



# Helping Students Understand the Cost and Return on Investment of Higher Education

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# Helping Students Understand the Cost and Return on Investment of Higher Education

Presented by:

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- Today's goal is to share resources to help students:
  - Research schools to find affordable options
  - Understand how to determine key factors related to return on investment (ROI)
  - Develop a strategy - the piecemeal approach - to pay for higher ed

## Research Schools From a Financial Aid Perspective

- Not only do school cost varying amounts – they also *vary dramatically* in the types and amount of aid offered
- Broad categories of aid
  - **Merit**-based
  - **Need**-based

## Need-based Aid

- Need-based aid awarded based on:
  - **Free Application for Federal Student Aid (FAFSA)**
    - Used by all schools to award federal and state need-based aid and by many schools to award school need-based grants
    - Becomes available on October 1<sup>st</sup> of each year
  - **CSS Profile**
    - Used by some schools to award school need-based grants and other aid
- Each application has a formula that calculates an Expected Family Contribution (EFC)

*So, how is financial need calculated?*

	Low-Cost School EFC = \$6,000	Mid-Cost School EFC = \$6,000	High-Cost School EFC = \$6,000
Annual Cost of Attendance	\$ 9,600	\$ 23,500	\$ 65,000
- EFC	\$ 6,000	\$ 6,000	\$ 6,000
<b>= NEED</b>	<b>\$ 3,600</b>	<b>\$ 17,500</b>	<b>\$ 59,000</b>

### How can students find schools that do a good job meeting need?

- Start by researching schools based on “**percent of need met**” to find schools that have strong financial aid offers
- **Focus on Net Price – not sticker price**
  - Net Price is the amount a student pays for a single year **AFTER** subtracting grants and scholarships

The screenshot shows the College Search interface with an 'Affordability' filter overlay. The main search results list 'Yale University' and 'Brown University'. The 'Affordability' overlay allows filtering by 'Financial Need Met' (65% or more, 75% or more, 90% or more, 100%, No Preference) and 'Application Fees' (Application fee waivers offered, Free to apply). The 'Add to List' button is visible on the college cards.

**College Search**

Search by college name

Major: Environmental S... X Location

606 Colleges Found

**Yale University** →  
New Haven, CT  
4-year • Private • Medium • Urban  
97% graduation rate  
\$18K average per year after aid  
SAT 1460–1570

**Brown University** →  
Providence, RI  
4-year • Private • Medium • Urban  
96% graduation rate

**Affordability**

**Financial Need Met**  
The higher the percent met by a college, the less you need to pay.

65% or more   
75% or more   
90% or more   
100%   
No Preference

**Application Fees**

Application fee waivers offered   
Free to apply   
Some colleges don't require an application fee.

Clear All Show Colleges

Admissions Clear All

Sort by ↓

Add to List



### Net Price Calculator (NPC)

- Schools are required to have a NPC on their website (usually in the financial aid section)
- NPCs use **school specific data** to provide estimated net price based on a **student's individual circumstances**
- Let's look at NPC results for two schools using the same information (\$75,000)



## School A

Student Information	Academic Scores	Family Information	Parent Finances	Student Finances	Summary
<b>Direct Costs - \$61,813</b> <b>Cost of Attendance - ?</b> (\$61,813 is listed as COA)		Estimated Award	Low - High Range		
Merit Scholarship		\$19,000	\$18,000 - \$20,000		
Need-Based Grants		\$8,000	\$7,000 - \$9,000		
Total Scholarships & Grants		\$27,000	\$25,000 - \$29,000		
<b>Your Estimated Net Price</b>		<b>\$34,813</b>	<b>\$32,813 - \$36,813</b>		
Estimated Additional Funds					
Work Study		\$2,000			
Direct Loans ⓘ		\$5,500			
Total Additional Funds		\$7,500			
<b>Your Estimated Remaining Cost</b>		<b>\$27,313</b>			

# Building a List of Schools

## School B

### Your Estimated Financial Aid Award

All numbers are yearly estimates, based on Fall 2021 enrollment.

Costs	\$62,784
⊕ Show Breakdown <b>Direct Costs</b>	<b>\$58,954</b>
<b>Gift Aid</b>	
1 Simmons Merit Scholarship	\$20,000
2 Simmons Need Awards	\$21,338
<b>Total Gift Aid</b>	<b>\$41,338</b>
<b>Other Aid</b>	
3 Estimated Work Study	\$2,500
4 Federal Direct Student Loans	\$5,500
<b>Total Other Aid</b>	<b>\$8,000</b>
<b>Estimated Net Price - \$17,616</b>	
<b>Your Bottom Line</b>	
5 Remaining Due to University	\$12,116
6 Remaining Indirect Expenses	\$1,330
<b>Total Remaining Cost</b>	<b>\$13,446</b>

Total Cost: \$62,784

- Don't make the final decision based on NPC
- **Merit aid** can have a significant impact
  - Many of the **“most selective” schools don't offer merit aid**
  - **“Very selective” and “selective”** schools are often a **good source of merit aid** – worth considering for good students with limited financial need
  - If the estimated offer isn't sufficient, the student may want to consider adding additional schools to the list

- Encourage students to **apply to multiple schools** (four to six?)
- Families should try very hard to not to get their heart set on one specific school early in the process
- Important to have a **financial aid “safety school”** on the list

- Consider the **Return on Investment** (ROI)
- What are the **future job** openings in the student's desired field?
- What are the **potential earnings** and benefits?
- Are loans needed? If so, what is the potential **total amount of loan debt**?



