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# Frugal Living on a College...



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# What you will learn...

- Developing a budget
- Controlling your expenses
- Changing your behavior

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# Developing a Budget

Refer to the *Money Management Tips* handout

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## Elements of a budget

- Income and other sources of funds
- Expenses/debt repayment
  - fixed
  - flexible
  - periodic
- Saving/investing

Refer to *Monthly Spending Plan Worksheet* [Click here](#)

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## Begin saving

- Start saving for...
  - flexible and periodic expenses
  - emergency “rainy day” fund
  - long-term financial goals
    - education
    - retirement

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## Budgeting tips

- Plan your money by month
- Total the expected stable monthly income
- List every expense in a typical month
- Prorate periodic expenses on a monthly basis
- Customize your plan

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## Budget guidelines

- Net income / expense = % of budget

Category	Percent
Other	15
Food	12
Housing	38
Transportation	35

Percent

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## Transportation

- Within 15% of your budget
  - car payments and insurance
  - tag or license fees
  - maintenance
  - public transportation
  - parking
  - gasoline

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## Housing

- Within 38% of your budget
  - rent or mortgage
  - insurance
  - utilities (water, gas, phone, electricity)
  - taxes
  - home maintenance

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## Food

- Within 12% of your budget
  - food
  - beverages
  - pet food
  - eating out

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## Other expenses

- Within 35% of your budget
  - medical
  - savings
  - clothing
  - entertainment
  - child care and personal care
  - charitable giving/tithing
  - debt repayment (consumer and student loan)
  - insurance

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## Student loan debt

- Check out your student loan debt:
  - NSLP's Loan Summary
    - [www.nslp.org](http://www.nslp.org), "Students & Borrowers" section
  - National Student Loan Data System (NSLDS)
    - [www.nsls.ed.gov](http://www.nsls.ed.gov)
- Calculate your repayment
  - NSLP's Student Loan Repayment Calculator
    - [www.nslp.org](http://www.nslp.org), "Students & Borrowers/Calculators" section

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## Questions?



Find more NSLP presentations at:  
<http://www.nslp.org/pages/pdf/conferencelist.pdf>

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## Controlling Expenses

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## Take control

- Identify needs vs. wants
- Reduce the cost of needs – compare prices for *everything*
  - cheaper residence hall
  - reduced meal plan
  - buy and sell used books

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## Avoid impulse buying

- Never buy items because of a sale
- “Free” trial services are never truly free
- Don’t let someone talk you into buying items you don’t need
- Never shop without a list
- Resist credit card incentives (t-shirts, cups, and baseball caps)

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## Consumers beware

- Rent-to-own stores
- Pawn shops
- Payday loan stores
- Annual memberships
- ...and what else?

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## Questions?



Find more NSLP presentations at:  
<http://www.nslp.org/pages/pdf/conferencelist.pdf>

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## Changing Your Behavior

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## Ten savvy money habits

1. Make wise credit card choices
  - don't be fooled by campus solicitations
  - read the fine print
  - pay off the balance each month
2. Use the "Step Down Principle"
  - don't deprive yourself, just reduce spending
  - rent movies, attend campus movies or matinees

Refer to AFCPE Step Down Principal Tool handout

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## Ten savvy money habits

3. Set a budget
  - plan ahead, know how much money you can spend each month
4. Seek the best bank/loan rates
  - research banks with free checking and savings accounts
5. Reduce school expenses
  - buy and sell used books—friends, Amazon, or bookstore

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## Ten savvy money habits

6. Review accounts often
  - checking & savings accounts
  - credit cards, other debt
7. Avoid lending money to friends
  - includes picking up tabs
8. Research prices before purchasing products

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## Ten savvy money habits

9. Plan for the future
  - money invested in retirement funds will grow with interest
  - an early start will pay off later
10. Consider a part-time job
  - earn extra money
  - gain experience

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## Dating on a budget

- Search for free or low-cost local events
- You don't have to spend a lot of money to have a good time

Refer to the *Fun on a Dime* handout

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## Job options

- On/off campus
- No more than 20 hours per week
- Perks
  - meals
  - discounts
  - scholarships
  - time to study
  - experience

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## Responsibility for your wealth

- Your signature means YOUR debt
  - loans (student, car, etc.)
  - credit cards
- Future needs
  - emergencies
  - home
  - retirement

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## What you learned

- Developing a budget
- Controlling your expenses
- Changing your behavior

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## Now what?



