if you, your parents, or grandparents cannot cover the "**net price**" of attending college.

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Slide 14

Net price of college

1. The **net price** of college is your college's sticker price for tuition and fees minus the grants, scholarships, and education tax benefits you receive.
2. The **net price** is specific to you. It is based on your personal circumstances and the college's financial aid policies.
3. Identify your opportunities.
 - a. Investigate grant opportunities.
 - b. Explore scholarships within and outside of your university.
 - c. If you filed for FAFSA and qualify for funding, it will reduce your net price.
 - d. Get to know your financial aid policies.
 - e. Work with Career Services, start networking, volunteer, consult, work part-time, and the list goes on.

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Be a strategic borrower.

1. Choose your major based on supply AND demand considerations.
2. Find a career that allows you to make use of what economists call your comparative advantage. That is, do something well that others value and you can do at a lower cost than others.

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Who should do taxes and who should play basketball?

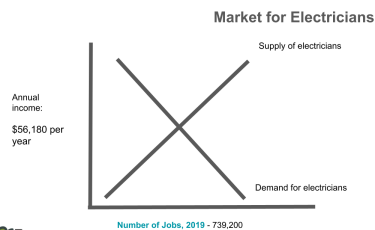


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Your Response

Supply and Demand: <https://www.bls.gov/ooh/>



Students, draw anywhere on this slide!

Peer Deck Interactive Slide

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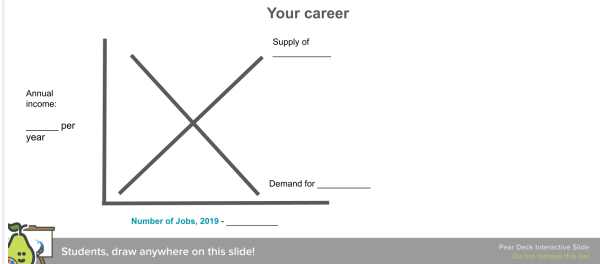
- <https://www.bls.gov/ooh/>
- https://www.bls.gov/ooh/construction-and-extraction/electricians.htm#TB_inline?height=325&width=325&inlineId=qf-number-jobs

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Your Response

Supply and Demand: <https://www.bls.gov/ooh/>



Link(s) on this slide:

- <https://www.bls.gov/ooh/>
- https://www.bls.gov/ooh/construction-and-extraction/electricians.htm#TB_inline?height=325&width=325&inlineId=qf-number-jobs

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Rules of thumb

1. Borrow no more than your starting salary (not the median)
2. Debt payment includes principal amount borrowed plus interest
 - a. <https://studentaid.gov/loan-simulator/>
3. Consider the tradeoffs. The more debt you accumulate today to live "well" you sacrifice future comforts and securities.
4. Decrease the likelihood of being frictionally unemployed on college graduation. Devise a plan to connect your major to a career and launch a career search long before graduation
 - a. Today - sign up to visit Career Services
 - b. Build out your resume and LinkedIn profile
 - c. <https://www.lindenwood.edu/academics/beyond-the-classroom/experiential-learning/career-services/>

Link(s) on this slide:

- <https://studentaid.gov/loan-simulator/>

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Common Sense Economics Practical Personal Finance Badge

- Invest in some personal development to help you build a healthy, wealthy life one decision at a time
- Complete in just 3-5 hours
- Earn a digital badge that you can include on a resume or share on LinkedIn or other professional social media sites
- Sign up for free at <https://canvas.instructure.com/enroll/H67J48>

Link(s) on this slide:

- <https://canvas.instructure.com/enroll/H67J48>

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Check-Out Survey

- <https://forms.gle/aL1ydP2koosuuFnW6>
- Share feedback on today's event
- Used for students to report their participation
- Complete to be eligible for prizes



Link(s) on this slide:

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