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After Student Loans... Where's the Money?

*A guide to helping students
pay for school after maxing out
on student loans*




Developed in association with Nic Ourso and Morris Nichols,
Tax and Financial Guidance Center, LLC
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What you will learn

- how to set up and conduct consultations with students in need
- how to guide students through the life assessment process
- what resources are available outside of student loans




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The facts


- only 15% of students graduate in four years or less
- 43% of students do not finish in five years
- a record \$129 billion in financial aid is available to students and their families



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Parent and Student Consultations




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Counselor's checklist

- Can the student aid office help this student?
 - three assessment levels
 - receptionist
 - counselor—limited assessment
 - counselor—in-depth assessment




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Counselor's checklist

- What data is available?
 - tax returns
 - W-2 forms
 - student loan balances
 - current pay stubs
 - transcripts




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Counselor's checklist



- Should you meet students with or without completed forms?
 - personal balance sheet
 - personal cash flow statement
 - life assessment



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Questions?




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Life assessment—the past

- What does your past look like?
 - What payments do you make?
 - What can you learn about your decision-making skills?
 - What decisions have you made about relationships?
 - What financial decisions have you made?




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Life assessment—the present

- What decisions are you having to make?
 - Are you faced with a decision now?
 - Do you have all the information needed to make the decision?
 - Do you have qualified advisors?




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Life assessment—the future

- What future decisions will you make?
 - How secure is your employment?
 - How is the health of you and your immediate family?
 - What major cash flow needs do you expect?
 - Does your home need major repairs?
 - Do you expect your family to stay the same size?




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Life assessment—holistic approach

- health
 - physical
 - mental
- financial
 - large assets
 - large debts
 - other assets/debts
 - cash flow
 - income
 - expenses




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Life assessment—holistic approach

- family
 - parents
 - siblings
 - extended family
- relationships
 - strengths
 - weaknesses




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Setting up a consultation

- initial interview
 - review of completed forms and supporting data
 - Q&A for more in-depth evaluation
 - more counseling?
 - can you make recommendations?




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Consultation procedures


- follow-up
- session documentation
- session effects




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Questions?




 National Student Loan Program

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Alternative Financing Sources


 National Student Loan Program

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Scholarships and fellowships

- Fastweb
– www.fastweb.com
- College Board's FUND FINDER
– http://apps.collegeboard.com/cbsearch_ss/welcome.jsp
- SRN Express
– www.srnexpress.com
- Scholarships.com
– www.scholarships.com

 National Student Loan Program

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Scholarships and fellowships

- Peterson's scholarship search
– www.petersons.com/finaid
- NextStudent
– www.nextstudent.com/scholarship_search/scholarship_search.asp
- Broke Scholar
– www.brokescholar.com




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Family, friends, associates

- gifts
– \$12,000 per year gift tax exclusion
– \$1 million lifetime gift tax exclusion
- loans from family, friends
– financial and relationship aspects
- inheritance
– When do you receive the funds?
– delayed asset distribution to heirs
– estate planning




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Selling assets / liquidating investments

- necessity?
- tax ramifications
– capital gains tax could apply if sales prices exceed basis
- examples
– securities
– vehicles
– real estate
– jewelry/art (collector's items)
– furniture and household items




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Banks and other lenders

- unsecured loans
- collateralized loans
 - home equity loans
- credit cards
- installment cash flow buyouts




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Education credits

- tuition and fees deduction
- Hope credit
- Lifetime Learning credit




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Additional sources

- increase wages and other income
- alternative sources
 - depends on the student's situation




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Tips for selecting a financial advisor

- students should
 - get referrals from people they trust and who know their situation
 - know what type of service to look for
 - think about second opinions
 - consult with more than one advisor
 - engage the advisor in writing




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Avoiding scams

- don't be a victim
 - there is no "guaranteed success"
 - restrict which websites have your personal information
 - Federal Trade Commission
 - check out potential scams
 - report scams
 - 877-FTC-HELP




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Financial aid consultants – buyer beware!

- financial advisors vs. financial aid consultants
- know their credentials
- find out if they receive regular training
- understand what you will get for your money
- beware of guarantees and promises
- avoid anyone who encourages you to lie on applications




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What you have learned



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Questions?




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More information

Sharon Cabeen
Vice President of Financial Literacy
sharonc@nslp.org

Brenda Vaughn
Director of Financial Literacy
brendav@nslp.org



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More information

Mel Stephens
Money Management Consultant
mels@nslp.org

Nic Ourso, CPA, CFP
Money Management Consultant
nicourso@bellsouth.net

Pauline Balta
Financial Literacy Coordinator
paulineb@nslp.org