

The Road to Success Fueled by Financial Literacy

Part 1

“Mom, can we get Chick-fil-A, please?” my younger sister or I would frequently ask while out running errands or on our way home from a practice or lesson. We knew the answer was 90 percent likely to be “I’ve got something to make at home for dinner” but we asked anyway, just in case, it was one of the rare times the answer was “Sure, that sounds like a great idea!” Without a doubt, the biggest lesson I have learned from my parents regarding money and spending over the past eighteen years has been not to spend money unnecessarily. My parents demonstrated this by the decisions they made. While we enjoyed the special dinner out to celebrate a birthday or other special occasion, the majority of the time my mom planned our meals and shopped at two different grocery stores each week in order to budget efficiently. Other ways I saw my parents save money was by utilizing fuel points at the grocery stores in order to get discounts on gas, going to movies on discount ticket day, and researching to make sure our cell phone, internet and TV was the best possible price, and when it wasn’t, changing our service provider or negotiating lower rates. My sister and I have played soccer for years and we are lucky to have grandparents in the Kansas City area to stay with for tournaments. There have been many times our teams have stayed in a hotel together which sounded like a lot of fun, but my parents always insisted we would stay with our grandparents. We would also typically pack food for a picnic lunch at the field instead of spending extra money on fast food. Although sometimes these choices didn’t line up exactly with our wants, the older I get the more I appreciate the sacrifices my parents made in order for us to participate in our extracurriculars. I also realize these choices made it possible for them to contribute to a 529 education fund for me. Small

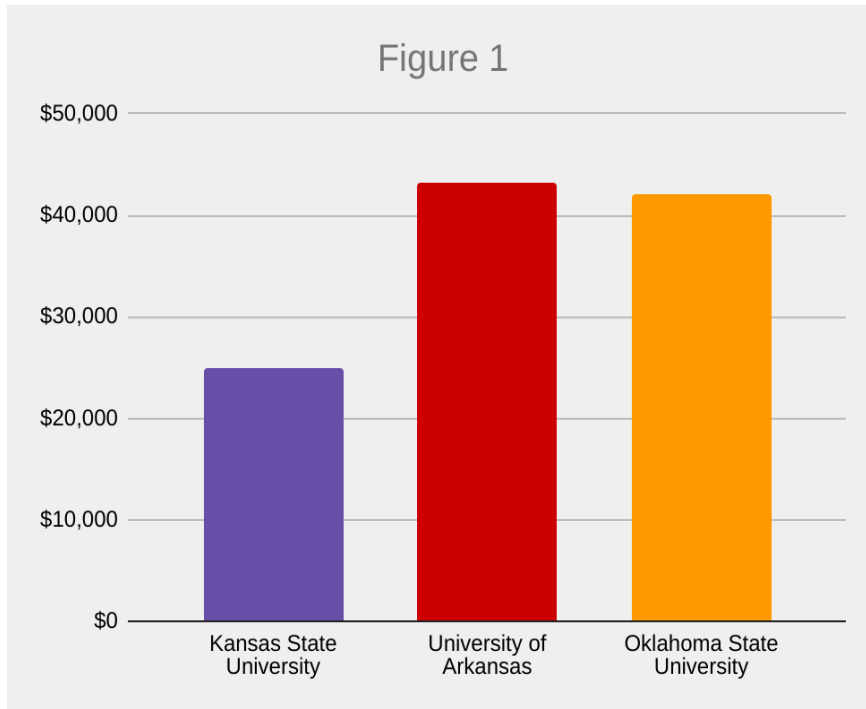
amounts over time add up. I am lucky to have several relatives who give me birthday money. To encourage me to save money for my education, my parents promised to match any amount I put into my 529 fund. As I prepare for high school graduation, I appreciate that more than ever and wish I would have taken advantage of the offer more often!

Now that I am approaching high school graduation I have researched the costs associated with college and what it will take for me to reach my dream of becoming an Industrial Engineer. I was shocked at the price of college and am more thankful than ever for the budgeting lessons I learned from my parents, but also for the information I learned from the Everfi Financial Literacy for High School course. The Everfi course covered topics I had not even thought about, but will be increasingly relevant as I pave my path to financial independence.

Part II

I have always been intrigued by engineering and, as a strong student in Math and Science, teachers have frequently recommended it as a career path for me. In high school, I was able to take several Business courses, including a Personal Finance class my junior year, for dual credit. When I discovered Industrial Engineering and how it combined the two disciplines, I knew it was the major for me. I have visited about 15 campuses since my junior year of high school. I visited small, large, public and private colleges. As a lifelong soccer player I explored some schools where I could have potentially played soccer at, but ultimately decided I wanted to focus on Industrial Engineering and play soccer recreationally. I liked the energy of a large college campus, with lots of school spirit and ultimately narrowed my list of college choices to