Find more NSLP presentations at:  
<http://www.nslp.org/pages/pdf/conferencelist.pdf>

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## More information

National Student Loan Program  
 1300 O St.  
 Lincoln, NE 68508 [www.nslp.org](http://www.nslp.org)

Sharon Cabeen  
 Vice President of Financial Literacy  
[sharonc@nslp.org](mailto:sharonc@nslp.org)

Brenda Vaughn  
 Director of Financial Literacy  
[brendav@nslp.org](mailto:brendav@nslp.org)

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## More information

Mel Stephens  
 Money Management Consultant  
[melsga@bellsouth.net](mailto:melsga@bellsouth.net)

Nic Ourso, CPA, CFP  
 Money Management Consultant  
[nicourso@bellsouth.net](mailto:nicourso@bellsouth.net)

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## More information

April Qualls  
Money Management Consultant  
aprilq@nslp.org

Pauline Balta  
Financial Literacy Coordinator  
paulineb@nslp.org

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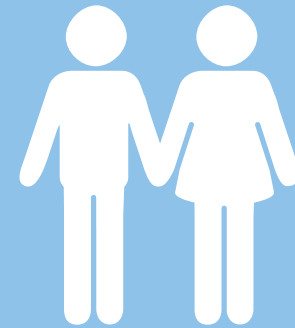
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# Fun on a Dime



# Dating on a Budget

## Coffee Anyone?

- AskMen.com suggests taking a date to a coffee house, preferably one that provides free refills, and spend the evening getting better acquainted with one another. The website highly recommends this as a first date.

## Take Advantage of Mother Nature

- Pack an outdoor picnic
- Take a hike or stroll through a park
- Tube along a river
- Relax on the beach

## Free Local Events

- CitySearch.com is an excellent resource for free events happening in cities across the country
- Search your local Chamber of Commerce site for upcoming events - [www.chamberofcommerce.com](http://www.chamberofcommerce.com)
- Read your local or campus paper

## Free Campus Events

- Lectures
- Readings
- Movies
- Dances/concerts
- Barbeques
- Intramural sporting events

## Volunteering

- Find volunteer options in your local or campus paper
- Search for particular organizations:
  - Habitat for Humanity
  - Environmental organizations (i.e. Sierra Club)
  - Relay for Life
  - Feed the Hungry

## You're a Winner!

- Listen to local radio stations holding contests for tickets to local events
- Give blood at a local Red Cross for tickets for sporting events, food, and t-shirts

## Gift Ideas Under \$10

- Framed picture
- Notepad or journal
- Coupon book - give to your relatives or friends promising to help with housework or tutor a relative. Show off your calligraphy skills or use a computer to design coupons that are sure to be a hit!
- Photo album
- Charm bracelet
- Gift certificates
- 63 gift ideas under \$10 - <http://www.betterbudgeting.com/articles/money/63giftsunder10dollars.htm>

# Holistic Financial Planning Checklist

Name: \_\_\_\_\_

Date: \_\_\_\_\_

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## Life Assessment - The Past

Any major past financial events/decisions and their general results.

\_\_\_\_\_  
Any major non-financial events/decisions and their general results.

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## Life Assessment - The Present

### Summary of Life Status

What are your positive/good conditions/situations/attributes?

\_\_\_\_\_  
What are your challenging/difficult conditions/situations/attributes?

\_\_\_\_\_  
Do you have all the information needed to make decisions?

\_\_\_\_\_  
Where are you now in the decision-making/implementation process?

\_\_\_\_\_  
Do you have qualified advisors to assist you?

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### Health Status

How is your physical health?

\_\_\_\_\_  
How is your mental health?

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### Financial Status<sup>1</sup>

What are your largest assets and the status of each?

\_\_\_\_\_  
What are your largest debts? List related issues.

\_\_\_\_\_  
What is your current and projected monthly cash flow?

\_\_\_\_\_  
What is the status of your job? List other income sources.

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### Relationships

What is the status of your relationship with:

Spouse/Partner \_\_\_\_\_

Siblings \_\_\_\_\_

Parents \_\_\_\_\_

Extended Family \_\_\_\_\_

Friends \_\_\_\_\_

Business Associates \_\_\_\_\_

Others \_\_\_\_\_

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## Life Assessment - The Future

What changes are predicted for the future?

