



Informed & Insured



Questions to Help Pick a Major

Student loan debt is on the rise. I believe it's EXTREMELY IMPORTANT to educate kids on making good financial decisions when choosing a career path. The average inflation rate on college tuition is 6% (1). One Study shows that millennials are known for switching career paths multiple times. This survey also stated that employers expect 45% of new hires who graduated from college to stay with their company for under 2 years. They also expect that by age 35 a 4th of the young employees will have already worked for 5 companies (2). Now, I don't think this is all our college kids' fault. More and more employers are offering little to no benefits. This provides limited incentive for grads to be loyal employees.

1) What do you like to do?

Take time to Brainstorm things you like to do and people's careers at you idolize. This can be a family member, mentor, etc. It's not only what they do but also what their lifestyle is like. Do they travel constantly? Work from home? You get the gist...

2) Where do you want to live?

If you love the outdoors and want to live in the country far from any big city then you may want to research careers that can be done virtually or in that area. If you know exactly where you want to live then research the population, demographic, income, etc.

3) What type of financial lifestyle do you want to have?

If you want to live a little more on the high end, then research the average income and requirements for the careers you are debating between. This is so important and yet most people don't research the income potential and the job opportunities with the degrees they're going to school for.

4) What are the requirements for the career you are interested in pursuing?

Let's say your dream job requires a psychology degree. What some don't realize is that most jobs in psychology need up to a masters. Most people go for just a bachelor's only to realize after they needed more schooling and internships. Make sure you know the full requirements for the career you are interested in.

5) For those who want to go to college but only want to earn a bachelor's degree.

Research jobs you can get with a bachelor's degree in your area of interest and how competitive that market is. Also research the income of that job with a bachelor's degree.

6) What will that dream job look like in 5-10 years?

How competitive is this market? Is there a risk that your dream job will be automated by computers?

Financial Mistakes & How to Educate Kids PRIOR to Choosing a Degree to Major in.

Switching: When kids are unsure on what they want to do they often “just wing it” to get started. This often leads to switching career paths and that entails additional courses, leaving them with more out of pocket expenses or student loans. If your child or grandchild is in this situation tread lightly. Getting frustrated or starting an argument is not productive & may make them less open to coming to you for advice.

What to do PRIOR: Educate them on the financial effects of changing careers. Show them real numbers. Use a college calculator such as 2 American Funds College Calculator to show them how much the degree will cost and what their loan payments may be in the future. Show them the additional cost from taking more courses as well.

Failing classes: We all know how this goes ... if you fail you must retake and therefore pay again.

What to do PRIOR: If you are helping to pay for college give your kids some skin in the game. Ex: If they fail, they pay for it and pay for the class the 2nd time. Educate them on their out of pocket cost if they must retake a class.

Maxing out student loans: Once you find out how much each semester will cost after any grants, scholarships or college savings plans have been applied, you will then see what loans are offered to you. Some will request the maximum, meaning if they only need 2k but they can get 4k they'll take the full 4k so they have extra spending money. They will continue to repeat this cycle until they graduate. In the end a bachelor's degree that would have cost 40k is now 80k. This is a HUGE problem.

What to do PRIOR: Use the college calculator to show them how long it will take to pay that loan back. Explain that THEY will be responsible for this payment and ask them how they feel about having that debt on their shoulders after they graduate.

1 <https://www.forbes.com/sites/sarahlandrum/2017/11/10/millennials-arent-afraid-to-change-jobs-and-heres-why/#25026b4419a5>

2 <https://www.americanfunds.com/individual/planning/tools/ext/college-savings-calculator>

3 <https://www.infoplease.com/calendar-holidays/major-holidays/april-fools-day-origin-and-history>



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HOW DID APRIL FOOLS START?

April Fools' Days origins are uncertain. Some see it as a celebration related to the turn of the seasons, while others believe it stems from the adoption of a new calendar. Ancient cultures celebrated New Year's Day on or around April 1, which closely follows the vernal equinox. In 1582, Pope Gregory XIII ordered a new calendar to replace the old Julian Calendar. The new calendar called for New Year's Day to be celebrated Jan. 1. According to a popular explanation, many people either refused to accept the new date, or did not learn about it, and continued to celebrate New Year's Day on April 1. Other people began to make fun of these traditionalists, sending them on "fool's errands" or trying to trick them into believing something false (3). Eventually, the practice spread throughout Europe. It is worth noting that many different cultures have had days of foolishness around the start of April, give or take a couple of weeks. April Fools' Day is also observed throughout the Western world. Practices include sending someone on a "fool's errand," looking for things that don't exist; playing pranks; and trying to get people to believe ridiculous things. However, no one truly knows how April Fools' came to be. Perhaps there's something about the time of year, with its turn from winter to spring, that lends itself to lighthearted celebrations.

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