The impact of student loans on the athletic recruiting process

I have talked a great deal about how student loans can be used to help pay for college.  These are used when you need help paying for tuition or other things involving college.  I used student loans myself in order to have a chance to play athletics at the Division III level.  While I think student loans are great, the one thing as a 17 or 18-year old is that you don’t realize how much you will be paying back in the long run.

For this example, let’s say that you believe in the statement, “if you are good enough, college coaches will find you.”  I have said before that the college coaches finding you will be those at the Division III level.  While these schools can help with tuition, it is likely going to be expensive if it is a private Division III school.  So you end up being recruited by five Division III schools.  Because you have not read this site before and educated yourself about the recruiting process, you pick one school that is more expensive than others.

This one school normally costs $30,000 per year (that is the cost of some these days).  With grants and scholarships, they are able to get the total cost of your tuition with room and board down to only $12,500 per year.  That seems like a lot because they are helping you pay for $17,500 of the overall costs per year.  Over the course of your four years in school, that equals out to $70,000.

But you may not be realizing what the costs you will be paying for your own education.  If you are paying $12,500 and using student loans to do it, that adds up to $50,000 over the course of your four years.  That could obviously be more if you come back for a fifth year.  And with student loans, you will be paying every single penny back over a long period of time.

When I went away to college, for whatever reason, I assumed that I was only taking out $4,000 per year in student loans.  It took me at least a year to realize that figure was much closer to $10,000 every year for school.  I just didn’t really think about it at the time.  I was just happy to get a chance to continue playing basketball and getting a strong education at the same time.

Most teenagers don’t realize the overall costs associated with school.  They hope either that their parents can pay for them or that they will get student loans.  In the majority of situations, most families don’t have an extra $50,000 sitting around so you may need to cross the off your list.  What that leaves is $50,000 in student loan debt.

If you owed that much and had to pay it off in ten years (we are assuming 120 monthly payments and an interest rate of 5.0%), your monthly payment would be $530.33.  Because of interest, you would end up paying the student loan company $63,639.60 over the course of those ten years.  Athletes out there need to read these numbers again and really start thinking about them.  If you are paying the monthly payment off, that is $6,363.96 each year.  So if you hope to earn $40,000 in your first job out of college, you might as well take over the $6,363.96 you will be paying in student loan payments each and every year from age 23 to 33.

I really wish that I read an article like this before I made a college decision.  I am writing this both to scare you as well as inform you.  The numbers are scary and they should be scary.  Even if you have not worked a job in your life, that is a lot of money that you will be paying off.

So if this athlete could rewind the clock and re-do the situation, what could be done?  The first thing to do is follow [The Five Steps to a Scholarship Offer](http://recruiting-101.com/five-steps-to-earn-an-athletic-scholarship/).  You need to get your information out in front of as many college coaches as possible to be evaluated.  Make a strong recruiting profile and market yourself.

You may not have a full scholarship but the marketing process may have helped you garner some interest from Division II and NAIA schools as well as the Division III programs already talked about.  Your ability is good enough to get a partial scholarship at a Division II school and a full ride at an NAIA program.  However, your heart is still set on the Division III school with strong academics and a winning soccer team.  What you need to do is now shop your packages to the certain schools.  Talk to them about how the Division II school can offer me this and the NAIA school can give me this.  That should help a great deal with your overall recruiting package.

In the end, this shopping helps you lower your tuition by $7,500 per year at the Division III program (the cost per year is now at $5,000).  You will now leave college with $20,000 in debt overall.  While that is still a lot, here is what he payment look like (with a 5.0% interest rate over ten years).  It will only be $212.13 per month, which is $2545.56 per year and $25,455.6 over the course of the loan.  Your marketing plan has now saved you $38,184.00 over your previous tuition numbers.  Not a bad area to sink some time into is it?