# Researching Return on Investment (ROI)

## Where can you find this information?

- Start by visiting CareerOneStop
- <https://www.careeronestop.org/>
- Research:
  - Industries and job openings
  - Salaries
  - Skills and assessments
  - Resources based on characteristics



## Find the Strongest Job Markets

- View Career Clusters
- Fastest-Growing Industries
- Industries with the Largest Employment
- Industries with Declining Employment
- Highest-Paying Industries

The screenshot shows the CareerOneStop website interface. At the top, the logo reads "careeronestop your source for career exploration, training & jobs" with a tagline "Sponsored by the U.S. Department of Labor. A proud partner of the americanjobcenter network." A search bar on the right contains "Search CareerOneStop" and a magnifying glass icon. A navigation bar below the logo includes links for "Explore Careers", "Find Training", "Job Search", "Find Local Help", "Toolkit", and "Resources For".

The main content area features a large image of a woman looking at a computer screen. Below the image is a "Research industries" button. A sidebar on the left contains a menu with the following items: "Explore Careers", "Self assessments", "Learn about careers" (highlighted in blue), "Career clusters", "Career profiles", "Career videos", "What's hot", "Compare occupations", "Research industries", and "Plan your career".

The main content area below the image contains the following text and links:

- Scan your local industries to find the strongest job markets.** Discover which industries are in demand, have the largest employment, are experiencing declining employment, pay the most, and more. Sharpen your job search or career planning by learning where industry growth and decline are occurring.
- [View Career Cluster / Industry Videos](#) Learn about major industries and the careers they offer with these videos highlighting popular career clusters.
- [Fastest-Growing Industries](#) Find the industries that are projected to grow the fastest. Includes past and projected industry employment levels and growth rates.
- [Industries with the Largest Employment](#) View the industries with the largest employment nationwide. Includes details about employment and links to more detailed industry information.
- [Industries with Declining Employment](#) Create a list of industries with the largest projected decline in employment nationwide and projected industry employment levels and growth rates.
- [Highest-Paying Industries](#) Find the highest-paying industries. Includes details of average weekly wages and average annual wages.

At the bottom right, there is a chat bubble that says "Can I help you find something?" and a social media sharing bar with icons for Facebook, Twitter, and LinkedIn.

## Registered Nurses

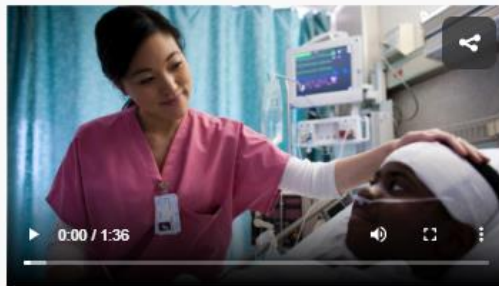
### Description: what do they do?

Assess patient health problems and needs, develop and implement nursing care plans, and maintain medical records. Administer nursing care to ill, injured, convalescent, or disabled patients. May advise patients on health maintenance and disease prevention or provide case management. Licensing or registration required.

#### Also known as:

Certified Operating Room Nurse (CNOR), Charge Nurse, Emergency Department RN (Emergency Department Registered Nurse), Oncology RN (Oncology Registered Nurse), Operating Room Registered Nurse (OR RN), Psychiatric RN (Psychiatric Registered Nurse), Relief Charge Nurse, School Nurse, Staff Nurse, Staff RN (Staff Registered Nurse)

### Career video



[View transcript](#)

### Outlook: will there be jobs?



New job opportunities are **very likely** in the future.

This occupation is:

- Projected to have a large number of job openings

[Find job openings](#)

### Typical wages

[Hourly Wages](#)

### Projected employment

United States
3,080,100 2020 Employment
3,356,800 2030 Employment
9% Percent change
194,500 Annual projected job openings

[Compare projected employment](#)

# Industries and Job Openings

## Projected Employment for Registered Nurses in UNITED STATES

[View Table](#) : [View Chart](#) : [View Map](#)

National	Employment		Percent Change	Projected Annual Job Openings*
	2020	2030		
United States	3,080,100	3,356,800	9%	194,500

State	Employment		Percent Change	Projected Annual Job Openings*
	2018	2028		
<a href="#">California</a>	319,800	373,200	+17%	23,850
<a href="#">New York</a>	199,870	249,100	+25%	16,910
<a href="#">Texas</a>	216,120	252,330	+17%	16,130
<a href="#">Florida</a>	189,820	220,350	+16%	14,000
<a href="#">Pennsylvania</a>	151,750	170,720	+13%	10,510
<a href="#">Illinois</a>	133,930	150,590	+12%	9,260
<a href="#">Ohio</a>	127,430	139,680	+10%	8,360
<a href="#">North Carolina</a>	104,690	115,960	+11%	7,020
<a href="#">Michigan</a>	100,580	110,460	+10%	6,620
<a href="#">Georgia</a>	77,460	94,880	+23%	6,340
<a href="#">Washington</a>	58,300	70,240	+21%	5,820



Maine –  
down by 7%


Pharmacists

**Description: what do they do?**

Dispense drugs prescribed by physicians and other health practitioners and provide information to patients about medications and their use. May advise physicians and other health practitioners on the selection, dosage, interactions, and side effects of medications.

**Also known as:**  
Clinical Pharmacist, Hospital Pharmacist, Pharmacist, Pharmacist in Charge (PIC), Pharmacy Informaticist, Registered Pharmacist, Staff Pharmacist


**Career video**



0:00 / 1:25

[View transcript](#)

**Outlook: will there be jobs?**



New job opportunities are **less likely** in the future.