Kansas State University, Oklahoma State University and the University of Arkansas. All three had strong engineering programs and checked all the boxes for me, however Kansas State was not only in state, but also located in my hometown. I have loved Kansas State my entire life and both of my parents attended the school. I decided to apply to all three of these schools and see how scholarships came out in order to make the best financial decision. I am confident any of these schools would prepare me well for a career in Industrial Engineering and, as I have learned from my upbringing, it does not make financial sense to pay more than necessary for the same degree. I am proud to have worked hard in high school and currently have a 4.36 GPA and scored a 35 on my ACT. I have also taken 4 AP courses and 8 dual credit courses while in high school which will help me save money on college and allow me the opportunity to earn a minor in business or data analytics. These courses combined with balancing school, sports, clubs, volunteering and a part time job have prepared me for the rigor of engineering. Figure 1 illustrates the annual cost of attendance at the three colleges based on in-state residency for Kansas State and out-of-state for University of Arkansas and Oklahoma State. I used the Consumer Financial Protection Bureau Comparison Tool and researched the prospective colleges' websites. I calculated total annual cost based on tuition and fees, on campus housing and meals, and books.



As expected, the out of state schools' costs were significantly higher. After applying to all three schools my net costs differed significantly after scholarships. Kansas State University offered a \$5500 general merit scholarship and a \$3000 Engineering scholarship. This brought my annual out of pocket cost down to \$16,452. University of Arkansas offered me the New Arkansan Non-Resident Tuition Award for being a student in Kansas with a GPA over 3.80 which was worth \$17,000 a year and also the Chancellor Scholarship worth an additional \$8,000 per year. These scholarships brought my annual cost down to \$18,216. Oklahoma State University offered me the Out of State Achievement award valued at \$15,000 per year and additionally a one-time Engineering Achievement award valued at \$4,000 and a one-time Pete's Promise Scholarship valued at \$3,000. This would make my first year attending Oklahoma State \$20,040 and subsequent years \$27,040. After analyzing

these numbers, Oklahoma State University was quickly marked off my list of prospective schools. Although the scholarships at University of Arkansas made it an affordable option for an out-of-state student, I ended up deciding on Kansas State University not only due to the slightly lower costs, but also due to the other potential savings. Since Kansas State is located in my hometown I would also be able to save on travel expenses and my older, high mileage vehicle would be more likely to last through college. In addition, although I do plan to live on campus for at least my first year, I could live at home later if necessary. I would choose this option before relying on student loans. Thanks to the 529 plan my parents set up for me, some savings I have built up by working at Smoothie King and by officiating youth soccer games, and the scholarships at Kansas State I am able to fund 1-2 years. I plan to work while going to school and also apply for engineering internships during the summer to gain industry experience and also save money to pay for the remaining portion of college. If I do need to take out student loans, I feel confident in making smart decisions based on the financing higher education module in the Everfi Financial Literacy for High School course. I now understand the difference between subsidized versus unsubsidized student loans and how important it is to choose a student loan carefully.

I feel confident if I do have to rely on student loans that I could pay them back without much difficulty. According to the U.S. Bureau of Labor Statistics Occupational Outlook Handbook, Industrial Engineers in the U.S. earned a median wage of \$96,350 in 2022. This profession is also projected to grow 12 percent faster than the average for all occupations with about 22,800 job openings projected for Industrial Engineers each year. This information is great news for my future employment outlook. According to Melanie Hanson's article "Student Loan Debt by Major", the average student loan debt

accrued for a bachelor's degree in engineering is \$25,497. Although I will strive to graduate debt free, I understand it is likely I will incur some debt.

It was helpful to me to learn about the pros and cons to student loans. According to the article "Using Student Loans Strategically" from Consumer Financial Protection Bureau, the benefits to loans include building credit if able to pay on time and earning a degree that opens up more career options and can increase future earnings and lifetime earning potential. The cons to student loans include the monthly payments for many years and the potential negative impact to credit if a borrower misses or is late with a payment. Negative credit could prevent someone from meeting other life goals such as obtaining a home or automobile loan. I prefer to work rather than take out student loans but I realize working may take away from study time or getting involved on campus with student organizations. I believe the best option for me would be to seek out higher paying internships in the summer and save more money, while working less hours during the school year to allow me to focus my efforts more on classes and being involved with student organizations to build my leadership skills.

Based on all the information I have learned through this analysis and my upbringing, I believe the best course of action for me is to budget wisely during college and use smart consumer skills. I learned a lot about both of these skills through the Everfi course. I was not aware that college students were frequent victims of fraud, but now I feel confident I can avoid potential scams and follow a budget in order to meet my goals. The Everfi course also introduced me to a lot of topics that will be great for building financial stability in the future. I have a checking account now, but I plan to open a savings account too, preferably one with compounding interest. I am also much

more knowledgeable about insurance, which I have never had to shop for or choose appropriate policies before but will have to in the near future.

I feel excited and confident about my decision to attend Kansas State University in the fall and major in industrial engineering. I will work hard to maintain the generous merit scholarships through Kansas State and also to continue to apply for local ones as well. With good time management and budgeting skills I can minimize debt and make the smartest possible choices regarding student loans, if needed.

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