



# Is College Worth It?

*A Parents' Guide to College Value*

Headlines about college debt leave many wondering: ***“Is college still worth it?”*** The short answer is **YES.**

*According to 2017 [census data](#), adults age 25 and older with only a high school education earned an average of \$35,615 a year, while those who had college degrees earned an average of \$65,482.*

That said, it's important to understand scholarships and financial aid, how much debt is too much and what course of study may make the most sense for your student. **This guide is designed to do just that, keeping it short, concise and handy.**

# How Will I Pay for College?

Options to help you pay for college are abundant. Federal Student Aid is the largest provider of student financial aid in the nation—offering more than \$120 billion in federal grants, loans and work-study funds. Begin by filling out the [FAFSA](#), short for Free Application for Federal Student Aid. Private scholarships often rely on information from the FAFSA, so it's important to fill it out even if you don't plan to use Federal Student Aid.

In general, students should complete the FAFSA as soon as possible after Oct. 1. State deadlines may vary, so check your [FAFSA completion date here](#).

## Federal Student Aid includes:

- **Grants** — monies that don't have to be paid back
- **Loans** — borrowed monies that have to be paid back, and
- **Work-study** — programs that help students earn money for school.

Other forms of government support, such as aid for military veterans and their families. [Click here](#)

Aid for college can also come from your state, the college you choose or a nonprofit or private organization. According to SallieMae's 2018 "[How America Pays for College](#)" report, scholarships and grants cover the largest share of college expenses. Nearly half of families qualifying for assistance.

While costs vary greatly across the country, this same report shows the average family paid \$23,757 a year for college with parents paying 23 percent, parent and student borrowing covering 27 percent, while 15 percent is covered by a combination of student income, savings, and funds from relatives and friends.

It's always important to look at the net price, which is the full cost of attendance minus expected grants and scholarships. For example, a more expensive school may offer more in scholarships, but the bottom line is still more than options with a less expensive base price.

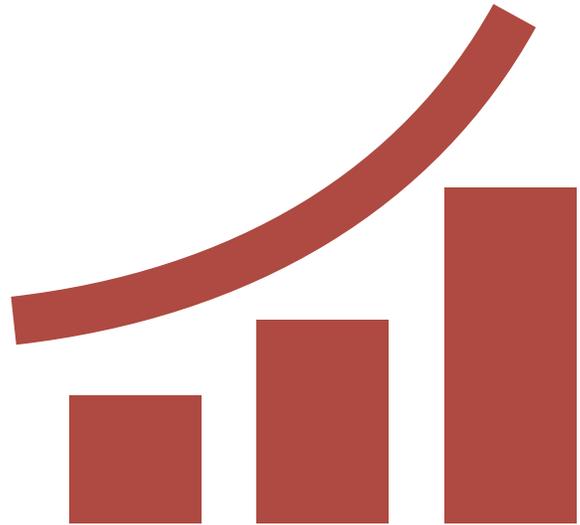


**FULL COST - EXPECTED GRANTS & SCHOLARSHIPS = NET PRICE**

# How Much Debt is Too Much?

Average debt amounts vary widely by state and region, for a variety of factors. The [Institute for College Access & Success](#) (TICAS) reports statewide average debt levels ranged from \$20,000 to \$36,350 in 2016 with low-debt states including Wyoming, Utah, New Mexico, California, Arizona, Nevada, Florida, Washington, North Carolina and Oklahoma. The percentage of students graduating with debt also varies greatly by state; for example, 77 percent of students in West Virginia graduated with debt, compared to 45 percent in Wyoming.

A common rule of thumb is that your student debt should not exceed your total annual income after graduation.



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# What's the Value of a College Degree?

According to the Bureau of Labor Statistics [unemployment rates and earnings by educational attainment 2017](#), the higher the education level completed, the more money people make and the less unemployment they face.

- Doctoral degrees - 1.6 percent unemployment and median weekly earnings of \$1,664
- Bachelor's degrees - 2.7 percent unemployment and median weekly earnings of \$1,156
- High school diplomas - face unemployment of 5.2 percent and median weekly earnings of \$692.

Those numbers add up over a lifetime. According to "[The Economic Value of College Majors](#)" study by Georgetown University, the difference between the lifetime wages of college and high school graduates is \$1 million.

More than 1/3 of Americans have college degrees, and the gap in earnings between high school and college graduates is on the rise. This gap makes it even more important to consider a college degree.

It's about calculating your return on the investment. The University of Wyoming ranks No. 1 on Student Loan Hero's list of "[20 States Where College Is Worth the Cost](#)". The website compared the cost of bachelor's degrees in each state to how much holders of four-year degrees earn in those states, concluding that Wyoming's return on investment is tops in the nation. The evaluation concluded that a graduate will break even in 1.7 years, plus triple his or her initial investment within five years of graduating.

**UW IS WORTH IT:**  
**TOPS IN THE NATION**  
*with the lowest in-state  
tuition rates and strong  
graduate salaries.*

# What Program Should My Child Choose?



Often times students and parents narrowly focus on earnings potential of a major. Among majors, there is great variation in average salaries and lifetime earnings. For example, “The Economic Value of College Majors” study found that the lifetime wage difference between the highest- and lowest-paying college majors is \$3.4 million. *However, there are many individual factors to consider:*

- Student interest and values
- Subjects they have passion and strength in
- Career flexibility in major required

Students who are unsure what majors to choose can shadow professionals in areas of interests, audit college classes while still in high school or go into college undeclared. At the University of Wyoming students can choose one of several exploratory studies tracks. Not to replace majors, these tracks fall into larger themes—such as helping people or international interest—and offer the students experiential opportunities to help determine which majors and career paths will ultimately be the right fit.

# In Closing...

From choosing a college to choosing a major, there's no doubt about it: The journey is full of big decisions. But armed with the right information, your child can be on his or her way to a degree and a career without a mountain of debt.

