UNIT 8 · WEEKS 11–12

College, Career & Independence

Student Workbook

Name:	____
	Date started: ________________ Date completed: ________________

What you will learn in this unit: The true cost of college vs. the sticker price • How FAFSA and financial aid work • Borrowing student loans wisely • Reading your first job offer • Negotiating your salary • Your complete financial independence roadmap

Lesson 8.1 — The True Cost of College

KEY VOCABULARY

Term	Write the definition in your own words
Sticker price (Cost of Attendance)	
Net price	
Net Price Calculator	
Return on investment (ROI)	
Community college pathway	
Opportunity cost	
Trade / vocational school	
Credential	

STICKER PRICE VS. NET PRICE

The sticker price is what a college advertises. The net price is what you actually pay after grants and scholarships — often dramatically less. Never rule out a school based on sticker price alone.

Cost component	Public in-state (est.)
Tuition & fees	$12,000
Room & board	$12,000
Books & supplies	$1,200
Total sticker (year 1)	**$25,200**
Total 4-year sticker price	**$**

Use the Net Price Calculator at any college's website to find your estimated actual cost. How can family income dramatically change what you pay at a private university?

COLLEGE ROI — IS THIS DEGREE WORTH IT?

A useful rule of thumb: total student loan debt at graduation should be no more than your expected first-year salary.

Career / degree path	Estimated starting salary	Max reasonable loan debt
Registered nurse (BSN)	$62,000	$
Elementary school teacher	$44,000	$
Software engineer (CS)	$90,000	$
Graphic designer (BFA)	$42,000	$
Your intended path:	$	$

ALTERNATIVES WORTH CONSIDERING

Path	Potential advantage
Community college (2 yrs) → transfer to 4-yr	Save $40,000–$80,000 in costs while earning the same degree
Trade / vocational school (1–2 yrs)	Electricians, plumbers, welders earn $60k–$100k+
Employer tuition assistance while working	Graduate debt-free while earning income
Gap year (structured)	Earn, save, and clarify goals before committing $100,000+

What would you personally need to know about a degree program before committing to it financially?

👥 Meet the group:

Lucy: chose the community college → transfer route. Two years at community college: $8,400 total. Two years at a state university after transferring: $26,000. Total: $34,400. She worked 20 hours/week throughout and graduated with $8,000 in loans.

Alex: researched trade school for HVAC technology. 18-month program, $14,000 total. Starting salary in his market: $58,000. He'll be earning full-time income 2.5 years before Lucy graduates.

Joseph: enrolled in a $52,000/year private university for a communications degree with an expected starting salary of $38,000. Total 4-year cost: $208,000. Loan debt at graduation: projected $67,400 after interest capitalization. The salary rule says max $38,000. The math does not work.

Sofia: chose not to go to college yet. She's working full-time, building her emergency fund, and has applied to three apprenticeship programs. She's the only one with zero debt.

Apply the salary-matching rule to Joseph's situation. By how much does his projected debt exceed his first-year salary, and what does that mean for his monthly payments after graduation?

✔ Lesson Finisher

1. The sticker price of a university is $48,000/year. After grants and scholarships, a student pays $22,000/year. What is the net price?

a) $48,000 — the advertised cost

b) $26,000 — the discount amount

c) $22,000 — what the student actually pays

d) $70,000 — the total for two years

2. Using the salary-matching rule, if you want to study graphic design with a $42,000 expected starting salary, what is the maximum total loan debt you should borrow? Does a 4-year private university at $55,000/year fit within that guideline?

Lesson 8.2 — Financial Aid & FAFSA

KEY VOCABULARY

Term	Write the definition in your own words
FAFSA	
Student Aid Index (SAI)	
Grant	
Scholarship	
Work-study	
Need-based aid	
Merit-based aid	
Award letter	

HOW FAFSA WORKS

Step	What happens
1	File FAFSA at studentaid.gov — available October 1 of senior year. Earlier = better.
2	Government calculates your Student Aid Index (SAI) — an estimate of family contribution.
3	Each school you applied to receives your SAI and builds your aid package.
4	Award letter arrives: grants, scholarships, work-study, and loan options listed.
5	You can negotiate, selectively accept, and decline loans you don't need.

