

Investing in Your Future



Choosing to pursue your degree is a choice that has many long reaching implications. The value of a Bachelor's degree can be measured not only in terms of future earning potential, but also quality of life. Seeking a Bachelor's degree from Oregon State is not only a tremendous opportunity, but a fantastic value and an investment in yourself! This publication will provide information on the return on your investment, employment and financial aid statistics about Oregon State University, as well as some real answers to many of the questions that have become the focus of the debate on the true value of earning your degree.

Education Pays

According to The College Board Advocacy and Policy Center report, *Higher Education Pays 2013*, "Anecdotes about individual students whose paths through postsecondary education have not worked out well do not contradict the fact that on average and for most students, college is an excellent financial investment. Benson, Esteva, and Levy (2013) find that even after accounting for actual time to degree, the probability of enrolling in college but not completing a degree, and the higher taxes paid by those with higher levels of education, the average rate of return to college remains high. They explain that this reality is not incompatible with the perception that more former students are facing difficulties repaying their loans. This issue has gained attention because of a combination of rising tuition and debt levels with increasing variation in the earnings of college graduates." Here are some facts to consider from their report:

- Median earnings of bachelor's degree recipients working full-time year-round in 2011 were \$56,500, which is \$21,100 more than that of high school graduates.
- Lifetime earnings for the typical bachelor's degree recipient is about 60% greater than that of a typical high school graduate over the same period.
- Employment rates are higher for college graduates.
- College level graduates are more likely than others to receive health insurance and pension benefits from their employers and to be satisfied with their jobs.
- Adults with higher levels of education are more engaged citizens than others.
- College education leads to healthier lifestyles, reducing health care costs for individuals and society.
- College educated parents engage in more educational activities with their children, who are then better prepared for school than other children.

Investing in your education is an investment in yourself, and has a great impact on your future!

Oregon State University Student Statistics

Major & Earnings Data from the Payscale College Salary Report for 2013-2014 indicates that the average salary for Oregon State University Graduates is **\$48,000**.

Average Student Loan Debt for Oregon State University is **\$24,267**. This amount of loan debt will result in an average monthly repayment of **\$279**. Based on the major & earning data above, this debt will represent **6.97%** of your anticipated salary dedicated to loan repayment.

Gift" Aid vs "Self-Help" Aid refers to the types of aid you can receive. "Gift" aid is financial aid that does not have to be repaid and can consist of federal, state, and institutional funds in the form of grants (such as the Federal Pell Grant) or scholarships. Some gift aid is based on financial need as determined by the FAFSA and some is based on Academic Merit. "Self-Help" aid refers to financial aid that typically has to be repaid. This can include Federal Direct Loans, Parent PLUS loans, and Private/Alternative loans.

Oregon State University annual aid averages are broken down into the following categories and represents the "average" award of each aid type for undergraduate programs. Scholarships were awarded to 7,103 Oregon State Students, with an average **scholarship** award of **\$3,357**. Grants were awarded to 8,939 Oregon State Students, with an average **grant** of **\$5,614**. The average **loans** awarded for Oregon State Students are **\$7,229**, with 12,158 students receiving funds.

This information is important to know when budgeting for your time in college. The more opportunities you have for grants and scholarship opportunities the less loan debt you will have to take on. The Colleges award scholarships to currently enrolled students each year. Scholarships are awarded each spring and are in effect for the next academic year. Awards are given based on available funds and amounts vary from year to year. When it comes to scholarships, remember the more active you are in your searches the more likely you are to have greater scholarship opportunities! Visit the Financial Aid and Scholarships web page for more information!

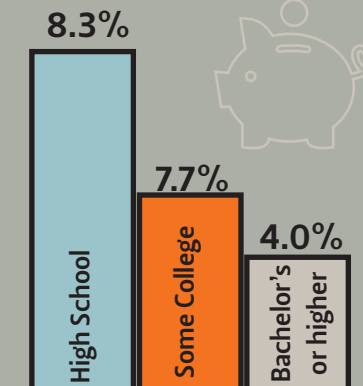
The Value of an Education



Lifetime Earning Potential

*expected lifetime earnings from Higher Education Pays 2013 (Figure 1.2)

Unemployment Rates



*2012 Unemployment rates from Higher Education Pays 2013 (Figure 1.9a)

Comparative Cost

2013 Toyota Camry
MSRP=\$22,425
Payment=\$343.63/month

OSU Average Loan Debt upon graduation=**\$24,267**
Payment=**\$279.00/month**

5 myths about paying for college

1. College is just too expensive. Despite what you may have heard, a college education is more affordable than most people think, especially considering that college graduates can earn an average of \$650,000 more over the span of their careers than high school graduates. The national average tuition and fees at a 4-year public institution was \$8,893 in 2013-2014. Oregon State University was just \$8,538. College may seem expensive, but the truth is that most students pay less than their college's sticker price, or published price, thanks to financial aid. So instead of looking at the published price, concentrate on your net price, the real price you'll pay for college.