Below Average

[Find job openings](#)

**Projected employment**

United States
322,200 2020 Employment
315,300 2030 Employment
-2% Percent change
11,300 Annual projected job openings

**Typical wages**

[Hourly Wages](#)

## Industries and Job Openings

**Projected Employment for Pharmacists in US**

[View National Data](#) [View Table](#) : [View Chart](#) : [View Map](#)

National	Employment		Percent Change	Projected Annual Job Openings*
	2020	2030		
United States	322,200	315,300	-2%	11,300

State	Employment		Percent Change	Projected Annual Job Openings*
	2018	2028		
<a href="#">California</a>	33,300	35,300	+6%	1,740
<a href="#">Texas</a>	21,430	23,660	+10%	1,240
<a href="#">Florida</a>	20,840	21,300	+2%	990
<a href="#">New York</a>	20,930	20,590	-2%	900
<a href="#">Pennsylvania</a>	14,670	14,630	-0%	660
<a href="#">Georgia</a>	10,460	11,730	+12%	630
<a href="#">Ohio</a>	12,400	12,220	-2%	540
<a href="#">Illinois</a>	12,320	11,720	-5%	480
<a href="#">North Carolina</a>	10,020	10,110	+1%	460
<a href="#">Washington</a>	6,540	7,120	+9%	420
<a href="#">New Jersey</a>	9,540	9,270	-3%	400



## Search based on:

- Percent change – High to Low
- Percent change – low to high
- Earnings – High to Low
- Earnings – Low to High
- 2020 Employment – High to Low
- 2020 Employment – Low to High
- 2030 Employment – High to Low
- 2030 Employment – Low to High
- Typical Education – High to Low
- Typical Education – Low to High
- Occupation – A to Z
- Occupation – Z to A

These are the industries that are projected to grow the fastest from 2020 to 2030. Select any industry to see a full report on the industry from the Bureau of Labor Statistics.

We found **214** growing industries in **United States**.

Sort by:

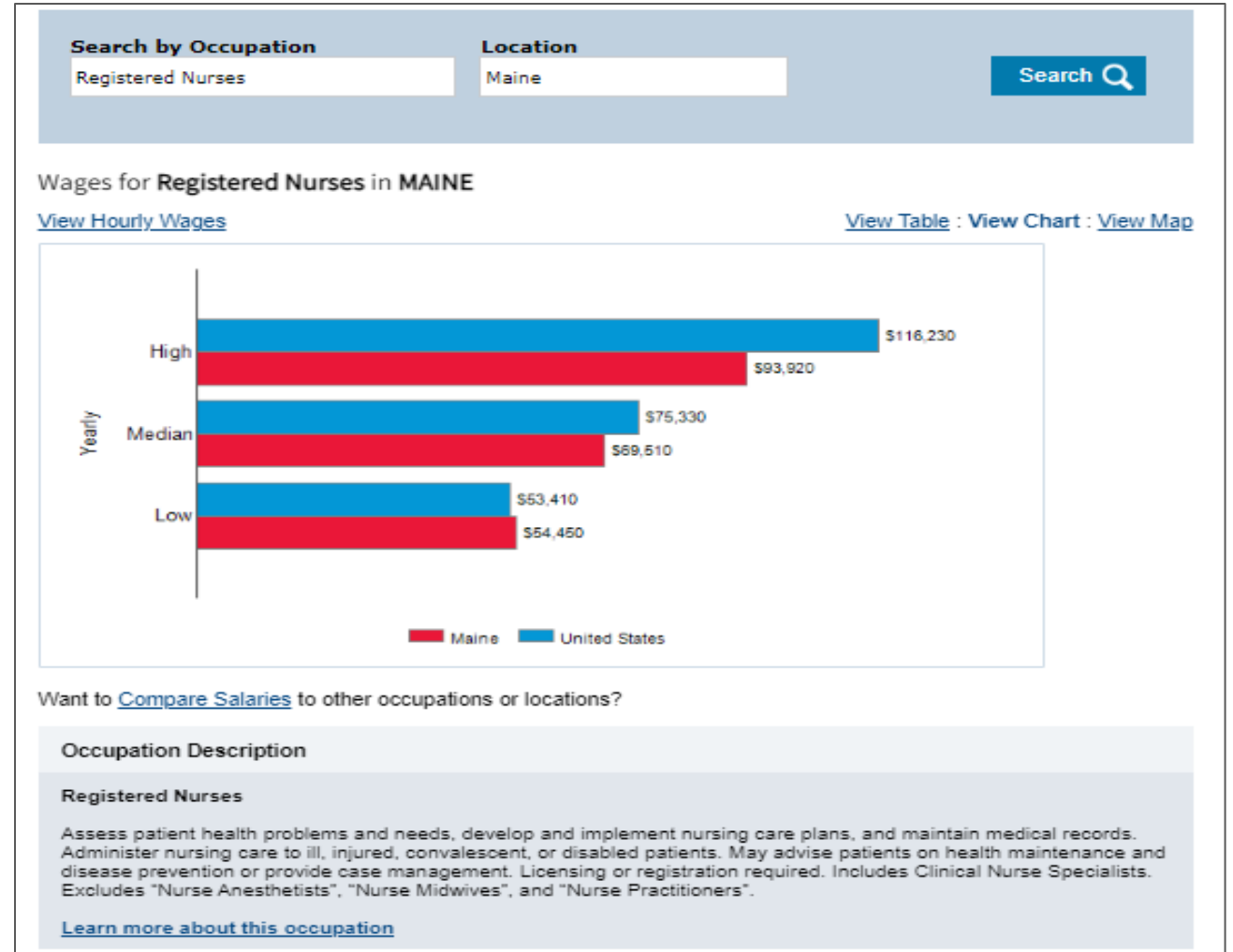
Employment

Rank	Industry	2020	2030	Percent Change
177	<a href="#">Accounting and Bookkeeping Services</a>	995,800	1,025,200	3%
112	<a href="#">Advertising and Related Services</a>	450,500	487,000	8%
8	<a href="#">Agents and Managers for Public Figures</a>	22,000	34,800	58%
22	<a href="#">Agriculture &amp; Forestry Support Activity</a>	103,900	143,300	38%
26	<a href="#">All Other Ambulatory Health Care Svc</a>	137,600	186,900	36%
79	<a href="#">Ambulance Services</a>	168,400	189,500	13%
7	<a href="#">Amusement Parks and Arcades</a>	156,100	250,000	60%
113	<a href="#">Animal Food Manufacturing</a>	66,100	71,300	8%
178	<a href="#">Animal Slaughtering and Processing</a>	538,500	556,000	3%
191	<a href="#">Apparel/Piece Goods Merchant Wholesalers</a>	130,200	133,000	2%