TYPES OF AID — KNOW THE DIFFERENCE

Type	What it is
Federal Pell Grant	Need-based federal grant — does not need to be repaid
Institutional grant	Money from the school itself — does not need to be repaid
Scholarship	Merit or need-based award — does not need to be repaid
Work-study	Part-time campus job — paid as wages, not a grant
Subsidized loan	Federal loan — government pays interest while in school
Unsubsidized loan	Federal loan — interest accrues from day one
Private loan	From a bank — higher rate, fewer protections. Last resort.

DECODING AN AWARD LETTER

Award letters are not standardized — schools present them differently. Some bundle loans with grants to make a package look larger. Always separate free money from borrowed money.

Award listed	Type
University Merit Scholarship: $8,000	Scholarship — FREE
Federal Pell Grant: $4,800	Grant — FREE
Federal Work-Study: $2,400	Work-study — EARNED
Subsidized Stafford Loan: $3,500	Loan — MUST REPAY
Unsubsidized Stafford Loan: $2,000	Loan — MUST REPAY
TOTAL "package" shown: $20,700	
Actual free money (your calculation):	$
Amount you must repay:	$

If tuition + room & board = $28,000: $28,000 – $_______________

(free money + work-study) = $_______________ gap remaining

👥 Meet the group:

Joseph: forgot to file FAFSA until late March — five months after the October 1 opening. Three schools he'd applied to had already awarded all their priority institutional grant money. He received only federal loans.

Sofia: didn't file at all because she assumed her family earned too much to qualify. Her SAI came back low enough to qualify for $4,800 in Pell Grants per year. She left $19,200 over four years on the table.

Lucy: filed FAFSA on October 3 — two days after it opened. She received $4,800 in Pell Grants, $8,000 in institutional merit aid, and a $2,400 work-study placement. She only needed $6,000 in loans total.

Alex: didn't go to a 4-year college so FAFSA was less relevant — but he applied for every trade school grant he could find and received $3,200.

Calculate the total financial aid Sofia missed over 4 years by not filing FAFSA. What single action — taking less than one hour — would have changed her outcome?

✔ Lesson Finisher

1. Which type of financial aid does NOT need to be repaid?

a) Subsidized federal student loans

b) Unsubsidized Stafford loans

c) Federal grants and scholarships

d) Work-study earnings

2. A college's award letter shows a $24,000 "package." Total costs are $30,000. The package includes $12,000 in grants (free money you keep) and $12,000 in loans (money you must repay). (a) How much of the $30,000 is left unfunded after all aid is applied? (b) Of everything you will pay, how much must eventually be repaid?

Lesson 8.3 — Student Loans — Borrow Smart

KEY VOCABULARY

Term	Write the definition in your own words
Principal	
Interest capitalization	
Loan servicer	
Repayment plan	
Income-Driven Repayment (IDR)	
Deferment	
Forbearance	
Default	

THE BORROWING LIMIT THAT PROTECTS YOU

The most widely used student loan guardrail: total undergraduate debt should not exceed your expected first-year salary in your field.

Starting salary	Max loan guideline
$40,000	$40,000
$55,000	$55,000
$40,000 salary, $90,000 debt	**Over guideline — monthly payments unsustainable**
Your planned scenario:	$

INTEREST CAPITALIZATION MATH

You borrow $5,500 as a freshman. Interest rate: 6.5%. You are in school for 4 years.

Unpaid interest after 4 years ($5,500 × 6.5% × 4 years):	$
Balance at repayment start (unsubsidized):	$ (original + unpaid interest)
Balance at repayment start (subsidized):	$5,500 (government paid the interest)

REPAYMENT PLANS

Plan	How payment is set
Standard 10-year	Fixed payment — loan paid off in 10 years — least interest paid
Graduated repayment	Starts low, increases every 2 years
Income-Driven Repayment (IDR)	5–10% of discretionary income — safety net for low earners
SAVE Plan	Lowest IDR option — 5% of discretionary income

Income-Driven Repayment lowers monthly payments — but you pay more total interest. IDR is a safety net, not a first choice.

👥 Meet the group:

Lucy: borrowed $12,000 total in subsidized loans for her last two years at the university. Her expected starting salary as a graphic designer: $44,000. She's well within the salary-matching guideline.