\_\_\_\_\_  
Have goals been set and plans made to achieve them?

\_\_\_\_\_  
What is the status of implementing the goals?

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<sup>1</sup> A current balance sheet and cash flow statement should ideally be prepared.

# Personal Balance Sheet

Name:

Date:

<b>Assets</b>	<b>Amount*</b>
<b>Checking Account</b>	\$ _____
<b>Savings Account</b>	_____
<b>Non-Retirement Investments</b>	_____
_____	_____
_____	_____
_____	_____
_____	_____
Subtotal Current Assets	_____
<b>Retirement Investments</b>	
_____	_____
_____	_____
_____	_____
_____	_____
Subtotal Retirement Investments	_____
<b>Loans Receivable</b>	_____
<b>Real Estate</b>	
_____	_____
_____	_____
_____	_____
Subtotal Real Estate Assets	_____
<b>Automobiles/Vehicles</b>	
_____	_____
_____	_____
_____	_____
Subtotal Automobiles/Vehicles	_____
<b>Other Assets</b>	_____
Closely Held Business (Net Value)	_____
Cash Surrender Value - Life Insurance	_____
_____	_____
_____	_____
_____	_____
Subtotal Other Assets	_____
<b>Total Assets</b>	<b>\$ _____</b>

\*The amount of assets is to be fair market value.

# Personal Balance Sheet

Name:

Date:

<b>Liabilities</b>	<b>Amount**</b>
<b>Student Loans</b>	
Stafford	\$ _____
PLUS	_____
Unsubsidized	_____
Other	_____
_____	_____
Subtotal Student Loans	_____
<b>Bank Loans</b>	
_____	_____
_____	_____
_____	_____
Subtotal Bank Loans	_____
<b>Family Loans</b>	
_____	_____
_____	_____
_____	_____
Subtotal Family Loans	_____
<b>Credit Card Balances</b>	
_____	_____
_____	_____
_____	_____
_____	_____
Subtotal Credit Cards	_____
<b>Taxes</b>	
Federal	_____
State	_____
Subtotal Taxes	_____
<b>Other Liabilities</b>	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Subtotal Other Liabilities	_____
<b>Total Liabilities</b>	<b>\$ _____</b>
<b>Net Worth</b>	<b>\$ _____</b>

\*\*The amount of liabilities is to be the total balance due including interest, fees, and other expenses.

# Personal Cash Flow Statement

Name:

As of Date:

Cash Inflows	Monthly	Yearly
Salary	\$ _____	\$ _____
Grant	_____	_____
Loans	_____	_____
Scholarships	_____	_____
Alimony	_____	_____
Child Support	_____	_____
Unemployment	_____	_____
Worker's Compensation	_____	_____
Other Income	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total Cash Inflows</b>	_____	_____

Cash Outflows	Monthly	Yearly
Mortgage/Rent	_____	_____
Groceries	_____	_____
Electricity	_____	_____
Water	_____	_____
Telephone	_____	_____
Other Utilities	_____	_____
Car Loans	_____	_____
Car Insurance	_____	_____
Car Expenses	_____	_____
Insurance (Life/Health)	_____	_____
Homeowner/Renter Insurance	_____	_____
Credit Card Payments	_____	_____
Other Loan Payments	_____	_____
Childcare	_____	_____
Clothing	_____	_____
Personal Grooming	_____	_____
Entertainment (cable tv)	_____	_____
Travel/Vacations	_____	_____
Gifts (noncharitable and charitable)	_____	_____
Alimony	_____	_____
Child Support	_____	_____
Contributions to Savings	_____	_____
Contributions to Non-retirement Investments	_____	_____
Contributions to Retirement Investments	_____	_____
Other	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total Cash Outflows</b>	_____	_____

<b>Net Cash Flow</b>	\$ _____	\$ _____
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Note - the Personal Cash Flow Statement can be prepared on either the monthly and/or yearly basis



# Financial Management Tools

## Budgeting

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- CNN Money . . . . . [http://cgi.money.cnn.com/tools/instantbudget/instantbudget\\_101.jsp](http://cgi.money.cnn.com/tools/instantbudget/instantbudget_101.jsp)
- EducationQuest Foundation . . . . . [www.educationquest.org/calc.asp](http://www.educationquest.org/calc.asp)

