

MYTHS vs. FACTS

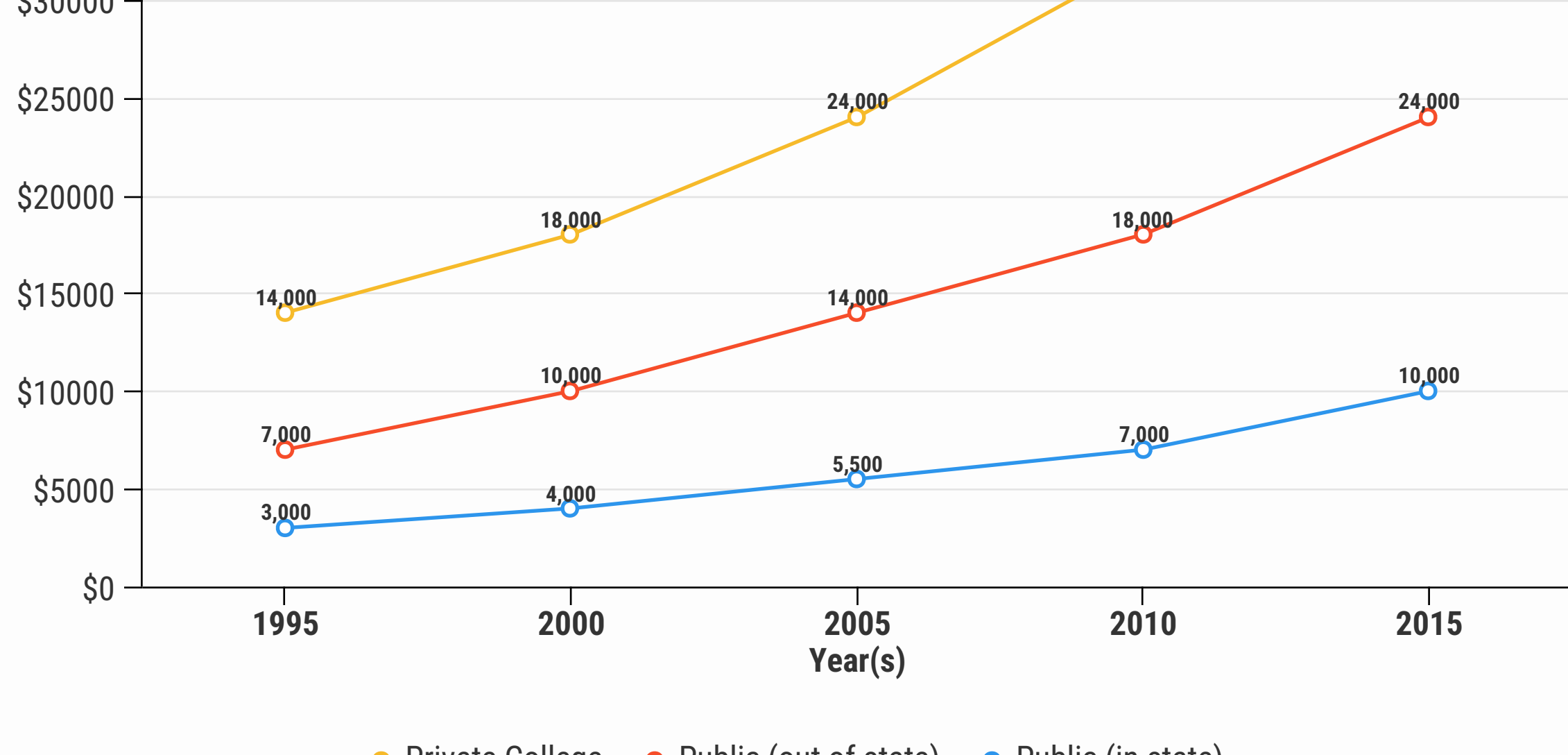
STUDENT LOAN FORGIVENESS

There's a lot of information on the internet concerning loan forgiveness, the way other countries finance education and the opportunities available to students. This infographic is intended to **set the record straight**, once and for all.

1 THE PROBLEM

FACT: The cost of a college education is skyrocketing, far more than inflation.

