The best way to take charge of your future is to plan for it!

Why is it helpful to have a career goal in mind before pursuing higher education?
To Set SMART Goals, You Must Be Able To Answer These Questions...

- What type of training and education do I need?
- How much will my training cost?
- Is there a career pathway available if I continue my education and training?
- Will I earn enough in my career to pay for the education and training it requires?
- Will there be jobs available?
Academic Advisors

Meet Imani:
About to graduate from high school

Imani’s Dream:
“I want to make positive changes for the kids who live in my neighborhood.”

Imani’s Goal:
Be a lawyer or politician

Read about Imani’s Dream
Career Pathways

How to Determine What Type of Training and Education You Need
Career Pathway – series of connected education and training programs that allow you to secure a job and then to advance within an industry or occupation.

Sources of information:
- Academic advisors
- Individuals working in a career
Levels of Formal Training

- Doctorate and Professional Degree
- Master’s Degree
- Bachelor’s Degree
- Associate Degree
- High school and becoming a specialist in an area

At each level, there may be certificate programs or informal training opportunities.
Career Pathways are Accomplished Using Backwards Planning

It is helpful to create several short-term goals that result in the overall career goal

- Start with the overall career goal
- Determine formal and informal training steps required
- For each step, consider:
  - Time and cost required
  - Possible occupations

It is helpful to create several short-term goals that result in the overall career goal.
Step 1: Identify career pathway options for Imani

Goal: Lawyer

- **Associate:** Paralegal studies
  - 2 years
  - Paralegal or legal assistant

- **Bachelors:** Political Science
  - 2 years (transfer degree) or 4 years
  - Political scientist

- **Professional:** Juris Doctor
  - 3 years
  - Lawyer

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Imani’s Career Pathway Reflection

How many year’s of education (minimum) does becoming a lawyer require?

What are the costs and benefits of considering an Associate's degree for Imani?

Why is a bachelor’s degree in political science potentially the best fit for Imani?

If Imani completed her bachelor’s degree in political science and discovered she did not want to be a lawyer, what other options would she have?
Consider opportunity costs when making higher education decisions.

What are the potential costs and benefits to receiving a higher education?

Will there be jobs available and will I earn enough to pay for my training?
Opportunity Costs

**Potential Costs**

- Lost wages from not working while in school
- Cost of higher education/training programs

**Potential Benefits**

- Opportunity to earn higher wages
- More employment opportunities
Step 1: Determine if Jobs are Available in Your Desired Occupation

Job Outlook – demand for a particular job when you are qualified and ready to enter the field

- Write a career goal
- Research the job outlook in your state and nationally
- Identify training required
- List the types of jobs you could do with your training
## Imani’s Job Outlook

### Step 2: Research Imani’s job outlook for each level of education

<table>
<thead>
<tr>
<th>Level of education and occupation</th>
<th>National growth rate (%)</th>
<th>Projected number of job openings (nationwide)</th>
<th>Job outlook for your state</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate: Paralegal</td>
<td>10-19%</td>
<td>83,400</td>
<td></td>
</tr>
<tr>
<td>Bachelors: Political Scientist</td>
<td>3-9%</td>
<td>2,800</td>
<td></td>
</tr>
<tr>
<td>Doctorate/Professional: Lawyer</td>
<td>10-19%</td>
<td>212,000</td>
<td></td>
</tr>
</tbody>
</table>
## Relevant Job Options

Complete step 3 to research relevant job options

<table>
<thead>
<tr>
<th>Level of education and related occupation</th>
<th>Alternate occupation #1</th>
<th>Alternate occupation #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate: Paralegal</td>
<td>Bookkeeping, Accounting and Auditing Clerk</td>
<td>Legal Secretary</td>
</tr>
<tr>
<td>Bachelors: Political Scientist</td>
<td>Geographer</td>
<td>Teacher</td>
</tr>
<tr>
<td>Doctorate/Professional: Lawyer</td>
<td>Judicial Law Clerk</td>
<td>Sales Agent, Financial Services</td>
</tr>
</tbody>
</table>
Determine Your Debt-to-Income Ratio

Calculate your education/training debt to your estimated starting salary.
Determine Estimated Education and Training Costs

\[
\text{Training cost per year} \times \text{Number of years} = \text{Total estimated costs}
\]