## Career Planning

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- Monster Career Advice . . . . . <http://career-advice.monster.com/>
- Occupational Outlook Handbook . . . . . <http://stats.bls.gov/oco/home.htm>

## Consolidation Loan

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- Department of Education . . . . . [www.loanconsolidation.ed.gov](http://www.loanconsolidation.ed.gov)
- EducationQuest Foundation . . . . . [www.educationquest.org/calc.asp](http://www.educationquest.org/calc.asp)
- Mapping Your Future . . . . . [www.mappingyourfuture.org/paying/consolidation/calculator.cfm](http://www.mappingyourfuture.org/paying/consolidation/calculator.cfm)

## Consumer Action

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- Better Business Bureau . . . . . [www.bbb.org](http://www.bbb.org)
- Call for Action . . . . . [www.callforaction.org](http://www.callforaction.org)
- Consumer Reports . . . . . [www.consumerreports.org](http://www.consumerreports.org)
- Consumer Watch Dog . . . . . [www.consumerwatchdog.org](http://www.consumerwatchdog.org)
- Federal Citizen Information Center . . . . . [www.consumeraction.gov](http://www.consumeraction.gov)

## Credit Bureaus Reports and Credit Scores

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- Annual Credit Report . . . . . [www.annualcreditreport.com](http://www.annualcreditreport.com)
- Equifax . . . . . [www.equifax.com](http://www.equifax.com)
- Experian . . . . . [www.experian.com](http://www.experian.com)
- TransUnion . . . . . [www.transunion.com](http://www.transunion.com)
- My FICO . . . . . [www.myfico.com](http://www.myfico.com)
- Understanding Your Credit Report . . . . . [www.mappingyourfuture.org/money/creditreport.htm](http://www.mappingyourfuture.org/money/creditreport.htm)

## Credit Card Advice and Calculators

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- Bankrate.com . . . . . [www.bankrate.com](http://www.bankrate.com)
- Card Web . . . . . [www.cardweb.com](http://www.cardweb.com)
- Consumer Protection . . . . . [www.ftc.gov/bcp/index.shtml](http://www.ftc.gov/bcp/index.shtml)
- Federal Reserve . . . . . [www.federalreserve.gov/pubs/shop](http://www.federalreserve.gov/pubs/shop)
- Mapping Your Future . . . . . [www.mappingyourfuture.org/money/index.htm](http://www.mappingyourfuture.org/money/index.htm)
- National Foundation for Credit Counseling . . . . . [www.nfcc.org](http://www.nfcc.org)
- State PIRGs . . . . . [www.truthaboutcredit.org](http://www.truthaboutcredit.org)

## Deferments and Forbearance

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- Mapping Your Future . . . . . [www.mappingyourfuture.org/money/deferments.htm](http://www.mappingyourfuture.org/money/deferments.htm)
- National Student Loan Program . . . . . [www.nslp.org/vnews/display.v/ART/424f47689ab8f](http://www.nslp.org/vnews/display.v/ART/424f47689ab8f)

## Identity Theft

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- Federal Trade Commission . . . . . [www.ftc.gov/bcp/edu/microsites/idtheft/](http://www.ftc.gov/bcp/edu/microsites/idtheft/)
- Identity Theft 101 . . . . . [www.101-identitytheft.com](http://www.101-identitytheft.com)

## Interest Capitalization Calculator

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- FinAid! . . . . . [www.finaid.org/calculators/interestcap.phtml](http://www.finaid.org/calculators/interestcap.phtml)



**Loan Forgiveness, Cancellation, and Discharge**

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- Department of Education ..... <http://ombudsman.ed.gov/cancellation.html>
- Mapping Your Future ..... [www.mappingyourfuture.org/paying/forgiveness.htm](http://www.mappingyourfuture.org/paying/forgiveness.htm)

**Loan Repayment Calculators**

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- Bankrate.com ..... [www.bankrate.com/brm/rate/calc\\_home.asp](http://www.bankrate.com/brm/rate/calc_home.asp)
- EducationQuest Foundation ..... [www.educationquest.org/calc.asp](http://www.educationquest.org/calc.asp)
- FinAid! ..... [www.finaid.org/calculators/loancomp.phtml](http://www.finaid.org/calculators/loancomp.phtml)
- Mapping Your Future ..... [www.mappingyourfuture.org/paying/standardcalculator.htm](http://www.mappingyourfuture.org/paying/standardcalculator.htm)