Average Annual Tuition Cost (1995 - 2015)¹



- ★ Private college/university cost jumped by **179%**.
- ★ Out of state tuition cost jumped by **226%**.
- ★ In state tuition cost increased the most - **296%**.

FACT: Attending college has "hidden costs" that most students don't take into account.²

BOOKS AND MATERIALS

College textbooks are not cheap and you have to buy new ones every semester.



HOUSING

Room and board may be billed separately from tuition expenses.



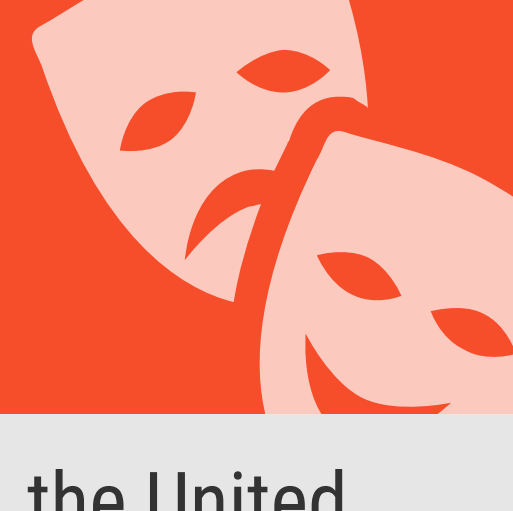
MEALS

You may have to purchase a meal plan for the semester - for even more money.



ENTERTAINMENT

Don't forget that you also have to indulge in entertainment - such as movies, dinners and more.



FACT: Compared to other countries around the world, the United States is pretty expensive.³

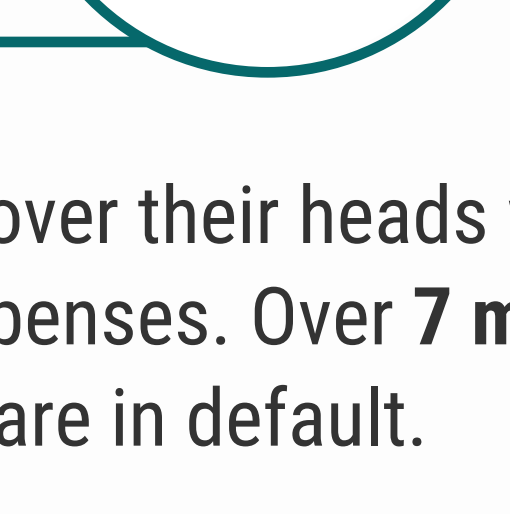
Country	Education Costs	Median Income	Affordability
Mexico	\$5,077	\$4,615	110.01%
Japan	\$11,865	\$22,790	52.06%
Latvia	\$3,299	\$13,646	24.17%
Australia	\$7,692	\$23,017	33.42%
Germany	\$933	\$22,020	4.24%
United States	\$13,856	\$26,990	51.34%

Data compiled from a *Business Insider* article from 2012.

FACT: Even if college tuition is paid for by the government, that **does not** mean you avoid student loan debt.⁴

\$1.2 TRILLION

STUDENT LOAN DEBT



In the United States alone, students are in over their heads when it comes to education related borrowing expenses. Over **7 million students** with outstanding loans are in default.

A GLOBAL PROBLEM

Japan: In 2011, almost \$5 billion in student loans were past due.⁵

Sweden: While tuition is free in Sweden, students still borrowed almost \$2.6 billion dollars in 2012 for other expenses.

The UK: Student loan fees are automatically deducted from borrowers' paychecks and paid at a rate of 9% of total income (after earning 21,000 Pounds).

2 THE MYTHS

MYTH #1

Student loan forgiveness will pay for your *entire* college education.

FACT

Forgiveness programs can pay for *some* of your education, but not all.

Some professions offer student loan forgiveness, but it comes with strings attached and employers rarely cover your entire expenditure. Let's look at a few professions where expenses are covered.

1 Federal (government) Employment⁶

Federal employers require that you sign a three year contract and they subsidize up to **\$10,000 per year** and offer up to \$60,000 per individual. The assistance only covers federally insured loans.

2 Public Service Loan Forgiveness (PSLF)⁷

If you work for a qualified employer and have made at least 120 payments, you may be eligible. Many other restrictions apply.

