

The Economics of Going To College

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October 12th, 2022

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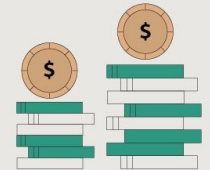
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Purpose

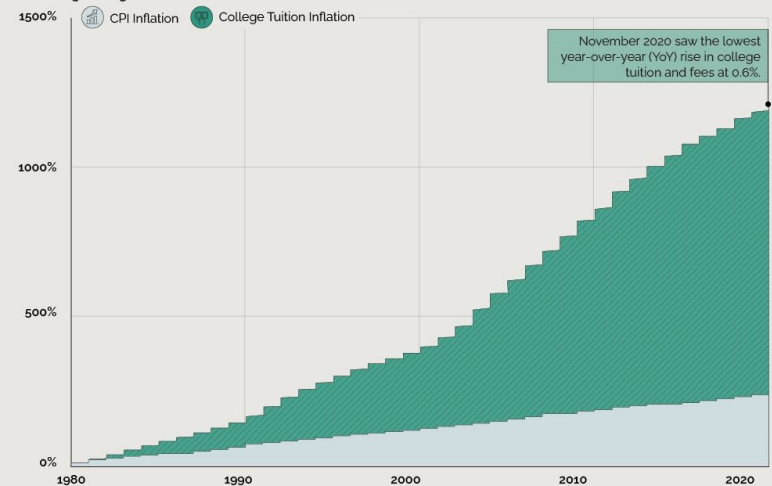
- Rising cost of college
- Rising student loan debt
- Rising number of jobs that require college degrees

The Rising Cost of College in the U.S.

The costs of obtaining a college education in the U.S. have ballooned relative to overall inflation. Average college tuition and fees have increased by **1200%** since 1980, while inflation is up **236%**.



Percentage change



Based on seasonally adjusted CPI data. Index values based on 1982-84 = 100.

Source: U.S. Bureau of Labor Statistics - Consumer Price Index
U.S. Bureau of Labor Statistics - Consumer Price Index for College Tuition & Fees



Objective

- Go through a series of lessons & activities and that you can use with your students to help them understand the economics of college.



Agenda

- Guessing Game
- Student Loans
- Is College Worth It? [Debate]
- College Textbooks
- College Housing
- Scholarships



Activity #1: Guessing Game

- Introduction Activity

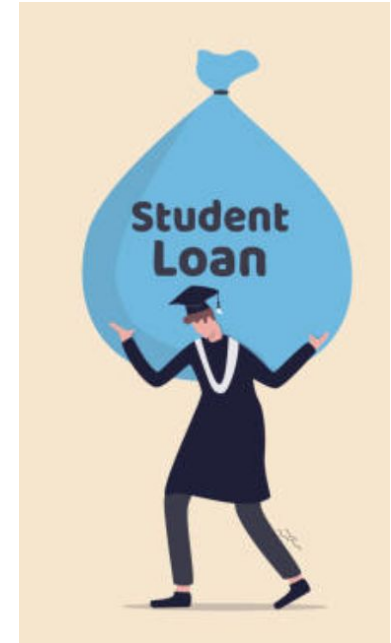


Guess the average cost of each of these for a college student in 2022 [To the nearest thousand]

Buying New Textbooks For All Classes for all 4 Years	\$5000
Bachelor's Degree at a Public University [Commuting]	\$40,000
Bachelor's Degree at a Public University [Dorming]	\$83,000
Bachelor's Degree at a Private University [Commuting]	\$139,000
Bachelor's Degree at a Private University [Dorming]	\$188,000

Activity #2: Student Loans

- Calculate Student Loan Payments
- Focus on Interest and Monthly Payments



Student Loan Calculator

Using a student loan calculator can help you create a student loan repayment strategy that's right for you. With some basic information about your existing or prospective student loan, the Bankrate student loan calculator shows you the monthly loan payment you can expect, how long it'll take you to repay your entire loan and how much interest you'll pay overall. Enter the details of your student loan into the calculator below to see your personal results.

<p>Loan amount</p> <input type="text" value="\$32,000"/>	<p>Monthly Payments</p> <p>\$355.27</p>
<p>Loan term in years</p> <input type="text" value="10"/>	
OR	
<p>Loan term in months</p> <input type="text" value="120"/>	<p>Total Principal Paid: \$32,000</p> <p>Total Interest Paid: \$10,631.87</p>
<p>Interest rate per year</p> <input type="text" value="6"/> %	
<input type="button" value="Calculate"/>	

1. Fill out the chart to see the effect that larger debt has on monthly payments and interest.

Debt	Interest Rate	Term	Monthly Payment	Total Interest Paid
\$32,000	5.7%	10 Years	350.46	10,055.67
\$55,000	5.7%	10 Years		
\$74,000	5.7%	10 Years		
\$89,000	5.7%	10 Years		

Activity #3: Is College Worth It?