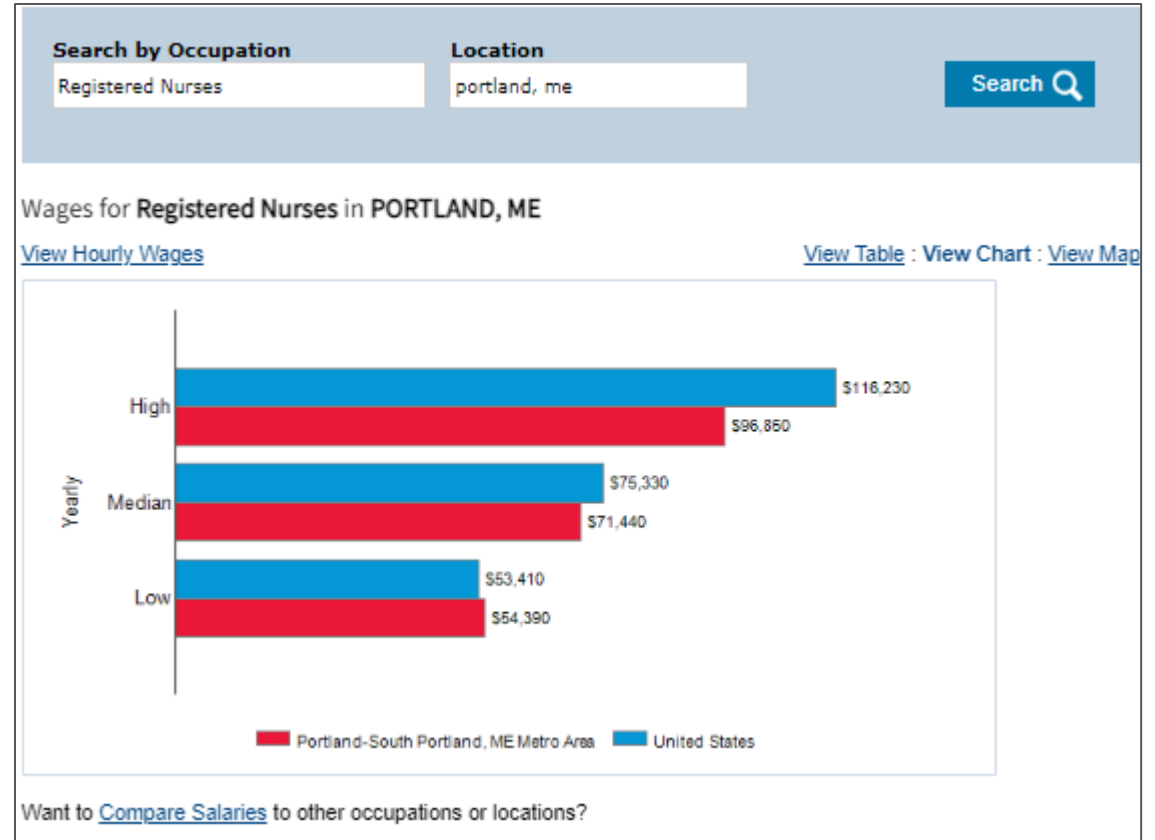
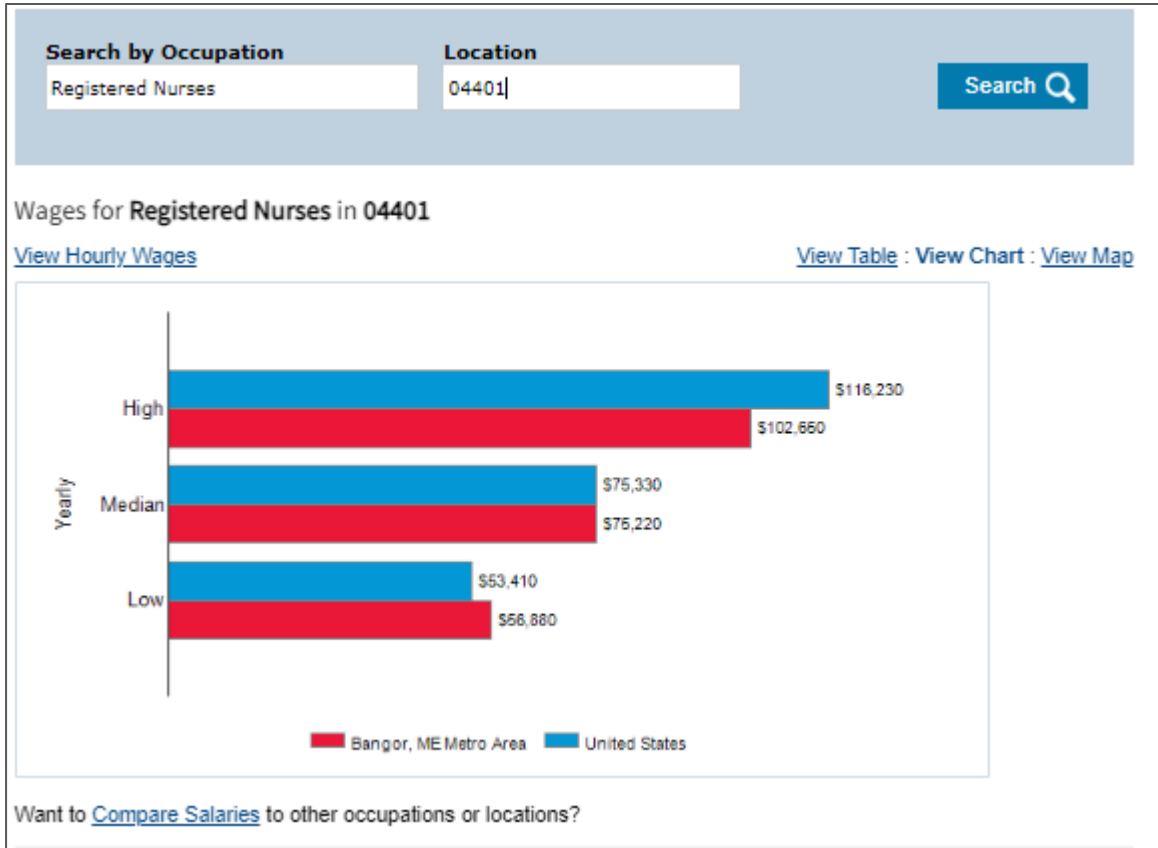
10 Per Page | 1 [2](#) [3](#) [4](#) [5](#) ... [22](#)

