Choosing Your Career: Make an Informed Decision
CHOOSING YOUR CAREER: MAKE AN INFORMED DECISION

What do you want to be when you grow up?

You have probably been asked that question repeatedly since you were a young child. So what do you want to be?

Generally, the most common advice on choosing a career focuses on your passion. Of course your passion is an extremely important factor to consider when choosing a program of study —however, it isn’t the only one. Before you make a decision, you should keep other equally vital issues in mind.

Three Factors to Consider When Choosing Your Career

1. **Passion:**
   Discover things that you find exciting and rewarding!

2. **Financial:**
   Understand the cost of your education, and consider available resources.

3. **Economic:**
   Assess the current and future job market for specific programs of study.
Let’s face it. You need to love what you do in order to have a meaningful job.

No matter what you want to do, there is a program of study out there for you. Higher education is not a “one-size-fits-all” pursuit. You have many options to choose from — certificate, associate degree, bachelor’s degree. If you have an idea what you might want to study, that is a great start. Begin exploring possible careers and programs of study that might fit what you want to do.

If you are still unsure, think about what you like and dislike doing. Don’t limit your thinking to your classroom work; also think about other extracurricular activities that you engage in throughout your day. You may also find that when you start to think about what you like doing, things you dislike may come to mind first.

<table>
<thead>
<tr>
<th>Likes</th>
<th>Possible Career Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like working with people.</td>
<td>Teacher, Sales Manager, Real Estate Agent</td>
</tr>
<tr>
<td>Like structure and predictability in my day.</td>
<td>Accountant, Medical Sonographer, Dental Assistant</td>
</tr>
<tr>
<td>Like solving problems.</td>
<td>Nurse, Engineer, Aircraft Mechanic</td>
</tr>
<tr>
<td>Like writing.</td>
<td>Technical Writer, Editor, Journalist</td>
</tr>
<tr>
<td>Like helping others.</td>
<td>Social Worker, Massage Therapist, Paramedic</td>
</tr>
<tr>
<td>Like working with animals.</td>
<td>Zoologist, Marine Biologist, Veterinary Technician</td>
</tr>
</tbody>
</table>
First, remember that education does pay.

Typically, the more you learn, the more you earn. Just take a look at the first chart on the right.

As you can see, the higher level of education, the higher average annual income.

While this chart confirms the financial benefits of more education, there is one critical factor that you must also consider in order to reap the financial gains of furthering your education. The career you choose can have an impact on your potential earnings in the years to come. Also, keep in mind that education is a long-term investment. You may not see the payoff on your education immediately after you graduate. It may take a while before you start making a higher salary.

For this reason, carefully consider your available financial resources. Will you need to borrow money to pay for your college expenses? Student loans can help pay for your college education. However, don't forget that loans must be repaid after you leave school. Remember that student loan payments can reduce your take-home pay (net income) for many years after you leave school. Also, your take-home pay could be further reduced by debt other than student loans. For instance, car loans, credit card payments, and housing expenses will all have an impact on your disposable income.

That is why looking at your potential Student Loan Debt-to-Income Ratio for specific programs of study can help you make a more informed decision. The Student Loan Debt-to-Income Ratio, featured in the charts to the right, is the percentage of income that will be spent repaying student loan debt. As a general rule of thumb, financial experts recommend that you try to limit your non-mortgage debt to no more than 15-20 percent of your take-home pay. Non-mortgage debt includes credit cards, car loans and student loans.

Let's take a look at some common majors, along with each major's anticipated monthly income, monthly federal student loan payment, and Student Loan Debt-to-Income Ratio examples.
Three Points to Consider:

1. While math and science majors have the lowest median monthly federal student loan payment of $227, that payment still takes up thirteen percent of monthly take-home pay. Thirteen percent is a relatively high rate and it would strain a person's budget to pay additional debts (e.g. credit cards, car loan, etc.).

2. Median is the midpoint value. For example, for students majoring in engineering, 50 percent have a monthly take-home pay below $3,250 and 50 percent have a monthly take-home pay above $3,250.

3. While median student loan payments don’t vary greatly between majors, median incomes do. As you can see, salary has a significant impact on Student Loan Debt-to-Income Ratio — the higher the salary, the lower the ratio.

Now that we have looked at the Student Loan Debt-to-Income Ratio of specific majors, let’s look at the Student Loan Debt-to-Income Ratio of some different occupations.
Can you find a job after you graduate?

The job market can have its ups and downs. And it’s good to know what careers are in high demand right now, and anticipated to be in high demand in the future. Without a job after graduation, you’ll have a harder time paying back your student loans. **When you are looking at possible careers, take a look at the projected growth and demand, along with current unemployment trends.** Taking both into account can give you a better picture of what the demand for your career will be in the future.

### Projected Growth and Demand

The U.S. Department of Labor’s *Occupational Outlook Handbook* has put together a projection of employment growth and decline for the years 2010 through 2020. For example, one of the main drivers of employment growth over this decade will be the aging population of the United States. This population will require more health care, personal care, community services, and social services than in years past. Because of those growing requirements, employment in health care, personal care, community services, and social services are expected to have the highest growth, an estimated 24–29%, through 2020.


**Source:** U.S. Census Bureau, American Community Survey, 2010
Key Points to Remember when Choosing a Program of Study

1. Find your passion and love what you do.

2. Be mindful of your potential Student Loan Debt-to-Income Ratio, and your ability to repay any student loan debt once you graduate. In this case, aim low! A lower Student Loan Debt-To-Income Ratio is better, and one that you can achieve by keeping your debt at a minimum.

3. Study the job market, and assess the demand for your program of study. However, keep in mind that if the program you choose has a low demand, that does not mean that you have to forego your choice for a higher paying career. Instead, follow your passion, but prepare yourself financially for a weaker job market and limit your student debt to an amount that you can afford on a more modest salary. When you choose a program that is in low demand, you may have to wait a while before you can find a job in your program of study.

Remember:

- Find your passion.
- Be mindful of your potential Student Loan Debt-to-Income Ratio.
- Study the job market.

Established in 1997, the Council provides the higher education community with innovative leadership, activities and services that improve the understanding and management of personal and education finance by students and families. In collaboration with TG, the Council establishes relationships with community partners to heighten student and family awareness of the availability of, and responsibility toward, education finance; and works with institutions, associations, and other stakeholders to develop, implement, and evaluate approaches for information dissemination, financial education and debt management practices and programs.

About TG
TG promotes educational access and success so that students can realize their college and career dreams. As a public, nonprofit corporation, TG offers resources to help students and families plan and prepare for college, learn the basics of money management, and repay their federal student loans.

For more information about TG, visit www.TG.org.

To learn more about college and career planning, visit TG’s Adventures In Education (AIE™) at www.AIE.org.

www.TG.org
To request permission to reproduce any of the information provided, please call TG Communications at (800) 252-9743, ext. 4732.

© 2013 Texas Guaranteed Student Loan Corporation.