First, please read some general background about debt:

http://www.asa.org/policy/resources/stats/
and http://www.finaid.org/questions/noloansforlowincome.phtml

[Addition (non-required) reading which you may find to be interesting:

Here are four students. Their parents have different social class backgrounds. They accumulate different levels of debt. In this exercise, you will calculate how long it will take them to pay off the debt given their jobs and their level of debt. You will also write a paragraph analyzing the influence of parents’ economic resources on young adults’ life chances.

Based on the month of your birthday, you have been assigned to one of the categories below.

Here is the link where you can calculate payments:

http://mappingyourfuture.org/paying/consolidation/calculator.cfm

please also look here:

http://mappingyourfuture.org/paying/standardcalculator.htm

For this assignment there are five steps:

a) Choose an occupation for each of the four people and yourself
b) Calculate how much the monthly payment will be for each of the people
c) Calculate how long they will be paying the debt off
d) Now make all of the people teachers; what happens then?
e) Now have everyone get laid off. The loan payments do not stop. What happens then?

Write a paragraph where you discuss the impact of parents providing enough resources so that students can graduate debt-free compared to the impact of students accumulating significant debt. What are the implications for life after college graduation? Be as specific as possible.
Please turn in the chart below (filled in) and your paragraph.

Note, I would like you to make it as realistic as possible. Thus, if you plan to go to get an advanced degree or if you think that the students should get an advanced degree, then please do add in the additional costs of graduate education. In general, law schools, Master’s programs, and medical schools do not offer grants. Doctoral programs, by contrast, generally pay tuition and offer a modest stipend for five years. Thus, it is reasonable to add $100,000 for a law school or medical school degree; for an MA at a public university the cost is approximately $30,000. An MA, MBA, or MPH at a private university should be budgeted at $30,000 to $50,000. If you are born in Feb, March, or April, you may presume that your parents will pay your entire graduate education.

<table>
<thead>
<tr>
<th></th>
<th>Student debt at BA graduation (and add graduate degree if appropriate)</th>
<th>TOTAL Debt</th>
<th>Occupation after graduation</th>
<th>Monthly payment</th>
<th>Duration of loan payments</th>
<th>Birthday month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aisha</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Feb, March, April</td>
</tr>
<tr>
<td>Bob</td>
<td>$17,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>May, June, July</td>
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<tr>
<td>Julia</td>
<td>$28,000</td>
<td></td>
<td></td>
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<td></td>
<td>August, Sept, Oct</td>
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<tr>
<td>Zach</td>
<td>$100,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nov, Dec, Jan</td>
</tr>
<tr>
<td>Your name here</td>
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</tbody>
</table>

Possible jobs and starting salaries:

Accountant: $46,000
Architect I: $42,000
Aerospace Engineer: $60,000
College Professor: $60,000
Finance (MBA): $130,000
Lawyer: $120,000
Medical Doctor: $150,000
Minister: $50,000
Psychologist: $60,000
Teacher: $36,000

Here are some other posts on salaries.

http://cew.georgetown.edu/whatsitworth/ (The summary report and full report are posted on Canvas.)

Law salaries are “bi-modal” with a few people having very high salaries; most salaries are much lower.

http://www.nalp.org/august2012research

http://abovethelaw.com/2012/07/starting-salaries-are-swirling-down-the-drain/