## Registered Nurse

- United States wages vs. Maine
- Low, median, and high

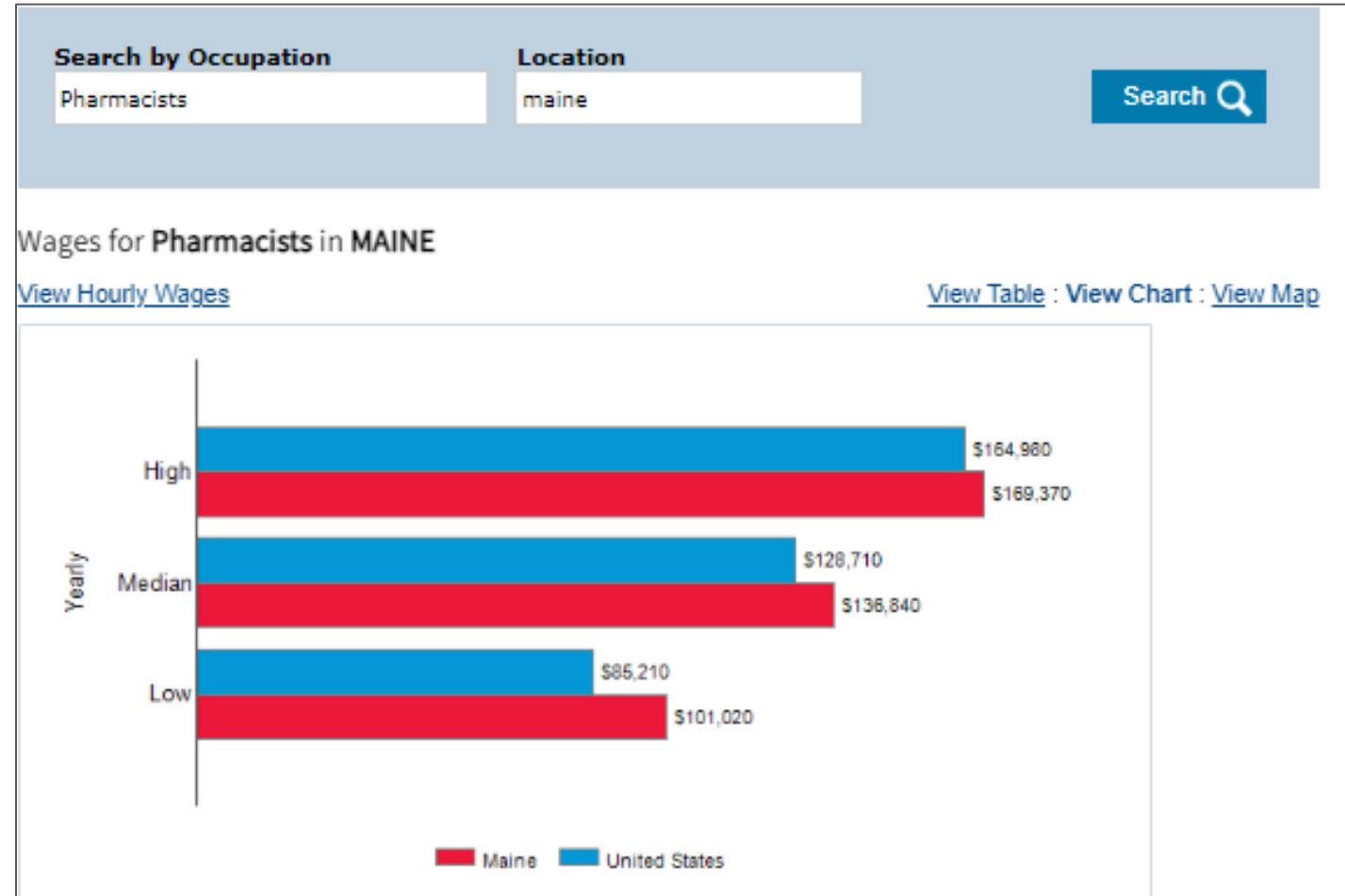