The school’s website will help you estimate the cost per year

Remember to include all costs such as tuition and books, room and board, etc.
Debt-to-Income Ratio

Debt-to-Income Ratio – standard tool that calculates whether a borrower will have difficulty meeting his or her loan repayment obligations

\[
\frac{\text{Monthly loan payment}}{\text{Monthly starting wages}} = \text{Debt-to-income Ratio}
\]

Goal:
Debt-to-income ratio no more than 10 and 15% of your estimated starting income
### Imani’s Total Estimated Cost

**Option 1**

<table>
<thead>
<tr>
<th>Training</th>
<th>Number of years to complete</th>
<th>Potential cost per year</th>
<th>Total estimated cost per degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor’s degree</td>
<td>4 years</td>
<td>$43,289/year</td>
<td>$173,156</td>
</tr>
<tr>
<td>Master’s/Professional degree</td>
<td>3 years</td>
<td>$42,654/year</td>
<td>$127,962</td>
</tr>
<tr>
<td><strong>Potential Total Cost</strong></td>
<td></td>
<td></td>
<td><strong>$301,118</strong></td>
</tr>
</tbody>
</table>
# Imani’s Total Estimated Cost
## Option 2

### Step 4: Calculate Imani’s Total Estimated Cost

<table>
<thead>
<tr>
<th>Training</th>
<th>Number of years to complete</th>
<th>Potential cost per year</th>
<th>Total estimated cost per degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate’s degree</td>
<td>2 years</td>
<td>$13,459/ year</td>
<td>$26,918</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>2 years</td>
<td>$43,289/ year</td>
<td>$86,578</td>
</tr>
<tr>
<td>Master’s/Professional degree</td>
<td>3 years</td>
<td>$42,654/ year</td>
<td>$127,962</td>
</tr>
</tbody>
</table>

**Potential Total Cost**

$241,458
## Imani’s Estimated Monthly Student Loan Payments

<table>
<thead>
<tr>
<th></th>
<th>OPTION 1</th>
<th>OPTION 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Balance</td>
<td>$301,118</td>
<td>$241,458</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>6.8%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Loan Fees</td>
<td>Assume none</td>
<td>Assume none</td>
</tr>
<tr>
<td>Loan Term (years)</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Minimum Payment</td>
<td>Leave at $50</td>
<td>Leave at $50</td>
</tr>
<tr>
<td>Enrollment Status</td>
<td>Not specified</td>
<td>Not specified</td>
</tr>
<tr>
<td>Degree Program</td>
<td>Not specified</td>
<td>Not specified</td>
</tr>
<tr>
<td>Total Years in College</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Estimated Monthly Loan Payment</td>
<td>$1,963.06</td>
<td>$1,574.13</td>
</tr>
</tbody>
</table>
Imani’s Median Monthly Wages

Step 6: Calculate Imani’s monthly wages

<table>
<thead>
<tr>
<th>Occupation: Lawyer</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Median annual wages</td>
<td>$113,310.00</td>
</tr>
<tr>
<td>Median monthly wages (annual wages / 12)</td>
<td>$9,442.50</td>
</tr>
</tbody>
</table>
### Imani’s Debt-To-Income Ratio

#### Step 6: Calculate Imani’s Debt-to-Income Ratio

<table>
<thead>
<tr>
<th>Option 1</th>
<th></th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly loan payment</strong></td>
<td><strong>$1,963.00</strong></td>
<td><strong>$1,574.13</strong></td>
</tr>
<tr>
<td><strong>Monthly wages</strong></td>
<td><strong>$9,442.50</strong></td>
<td><strong>$9,442.50</strong></td>
</tr>
<tr>
<td><strong>debt-to-income ratio</strong></td>
<td><strong>20.78%</strong></td>
<td><strong>16.67%</strong></td>
</tr>
</tbody>
</table>

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How Would You Advise Imani?

- Does either option provide Imani with an ideal debt-to-income ratio between 10-15%?
- How can Imani reduce her opportunity cost (high debt) to make her dream of becoming a lawyer a reality?
- Write a SMART goal for Imani to implement a plan to become a lawyer.
The best way to take charge of your future is to plan for it

- Refine your education and training SMART goals
- Answer the following questions:
  - How can I determine what type of training and education I need?
  - Will there be jobs available? If so, will I earn enough in my career to pay for the education and training required?