- Most common question I get about college
- Discussion/Debate style lesson



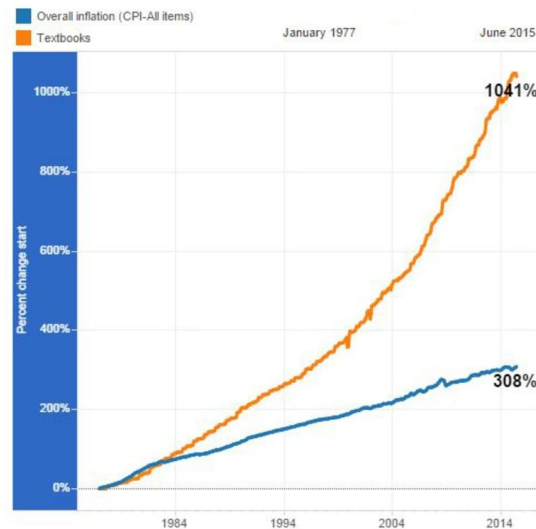
Activity #4: College Textbooks

- Their expense and why they are so expensive
- Elasticity of Demand
- Activity Goal: How to save money on them

Pricey textbooks

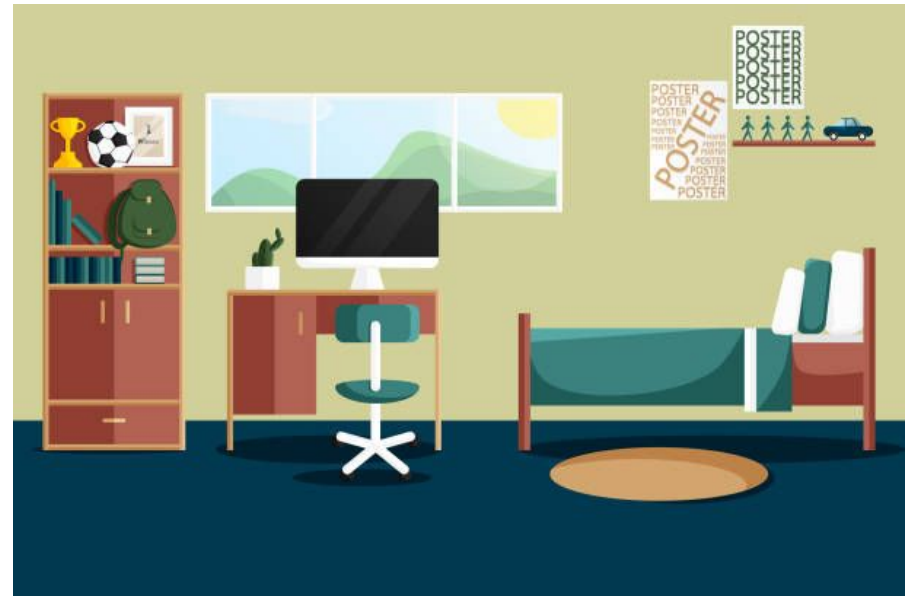
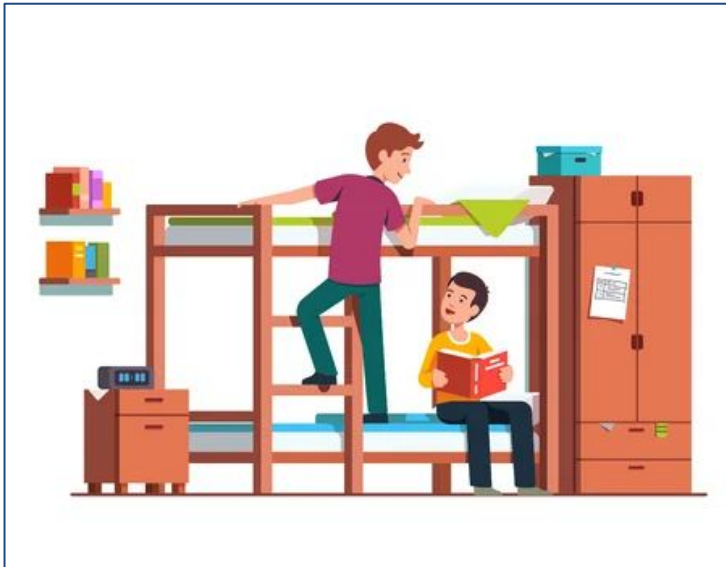


Since 1977, textbook prices have risen at more than triple the overall rate of U.S. inflation. Use the filter to choose a date range to track textbook price inflation. (SOURCE: BLS)



Activity #5: College Housing

- Dorming Vs. Commuting Vs. Living Off Campus



Activity #6: Scholarships

- US Department of Labor Scholarship Search Tool
 - Search Game or Webquest

The screenshot shows the CareerOneStop Scholarship Finder page. At the top, there is a navigation bar with options like 'Explore Careers', 'Find Training', 'Job Search', 'Find Local Help', 'Toolkit', and 'Resources For'. Below this is a search bar with the text 'Search CareerOneStop' and a magnifying glass icon. The main content area is titled 'Scholarship Finder' and includes a search box with the placeholder 'Search by keyword' and a 'Search' button. To the right of the search box, there are social media icons for Facebook, Twitter, and LinkedIn. Below the search box, there is a list of filters under 'Filter By', including 'Level of Study' (with links for Bachelor's Degree, Graduate Degree, Professional Development, Vocational, Associate Degree, and High School) and 'Award Type' (with a link for Scholarship). The main content area displays a search result for the 'American Society of Colon and Rectal Surgeons International' fellowship, which is a \$50,000 award with a deadline in August. The page also includes a 'Sort by' dropdown menu set to 'Deadline: Sooner to Later'.



Contact & Questions?



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Thanks For Your Time!