3 Doctors, Lawyers and Teachers

If you are a public defender or teach in qualifying school districts, you may be awarded partial loan forgiveness. Doctors also have their own associations that issue grants and scholarships.

MYTH #2

Federal student aid will pay for *all* of your college (loans included).

FACT

Federal aid *will not* cover all of your expenses and you must qualify for it.

Federal student aid is based on your family's needs (financial situation) and you have to apply. There is no guarantee that any aid will be provided.

MYTH #3

If you join the military, you don't have to pay for college expenses.

FACT

False, only some military programs cover some expenses. Many restrictions apply.

Only some military programs cover college expenses and it varies based on the branch of service.⁸

ARMY

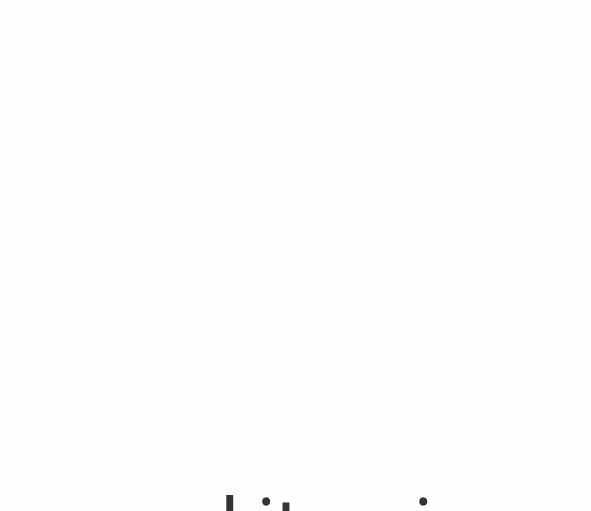
Up to \$65,000 of *qualified* student loans will be reimbursed.

Lots of conditions apply.



NAVY

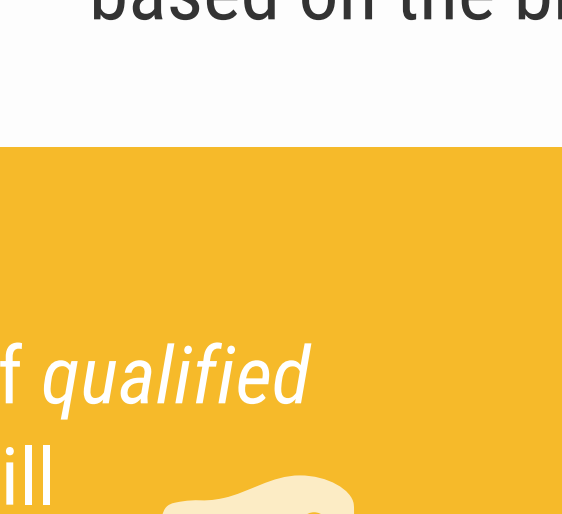
Up to \$65,000 from post-secondary education.



AIR FORCE

Up to \$10,000 per recruit.

Some restrictions may apply.



MARINE CORPS

The Marines don't participate in loan forgiveness programs under the CLRP.



3 THE ALTERNATIVES

If you're disappointed about the lack of loan forgiveness coverage, don't worry. Here is a list of alternative options when it comes to covering the cost of education.⁹

1 Local Scholarships

2 University Scholarships

3 Campus Jobs

4 Crowdfunding

5 Peer-to-Peer Lending

6 Family and Friends

SOURCES

This post first appeared on the Ultius blog and includes data from various sources.

Posted on: <https://www.ultius.com/ultius-blog/entry/student-loan-forgiveness-myths-vs-facts-infographic.html>

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2. http://www.collegedata.com/cs/content/content_payarticle_tmpl.jhtml?articleId=10064

3. <http://www.businessinsider.com/tuition-costs-by-country-college-higher-education-2012-6#mexico-1>

4. <http://www.usnews.com/education/best-global-universities/articles/2013/11/13/undergrads-around-the-world-face-student-loan-debt>

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9. <http://money.usnews.com/money/blogs/my-money/2015/03/02/5-alternative-sources-for-college-financial-aid>