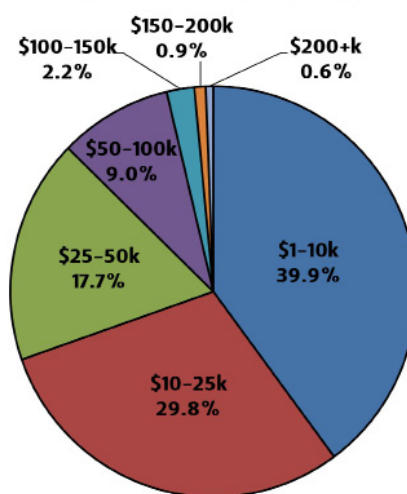
2. My family's income is too high to qualify for aid. Financial aid is intended to make a college education available for students of families in many financial situations. Aid is awarded to many families with incomes they thought would disqualify them. About two-thirds of full-time undergraduate college students receive some type of financial aid in the form of grants, scholarships, loans or work-study. Approximately 38 percent of financial aid dollars awarded to undergraduates are in the form of federal loans, and the rest are grants, scholarships, federal work-study, and tax credits and deductions.

3. Student loan debt is out of control. Don't believe the hype surrounding student loan debt. While you should always borrow responsibly, and stories of a \$100,000+ loan debt after college may discourage you, the actual number of students with that level of debt is actually quite low. Did you know that the maximum federal loan debt a Dependent Undergraduate can take on is only \$31,000? Over 40 percent of borrowers have balances less than \$10,000, and only 3.7 percent owe more than \$100,000. The pie chart shows just how much loan debt students are actually graduating with.

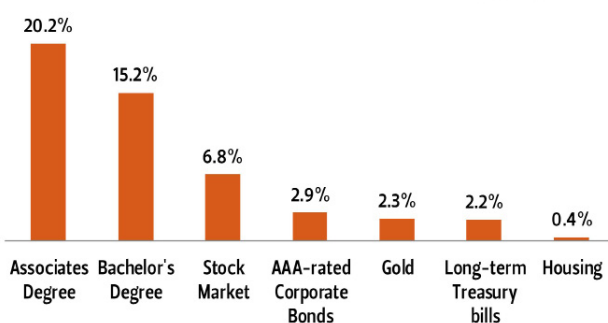
Taken from Household Debt and Credit: Student Debt, Federal Reserve Bank of New York, February 28, 2013, Donghoon Lee.



Student Loan Debt Balances



As an investment, an education is the best thing going...



4. Education is not a sound investment.

The Brookings Institute looked at the best place to invest \$102,000 and concluded that an education is the most sound investment you can make. On average, the benefits of a four-year college degree are equivalent to an investment that returns 15.2 percent a year! Although the Associate's Degree appears to stand out over a Bachelor's Degree, this can be attributed to the lower costs and time it takes to complete.

(the full report can be found at brookings.edu/research/papers/2011/06/25-education-greenstone-looney)

5. You shouldn't borrow money for college. If you are able to complete your degree without needing to access student loans by all means do so. However should you need them, student loans are intended to help you finance your education. Establishing a budget for yourself will be key to helping you minimize your need to borrow. Offsetting loans with income from part-time employment can also help you keep expenses in check. In fact, studies have shown that students who work less than 20 hours a week while in school develop better time management skills and spend more time studying, resulting in higher GPA's Dundes, L., & Marx, J. (2006). The key is balance. Working too much can throw this balance off and cause your academics to suffer, leading to an increase in the time it takes to get your degree. This in turn requires greater financial investment to achieve your goals. A combination of work and loan assistance can be the key to your timely and successful degree completion!

(Dundes, L., & Marx, J. (2006). Balancing Work and Academics in College: Why Do Students Working 10 to 19 Hours per Week Excel?. Journal of College Student Retention: Research, Theory and Practice, 8(1), 107-120.)



OSU Statistics

GRADUATION RATE

Percentage of full-time students who graduate within 6 years.



LOW MEDIUM HIGH

LOAN DEFAULT RATE

Percentage of borrowers entering repayment and defaulting on their loan.



6.1% 14.7%

OSU NATIONAL AVG

AVERAGE BORROWING

Students at OSU typically borrow **\$24,267** in Federal loans. The federal loan payment over 10 years for this amount is approximately **\$279.00** per month. Your borrowing may be different.

REPAYING YOUR LOANS

To learn about loan repayment choices and work out your Federal loan monthly payment, go to studentaid.ed.gov/repay-loans/understand/plans



NATIONAL/STATE AVERAGES

According to The Project On Student Debt, The **National average** loan debt for seniors who graduated in 2012 was **\$29,400**, while the average loan debt for the **State of Oregon** was **\$26,639**, putting Oregon State University below both the State and National loan debt averages!

More information can be found at:



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