Joseph: borrowed $62,000 (half unsubsidized) for a degree with a $38,000 expected starting salary. With interest capitalization during school, his balance at graduation: $67,400. His projected standard 10-year payment: approximately $776/month. His expected take-home: approximately $2,400/month.

Alex: borrowed $0 for trade school. His $14,000 tuition came from savings and a $3,200 grant. He starts earning $58,000 with no loan payments at all.

Sofia: has no loans, no college debt, but also no credential yet. She's thinking carefully before committing.

What percentage of Joseph's take-home pay would go to loan payments alone? What is the single rule — measurable before you borrow — that would have warned him away from this path?

✔ Lesson Finisher

1. You borrow $5,500 in unsubsidized loans. Interest accrues at 6.5% for 4 years while you're in school. What happens at repayment?

a) You owe $5,500 — the government paid the interest

b) You owe $5,500 plus 4 years of accrued interest, which has been capitalized

c) Your rate resets to 0% during the grace period

d) You automatically enter income-driven repayment

2. Explain in your own words: why should you always exhaust subsidized federal loans before using unsubsidized loans, and unsubsidized before private loans?

3. You borrow $5,500 at 6.5%. Using simple interest for 4 years, calculate the unpaid interest that would capitalize. What is your new balance at repayment start?

Lesson 8.4 — Reading Your First Job Offer

KEY VOCABULARY

Term	Write the definition in your own words
Base salary	
Total compensation	
Benefits	
401(k) match	
Vesting schedule	
PTO (Paid Time Off)	
Health insurance premium	
At-will employment	

BASE SALARY VS. TOTAL COMPENSATION

Two candidates both earn $55,000 in base salary. One has a full benefits package worth $18,000/year. The other has no benefits. Their total compensation is very different.

Compensation element	Estimate
Base salary	$55,000
Health insurance (employer pays ~$700/month)	$8,400
401(k) match (3% of salary)	$1,650
PTO (15 days valued at daily rate)	$3,175
Dental + vision	$800

Total compensation:	**$__________**

WHAT TO LOOK FOR IN AN OFFER LETTER

Item to check	What it means / what to ask
At-will employment clause	Either party can end employment at any time — standard in the US
Vesting schedule on 401(k) match	Cliff vesting = match lost if you leave early; Graded = earn it gradually
Non-compete clause	May limit your ability to work for competitors — understand scope and duration
Bonus structure	Discretionary vs. guaranteed? Target % vs. maximum % of salary?
Probationary period	Benefits may not start until 30–90 days — health insurance timing matters

A job offer includes a 2-year non-compete preventing you from working for any company in your industry within 50 miles. What questions would you ask before signing?

👥 **Meet the group:**

Lucy: received two offers: Job A at $52,000 with full benefits (health insurance, 401k match, 15 PTO days). Job B at $58,000 with no benefits — she'd pay $7,200/year for her own insurance and contribute fully to retirement herself. She chose Job A.

Joseph: accepted the first offer he received without reading the full letter. He later discovered: a 90-day probationary period with no benefits, a 2-year non-compete clause, and a discretionary (not guaranteed) bonus. He signed anyway.

Alex: is self-employed. He evaluates every contract as an offer letter — payment terms, scope creep, and exit clauses. His contract literacy is already high.

Sofia: received a job offer and asked her employer about the vesting schedule on the 401(k) match. They said "3-year cliff vesting." She asked what happens if she leaves after 2 years. Answer: she loses the full match. She noted this.

Calculate Lucy's true total compensation for Job A vs. Job B. Which is the better financial decision and by how much? What is the real cost of Joseph not reading his offer letter?

✔ Lesson Finisher

1. Your job offer shows a $48,000 salary with a 3% 401(k) match and employer-paid health insurance worth $8,000/year. What is your approximate total compensation?

a) $48,000 — only the salary counts

b) $49,440 — salary plus the 401(k) match

c) $57,440 — salary plus 401(k) match plus health insurance

d) $48,000 — benefits are not part of compensation

2. An employer offers you a $3,000 signing bonus that is subject to "claw-back" if

you leave within one year. What does this mean and what should you consider before accepting?