## Registered Nurse – Bangor vs. Portland

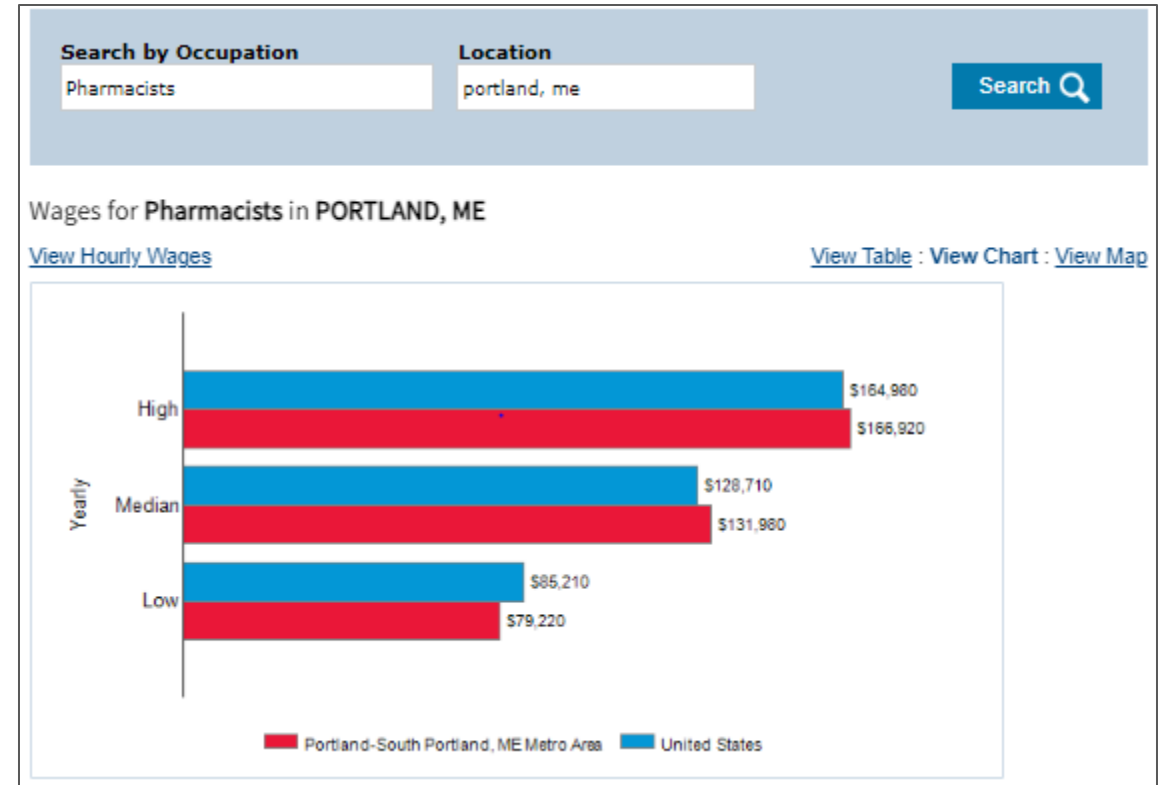
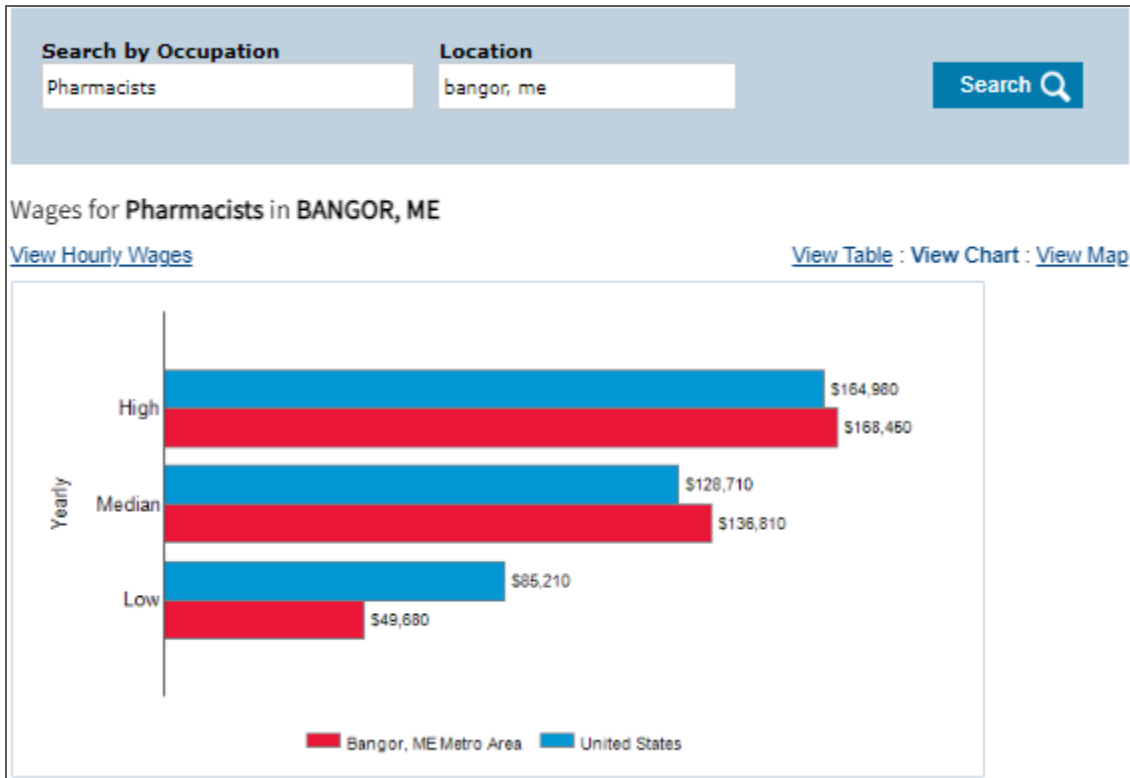