**Loan Status Info**

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- Federal Ombudsman Department ..... <http://ombudsman.ed.gov>
- National Student Loan Program ..... [www.nslp.org/vnews/display.v/ART/41b0dce1c56db](http://www.nslp.org/vnews/display.v/ART/41b0dce1c56db)
- NSLDS Student Access ..... [www.nsls.ed.gov](http://www.nsls.ed.gov)

**Money Management Advice**

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- Balance Your Checkbook ..... [www.mappingyourfuture.org/money/checkbook.htm](http://www.mappingyourfuture.org/money/checkbook.htm)
- Bankrate.com ..... [www.bankrate.com](http://www.bankrate.com)
- Clark Howard, Consumer Action Center ..... <http://clarkhoward.com>
- Consumer Protection Publications ..... [www.ftc.gov/bcp/consumer.shtml](http://www.ftc.gov/bcp/consumer.shtml)
- Financial Fitness Tools ..... [www.mappingyourfuture.org/money/dmtensteps.htm](http://www.mappingyourfuture.org/money/dmtensteps.htm)
- Money Matters for Students ..... [www.smartcredittips.com/budg.html](http://www.smartcredittips.com/budg.html)
- Morning Star ..... [www.morningstar.com](http://www.morningstar.com)
- National Foundation for Credit Counseling ..... [www.nfcc.org](http://www.nfcc.org)
- National Student Loan Program ..... [www.nslp.org/moneymanagement](http://www.nslp.org/moneymanagement)
- Practical Money Skills ..... [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)
- Young Money ..... [www.youngmoney.com](http://www.youngmoney.com)

**Paying for College**

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- Collegeboard.com ..... [http://apps.collegeboard.com/cbsearch\\_ss/welcome.jsp](http://apps.collegeboard.com/cbsearch_ss/welcome.jsp)
- CollegeNET ..... [www.collegenet.com](http://www.collegenet.com)
- CollegeView ..... [www.collegeview.com/financialaid/index.html](http://www.collegeview.com/financialaid/index.html)
- College Funding Options ..... [www.educationquest.org](http://www.educationquest.org)
- Expected Family Contribution ..... [www.educationquest.org/estimator](http://www.educationquest.org/estimator)
- Free Application for Federal Student Aid (FAFSA) ..... [www.fafsa.ed.gov](http://www.fafsa.ed.gov)

**Repaying Student Loans**

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- Department of Education ..... <http://studentaid.ed.gov/PORTALSWebApp/students/english/repaying.jsp?tab=repaying>
- Debt/Salary Wizard ..... [www.mappingyourfuture.org/paying/debtwizard/](http://www.mappingyourfuture.org/paying/debtwizard/)
- 10 Steps for Managing Your Student Loan Debt ..... [www.mappingyourfuture.org/paying/studentloan10steps.htm](http://www.mappingyourfuture.org/paying/studentloan10steps.htm)
- National Student Loan Program ..... [www.nslp.org/vnews/display.v/ART/425558bf56997](http://www.nslp.org/vnews/display.v/ART/425558bf56997)

**Taxes**

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- EducationQuest Foundation ..... [www.educationquest.org/tax.asp](http://www.educationquest.org/tax.asp)
- IRS ..... [www.irs.gov](http://www.irs.gov)

Find more *Financial Management Tools* at [www.nslp.org](http://www.nslp.org)



# Money Management Tips

## Budgeting

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- Learn the difference between monthly expense lists and a true budget. A "list" is just that. A more highly-developed plan for how to make all monthly payments and obligations on that "list" is a budget.
- Have a financial plan, or "budget", even if your only income is student loans. Decide ahead of time how you will spend your loan to help determine how much you need.
- Establish a sound and flexible budget by figuring out what is most important in your life (personal values) and focusing your resources on those things.
- Establish realistic money goals and timelines.
- Determine your monthly net income.
- List every monthly expense you may have as well as debts you owe and their amounts and due dates.
- Diligently track every monthly expense, then take a reality check and compare actual to estimated expenses.
- Don't assume you can become rich without first learning the "ropes" of managing your money and credit life. Ask questions, read, check out online resources, etc. to get control of this crucial part of your life before it takes control of you.
- Two ways you can make a spending plan work for you (without borrowing more money) are to increase income and resources or reduce expenses and spending. Make a list of ways to earn additional money and/or cut spending. You might be surprised what determination and creativity can do!
- Remember to include all non-regular, or periodic, expenses in your monthly budget. This can help you avoid using your credit cards unnecessarily. Examples of periodic expenses are: gifts, auto maintenance, property taxes, home maintenance, pet care, and auto insurance.