Lesson 8.5 — Negotiating Your Salary

KEY VOCABULARY

Term	Write the definition in your own words
Market rate	
Salary range	
Counter-offer	
BATNA	
Anchor	
Total compensation	
Leverage	
Exploding offer	

RESEARCH BEFORE YOU NEGOTIATE

Research source	What it tells you
Bureau of Labor Statistics (BLS)	Median wage by occupation nationally and by metro area
Glassdoor	Self-reported salaries by company and job title
LinkedIn Salary	Salary data filtered by title, location, and experience level
Industry associations	Professional surveys for specific fields

YOUR RESEARCH

Job title researched:	
National median salary:	$
Local market salary (target city):	$
Typical range (low to high):	$ to $
Your target ask (upper-middle of range):	$

NEGOTIATION SCRIPTS

Situation	What to say
They make an offer first	"Thank you — I'm excited about this role. Based on my research and the skills I bring, I was expecting $________ to $________. Is there flexibility?"
They ask your expectations first	"Based on my research for this role, I'm targeting $________ to $________. Can you share the budgeted range?"
They say the offer is firm	"I understand. Is there flexibility in a signing bonus, extra PTO, or an earlier review date?"

Research shows: a $3,000 difference at age 22 can compound to $150,000+ over a career because raises, bonuses, and future offers often use your current salary as a baseline. Negotiating is not rude — it is expected.

If you accept $50,000 instead of negotiating to $53,000, and every future raise is 3% applied to your salary — how much more do you earn over 10 years by having started $3,000 higher? *(Hint: calculate each salary growing at 3% annually for 10 years, then find the total difference.)*

👥 Meet the group:

Alex: researched his target role on BLS, Glassdoor, and LinkedIn. Market rate for his position in his city: $57,000–$65,000. The offer came in at $55,000. He countered at $62,000. They met at $60,000. The conversation took 11 minutes.

Sofia: received an offer for $48,000. Market rate for her role: $54,000–$60,000. She said "thank you, that sounds great" without negotiating. Same role as Alex, $12,000 less per year. Over 5 years with identical raises: approximately $65,000 less in total earnings.

Lucy: negotiated beyond salary — she asked for an extra 3 PTO days when the salary was firm. The employer agreed. Those 3 days are worth $600/year at her salary rate.

Joseph: was told the offer was non-negotiable. He accepted without asking about anything else. He later learned the starting PTO was negotiable and other candidates had asked for and received more.

What is the total 5-year earnings difference between Alex's negotiated $60,000 and Sofia's $48,000, assuming 3% annual raises? What did Lucy's 11-minute negotiation earn her?

✔ Lesson Finisher

1. You receive a job offer of $50,000. Your research shows the market rate is $55,000–$62,000. What is the most effective negotiation approach?

- a) Accept immediately — they may withdraw the offer if you ask for more
- b) Counter with $75,000 to show confidence
- c) Counter with $58,000–$60,000 based on your market research
- d) Ask for more PTO instead of salary

2. Why does negotiating your starting salary matter more than negotiating a raise 2 years into the job? Use the concept of salary as a baseline in your answer.

Lesson 8.6 — Financial Independence Capstone — Your Complete Roadmap

This is the final lesson of the entire curriculum. Everything you have learned across 8 units comes together here. This is not a class exercise. This is your actual financial future.

PART 1 — MY CURRENT FINANCIAL SNAPSHOT

Asset / Account	Current value
Checking account	$
Savings / emergency fund	$
Investments (Roth IRA, brokerage)	$
Other savings or assets	$
TOTAL ASSETS:	**$**
Debt / Liability	**Current balance**
Student loans (or projected)	$
Credit card balance	$
Car loan (if any)	$
TOTAL DEBTS:	**$**
NET WORTH (Assets – Debts):	**$**

PART 2 — THE ADULTING CHECKLIST

These are the financial milestones of early independence. Check off what you have done. Circle what you will do in the next 12 months.

