College Talk Assignment #2 – "How to Pay"

Please share this assignment with Mr. Wood on Google Classroom. In order to do so properly, copy the question below and post into the google classroom post. Then provide your answer. Make sure that you do not submit this as a google docs or as a Word Document. Type it directly into Google Classroom.

In Part II of this Real World Economics Assignment we will look at the challenge of paying for college. The podcasts and articles accessible on the buddhablog linked below, provide you an insight to the challenges of paying for college as well as the do's and don'ts of the process.

From the Institute for College Access & Success - March 19, 2015

- **The News Articles below (and links) can be found in PDF form on the Buddhablog**
- ***Student Loan Crisis -*** *Don't Major in Debt -*
- ***State by State*** *Project on Student Debt*
- *go here - Federal vs Private Bank Loans*
- *go here - Federal Student Loan Programs*
- *go* ***here*** *- Federal Pell Grant*
- *go here - Michigan Tip Scholarship*
- *Mr Wood's Podcasts on all things College funding*

Voices of Debt – *Student Loan Crisis - Don't Major in Debt (10:53)*

Listen closely to the advice from these college students

This youTube video might be the best advice I've heard on college debt. These guys were in the same position you all were three and four and five years ago. They didn't fully know what they were getting themselves into; you don't have that luxury. Awareness; that's what we are trying to do here….so listen closely and reflect. I want you to find two places in the video that really hit home…stop it, re-watch it, note the time in the video, and reflect below.

1 - Incident #1 – Time and Description of quote / followed by your reflection:

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2 - Incident #2 – Time and Description of quote / followed by your reflection:

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What is Interest on a Loan?

Before any kind of loan discussion you need to understand exactly what Interest on a Loan is. That's the money that you will pay for borrowing the money you need Make sure you fully understand the two videos below before moving on…

- Boring but effective - from yourteacher.com - "Simple Interest Formula"
- Dorky but effective - from carloanmarket.com "Explaining Car Loan Interest Rates"

State by State – *Project on Student Debt*

3 - Let's take a look at Michigan

First take a look at how Michigan stacks up with the other 49? Next scroll through various 4 year institutions in Michigan. What are some interesting numbers you found. And remember these are in-state costs…Don't even think about going to college out of state. *FYI - MSU in-state credit $646 per hour. MSU out-of-state $827.* ***MCC - $96.***

Federal vs Private Bank Loans – *studentaid.ed.gov*

4 - Two things that are clear

Take a look at the chart comparing Federal Student Loans (from the US Government) with Private Bank loans. There's a lot of things to look at - Identify two things that you read that make sense to you.

5 - Two things that are confusing
Take a look at the chart comparing Federal Student Loans (from the US Government) with Private Bank loans. There's a lot things to look at - Identify two things that you read that don't make sense to you.

One thing should be clear as crystal, after comparing Private bank loans with Federal Student Loans - try very very hard to not take out a private loan to go to college. AND NEVER EVER EVER - use a credit card - the interest rate for credit cards is often over 20%.

Federal Student Loans – *studentaid.ed.gov*

6 - Perkins, Stafford subsidized, Stafford un-subsidized, Parent Plus
There are four Federally backed student loans. Each is explained in the above linked PDF. You will also find clear definitions in the podcasts created by Mr. Wood, linked here. Between the two sources provide the basics to each below.

Perkins: ______

Stafford Subsidized: ____

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Stafford Unsubsidized: ____

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Parent Plus: ____

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Federal Student Grant Programs – *studentaid.ed.gov*

7 – The Pell Grant
What exactly is it? How exactly do you qualify for it? Do you think that you qualify? Go to the linked PDF above, and here to access Mr. Wood's podcasts. Tell me three things that you learned about the Pell Grant?

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8 – Other Federal Grant Programs
While the Pell is the biggie, and all are needs based (off of your parents income determined by the FAFSA) identify any other Federal grants that you learned about on the above linked PDF. Briefly summarize what you learned.

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Michigan Opportunity – *The T.I.P. Scholarship*

9 - The T.I.P. - Phase One / Phase Two

OK…this is HUGE! What exactly is Phase One of the T.I.P. Scholarship? What exactly is Phase Two of the T.I.P. Scholarship? And how do you qualify? Go to the linked PDF above, and here to access Mr. Wood's podcasts.

10 – Who takes the T.I.P.?

This is key. Who takes the T.I.P.? What schools? Tell me some of the *Phase One* recipients that might be involved in your education. Tell me some of the *Phase Two* recipients that might be involved in your education. And a few – take em both. Tell me some of those that may be involved in your education. What kind of money are we talking about here?

11 - The United States House of Representatives & the United States Senate - 2016 Budget Propsal

Wait, until you fully understand the definitions of the loans and grants and challenges above, then I want you to read the attached statement by Pauline Abernathy - Vice President for College Access and Success. Take a good long look at what our Congress proposes for the 2016 Budget. Remember that college debt is at an all-time high. Remember that poor kids depend on the Pell Grant. Remember that many of you here depend upon the Pell grant. Remember that Republicans control the House and the Senate. I don't want to tell you how to vote - and I know that there are many more issues in politics than only this issue, - but facts are stubborn things. And all of these cuts to Student Aid have been proposed and passed by the Republican Party.

I want you to convince me below, that you understand the significance of this budget proposal. What does it mean to you and to the future of this country?