## Spending and Saving Habits

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- Differentiate between your wants and needs.
- Consider current and future expenses and debts when determining the amount of student loans you need.
- Don't spend money you don't have. If it's not in your pocket, don't spend it!

- Whenever possible, buy books online or at used book outlets to save money for other expenses during the semester.
- Dig out your old piggy bank, put an empty can on the dresser, and save pocket change. It can add up to as much as \$5.00 a week. If you are already in this habit, challenge yourself to save every dollar bill and not spend anything under \$5.00. You could pay for spring break every year!
- Figure out how many hours you need to work to pay off an item you charged or want to purchase. It might shock you that your entire week's paycheck could be spent that quickly, and you might reconsider your expenses.
- Find an extra \$25.00 a month to pay down debt or save. You can do this by skipping lunch or dinner out one day a week, cutting and using coupons for groceries and toiletries (Mom will be happy to cut and mail them to you!), or renting a movie instead of going to the theater.

## Credit

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- Look at your credit report at least once a year from all three major credit reporting agencies to get the total picture of "Your (Credit) Life Story". Remember, it's already written, published, printed, and on the street—everyone but YOU is reading it! [www.annualcreditreport.com](http://www.annualcreditreport.com)
- If you are or anticipate having difficulty paying bills on time, pick up the phone first. ALWAYS notify your credit grantors in advance that paying bills may be a challenge. Credit grantors are already potentially unhappy when they have to spend their time, money, and human resources to find you and talk about your payment.
- Build a strong credit record by opening and maintaining a checking account in good standing.
- Build good credit by only opening one credit card account with a low interest rate. Pay off the entire balance every month. For great deals on credit cards, visit sites like [www.bankrate.com](http://www.bankrate.com).
- If there is danger of overusing your credit cards on the weekend, freeze them in a zip lock bag on Friday, and thaw them out Sunday night.



## Credit (continued)

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- How you repay your student loans and other debts determines the biggest part of your credit score—not how much you are allowed to borrow.
- If a credit card company offers or notifies you of an increased credit limit, ask them to reduce it to an amount sufficient for your needs and emergencies while in school.
- Interest, the amount of money the creditor charges you to borrow money, can compound (or grow) in two directions. If you save, know the rate your money is growing in a positive direction. If you charge, know the rate your money is diminishing in a negative direction.
- Eliminate your debt in one of two ways: 1. Pay off high interest rate loans or credit cards first. 2. Start with the smallest balance, and watch the list go down quickly. This is a great motivator!
- ALWAYS pay bills on time and AT LEAST make the minimum payment to build great credit. For best results and the most peace of mind, pay off credit debt entirely every month.
- Serious indebtedness takes time to accumulate and pay off. Be disciplined and patient—it will go away with determination, persistence, and time!

## Identity Protection

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- Be careful not to leave personal mail or credit/debt information lying around the dorm room or other public areas—this might tempt someone to steal your identity.
- Keep blank checks in a safe and hidden place to avoid someone finding them and emptying your checking account.
- Keep your Social Security, account, PIN, and other important numbers under lock and key—these are for your eyes only!

## Student Loan Repayment

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- You have many flexible and helpful student loan repayment options. Stay in touch with your lender, servicer, and school financial aid office to learn more and better understand your options.

## Helpful Resources

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- If you have money troubles, ask for help! Parents, school staff, and other community partners are often lifesavers when it comes to support and advice. They'll help you find information, resources, and the best advice so you can make smart money choices. They're here to help you succeed!

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NSLP's Financial Literacy Online website is a learning center designed to educate students about the basics of personal money management. Financial Literacy Online offers free courses to teach money management skills to students, parents and anyone who wants to learn more. Find out more by visiting [www.nslpflonline.org](http://www.nslpflonline.org).