Milestone	Status
Open a checking account in my own name	☐ Done ☐ Next 12 months ☐ Later
Open a high-yield savings account	☐ Done ☐ Next 12 months ☐ Later
Build a $1,000 starter emergency fund	☐ Done ☐ Next 12 months ☐ Later

File my first tax return	☐ Done ☐ Next 12 months ☐ Later
Check my credit report (annualcreditreport.com)	☐ Done ☐ Next 12 months ☐ Later
Open a Roth IRA with earned income	☐ Done ☐ Next 12 months ☐ Later
Complete FAFSA (if applying to college)	☐ Done ☐ Next 12 months ☐ Later
Get renters insurance when I move out	☐ Done ☐ Next 12 months ☐ Later
Enroll in employer 401(k) and capture full match	☐ Done ☐ Next 12 months ☐ Later
Set up automatic savings transfer	☐ Done ☐ Next 12 months ☐ Later
Create a written monthly budget and stick to it for 3 months	☐ Done ☐ Next 12 months ☐ Later
Pay off all credit card balances in full each month	☐ Done ☐ Next 12 months ☐ Later
Build a full 3-month emergency fund	☐ Done ☐ Next 12 months ☐ Later

PART 3 — MY SMART FINANCIAL GOALS

Write one specific, measurable goal for each time horizon. Include a dollar amount and a date.

Time horizon	My goal (be specific — name the amount and the date)
1-year goal (by ______________)	
3-year goal (by ______________)	
5-year goal (by ______________)	
10-year goal (by ______________)	

PART 4 — MY PERSONAL FINANCE PRINCIPLES

Complete these statements with your own words — based on what you actually believe.

When I use a credit card, I will always…	
I will know I am in financial trouble if…	
Before I take out any loan, I will ask…	
The financial mistake I am most determined to avoid is…	
My definition of financial independence is…	
The single most important money habit I will build first is…	

PART 5 — LETTER TO FUTURE ME

Write a short letter to yourself to open in 5 years. What financial position do you want to be in? What habits are you committing to? What will you do differently from the people around you who didn't learn this material?

Unit 8 Review — College, Career & Independence

This final review ties together every unit. The Group Weighs In shows four different paths to the same destination: independence.

PART 1 — UNIT SUMMARY

Lesson	Key concepts
8.1 True Cost of College	Sticker ≠ net price • Loan debt should not exceed first-year salary • Trade school and CC pathways are serious options
8.2 FAFSA & Aid	File October 1 • Free money vs. borrowed money • Award letters bundle both • Negotiate with schools
8.3 Student Loans	Subsidized first • Interest capitalization grows your balance • IDR is a safety net, not a plan • Match debt to salary
8.4 Reading Job Offers	Total compensation ≠ salary • Read every clause before signing • Vesting, non-compete, and probation all matter
8.5 Negotiating	Research first — data beats feelings • Counter at upper-middle of range • When salary is firm, negotiate benefits
8.6 Capstone	Net worth = assets minus debts • Written goals beat intentions • The adulting checklist: one step at a time

PART 2 — KEY TERMS REVIEW

Term	Your definition
Net price	
SAI (Student Aid Index)	
Interest capitalization	
Income-Driven Repayment	

Total compensation	
Vesting schedule	
Non-compete clause	
BATNA	

PART 3 — THE GROUP WEIGHS IN

👥 **Meet the group:**

All four friends are 22. Each took a different path after high school. Here's where they stand today — financially:

Lucy: community college + transfer. Total debt: $8,000. Job: graphic designer, $44,000. Monthly loan payment: $82. Full benefits. She's already contributing to her 401(k) and has 3 months' emergency savings.

Joseph: private university. Total debt: $67,400 (after capitalization on $62,000 borrowed). Job: $38,000 communications coordinator. Monthly loan payment (standard 10-year): ~$776. Take-home after taxes: ~$2,400. Loan payment = 32% of take-home.

Alex: trade school, no debt. HVAC technician, $61,000 starting. Already has a Roth IRA with $4,200 in it. Looking at buying a used work van to start his own business in 2 years.

Sofia: no college debt, no degree. $37,000 at an office job. Just completed a professional certification ($800, fully reimbursed by employer). Building her emergency fund. Debt: $0.

Discussion: Rank these four financial positions from strongest to most challenging. What single decision made before age 18 had the biggest impact on each person's outcome?

Which path would you most want to be on at 22, and why?

PART 4 — FINAL REFLECTION

Of everything in this curriculum — all 8 units — what is the one concept that will most change how you make financial decisions?

What is the first financial action you will take in the next 30 days?

You have completed all 8 units of Teen Money Matters.

The teens who learn this material and actually apply it will be in a fundamentally stronger financial position than most adults around them.

The best time to start was yesterday. The second best time is right now.