## Pharmacist

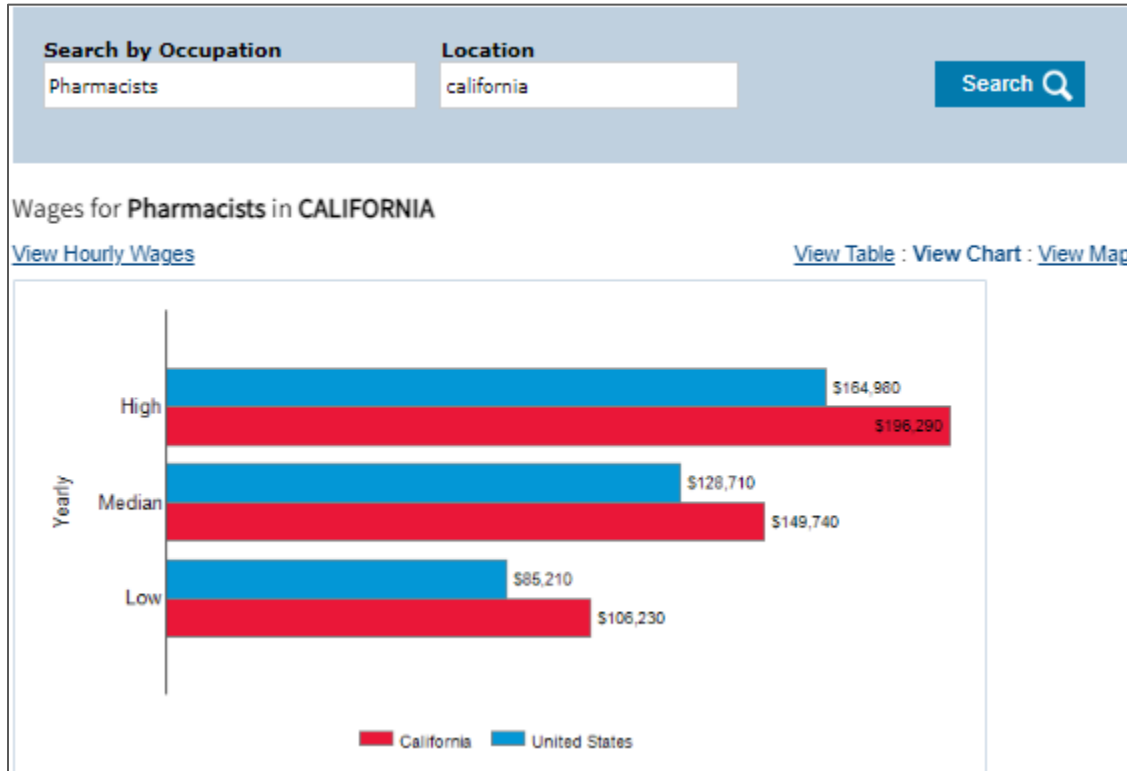
- United States wages vs. Maine
- Low, median, and high



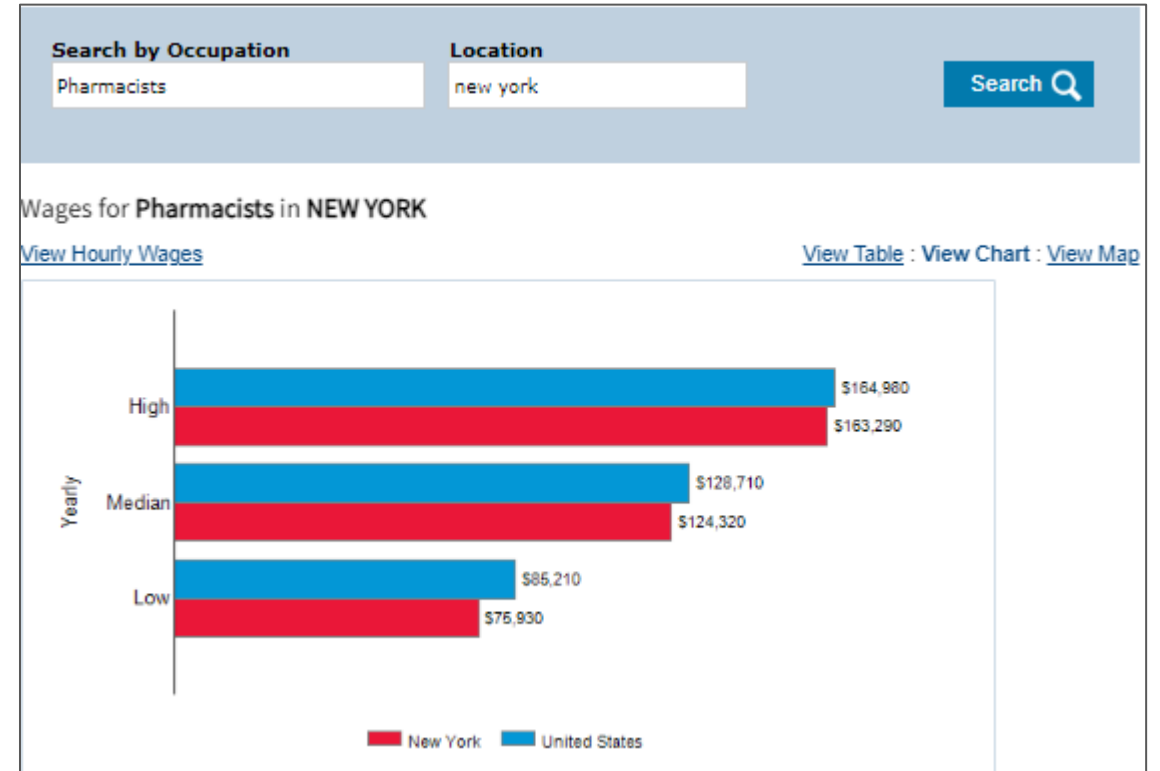
## Pharmacist – Bangor vs. Portland



## Pharmacist – California vs. New York



Projected Increase of **+6%**



Projected Decrease of **-2%**



# Avoid the Disconnect!

FAMEmaine.com/affording-education/pay-for-school/resources-tools/calculators/student-loan-salary-calculator/

### Student Loan/Salary Calculator

Visit [CareerOneStop.org](http://CareerOneStop.org) to get an estimate of your annual salary. Once you have that, use the calculator below to calculate the maximum amount of student loan debt that is reasonable for your circumstances.

Interest rate:  %  
 Repayment Period:  (years)

How much should I expect in student loans?	What salary would I need to support this debt?
Expected salary: <input type="text" value="55000"/> <input type="text" value="Annual"/>	Current Debt: <input type="text" value="0"/> Future Borrowing Needs: <input type="text" value="0"/>
<div style="border: 1px solid black; background-color: #e0f2f1; padding: 5px;">             It is recommended that you should borrow no more than \$34,569.83           </div>	

Salary of \$55,000  
Recommend borrowing no more than \$34,670  
~ \$8,400 per year

### Student Loan/Salary Calculator

Visit [CareerOneStop.org](http://CareerOneStop.org) to get an estimate of your annual salary. Once you have that, use the calculator below to calculate the maximum amount of student loan debt that is reasonable for your circumstances.

Interest rate:  %  
 Repayment Period:  (years)

How much should I expect in student loans?	What salary would I need to support this debt?
Expected salary: <input type="text" value="0"/> <input type="text" value="Hourly"/>	Current Debt: <input type="text" value="100000"/> Future Borrowing Needs: <input type="text" value="0"/>
	<div style="border: 1px solid black; background-color: #e0f2f1; padding: 5px;">             Your estimated monthly payments to service \$100,000.00 of debt would be \$1,110.21 per month. To support repayment of this debt, you should earn at least \$81.63 Hourly, \$13,877.56 Monthly, or \$166,530.75 Annually           </div>

If borrow \$25,000 per year X 4 year = \$100,000)  
Need a salary of \$166,530 annually



### Cost of Living Calculator

- Salary.com - <https://www.salary.com/research/cost-of-living>
- Compare current locations to new location
- Compare major cities
- Compare locations within one state

#### Cost of Living Calculator

Use Salary.com's Cost of Living Calculator to easily compare the cost of living in your current location to the cost of living in a new location. We use the Consumer Price Index (CPI) and salary differentials of over 300+ US cities to give you a comparison of costs and salary. Let us help you make an informed decision about what it will cost to live and work in the city of your dreams!  
 The federal minimum wage is \$7.25 per hour in 2022. Look at the minimum wage values compared with the cost of living in your location by visiting [Minimum Wage Values in the United States](#)

YOUR CURRENT TITLE:

YOUR CURRENT SALARY:

PRESENT LOCATION (WORK):

NEW LOCATION (WORK):

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#### Cost of Living Index in Major Cities of the United States

Cost of Living Index in Major Cities

City	Cost of Living Index (%)
San Francisco, CA	185.08%
Washington, DC	156.10%
Miami, FL	111.58%
Chicago, IL	114.98%
Boston, MA	151.00%
New York, NY	180.43%
Dallas, TX	97.34%

A comparison of the Cost of Living indexes across major US Cities compared to the national average. The calculations are based on the total cost of energy, food, healthcare, housing and transportation, among other factors. New York City consistently ranks #1 as the nation's highest cost of living.

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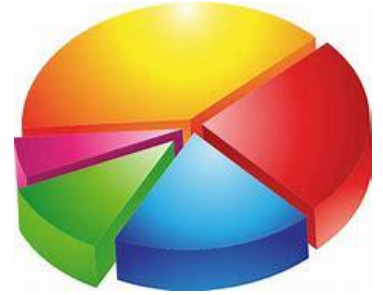
#### Cost of Living by State

<a href="#">Alabama</a>	<a href="#">Alaska</a>	<a href="#">Arizona</a>	<a href="#">Arkansas</a>
<a href="#">California</a>	<a href="#">Colorado</a>	<a href="#">Connecticut</a>	<a href="#">Delaware</a>
<a href="#">District of Columbia</a>	<a href="#">Florida</a>	<a href="#">Georgia</a>	<a href="#">Hawaii</a>

- On the surface, borrowing \$50,000 vs \$80,000 may not seem like that big of a difference. It is a lot either way!
- However, knowing **what income is required to** support that debt is \$80,000 vs \$127,000 is needed may mean more.
- Or, share the rule of thumb that **each \$10,000 borrowed** equates to a little more than **\$100 per month payment** (at 4% interest rate) for 10 years. That is a monthly payment of \$506 vs \$809.

### Use the piecemeal approach!

- **Need-based Financial Aid** – attend a school that offers generous need-based aid – particularly important for lower income students
- **Merit-based Scholarships** – attend a school that offers merit based – particularly important for middle/upper income students who are academically strong
- **Outside Scholarships** – start local and work outward
- **Student Savings** – summer and gifts
- **Parent Savings** – start early, but it's never too late
- **Tuition Payment Plan** – free up money in the budget to make monthly payments
- **Reduce College-Related Expenses** - housing, transportation, and books
- **Federal Student Loans**
- **Other Loans** – only as a last resort





## Debunking the Myth – Savings

- Debunk the myth about the negative impact of saving on financial aid!
  - Most families who earn less than \$50,000 per year don't have to provide any asset information on the FAFSA.
  - When asset information is required, many common assets are excluded including personal possessions, primary residence, retirement, and small family-owned businesses.
  - Even when required to be listed, the impact of assets is minimal.



## “Expected Family Contribution 2022-23” – Income vs. Assets

	Scenario A	Scenario B	Scenario C	Scenario D
<b>Income</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>
<b>“Countable” Assets/Saving</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$25,000</b>	<b>\$50,000</b>
Expected contribution from income	6,156	6,156	6,156	6,156
Expected contribution from assets	0	240	852	1,910
Total Expected Parent Contribution	6,156	6,396	7,008	8,066

- Encourage students to create scenarios where they have as **many options** as possible
- Often there are **multiple pathways** and schools where students can achieve their goals
- Living on the “cheap” and **making financial sacrifices** while in school **will allow for more financial freedom later in life**
- Financing plans need to cover multiple years, and often, multiple children



Thank you for joining us today! Find more FREE resources and information at [FAMEmaine.com/education](https://www.FAMEmaine.com/education).

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