Financial Education
Know Before You Owe

WHAT IF SPENDING ALL OUR MONEY MEANS WE HAVE NO MONEY LEFT?

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Federal Student Aid Process
  Financial Aid Package
  Student Loans
Personal Finance
  Budgeting
  Credit Report
  Manage Checking/Savings Accounts
Why is financial education important?

- Student loan debt has soared [...] to $1.2 trillion in 2014; average debt jumped [...] to $33,000 [...] (debt.org)

- Student debt is the second-largest form of household credit, after mortgages. (NASFAA)
FINANCIAL GOALS

(page 2)

- Graduate with Student Loan debt that requires payments of $200/month or less

- Graduate and be eligible for Auto Loan with an interest rate of 2 - 4%

- Qualify for a Home Loan by age 30

- Have at least $500 in an emergency fund
Saving

Achieving Your Goals

Financial Stability

Emergency Fund

Make saving automatic, even if it's only $10 or $25 a month

Working adults should put at least 10% of their monthly gross income into savings
SAVE
In And After College

- **Free entertainment**: concerts, art galleries, hike, Missoula Public Library, Hulu, Redbox coupon codes
- **Food**: make and follow a shopping list, coupons, choose generic brands, BountifulBaskets
- **Books**: sell your old textbooks, check online for lower prices, borrow
- Follow your budget!
Bountiful Baskets

Current Offers

Minnesota - Basket Pickup Week Ending October 3, 2015
Get my Basket
It's 50% fruit, 50% vegetables and 100% healthy & delicious!

Montana - Basket Pickup Week Ending October 3, 2015
Get my Basket
It's 50% fruit, 50% vegetables and 100% healthy & delicious!

Login

E-Mail: 

Password: 

Submit

Are you a New User? Register for Free
Can't Remember Your Password? Reset Password

Offerings

Co-op Offerings
SAVE
In And After College

- **Free entertainment**: concerts, art galleries, hike, Missoula Public Library, Hulu, Redbox coupon codes

- **Food**: make and follow a shopping list, coupons, choose generic brands, BountifulBaskets

- **Books**: sell your old textbooks, check online for lower prices, borrow

- Follow your budget!
Let's you know where you are spending your money

Helps you know your limits and be in control of your money

Does not mean spending as little as possible or feeling guilty about purchases

It is a working part of life, not set it and forget it

Set up an appointment to let us help you set up your budget
I have a coupon for every item.
# Budgeting

- Estimate the following items from your most recent monthly checking statement:

## Items Budgeted By Semester

<table>
<thead>
<tr>
<th>Semester Income</th>
<th>Semester Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans: $______________</td>
<td>Tuition: $__________</td>
</tr>
<tr>
<td>Grants/Fee Waivers: $</td>
<td>Room &amp; Board: $_____</td>
</tr>
<tr>
<td>Scholarships: $_______</td>
<td>Textbooks: $_______</td>
</tr>
<tr>
<td>Total semester income $_______</td>
<td>Minus(-) Total semester expenses $__________ =</td>
</tr>
</tbody>
</table>

Amount you need to work into your monthly budget $______________ (Line A)

Take Line A and divide by 4 ____________

If the number is positive place in Line B below, OR
If the number is negative place in Line C below.

## Monthly Budget

### Monthly Income
- Monthly Sem. Income (Line B): $___________
- Salary/ Paycheck: $___________
- Work Study: $___________
- Parent Contribution: $___________
- Other: $___________
- Other: $___________

**TOTAL INCOME:** $___________

### Monthly Expenses
- Monthly Sem. Expenses (Line C): $___________
- Rent: $___________
- Utilities: $___________
- Cell Phone: $___________
- Internet: $___________
- Groceries: $___________
- Car payment: $___________
- Car Insurance/Registration: $___________
- Gas and Maintenance: $___________
- Medical: $___________
- Entertainment: $___________
- Computer: $___________
- Clothing: $___________
- Grooming: $___________
- School Activities: $___________
- Supplies: $___________
- Other: $___________
- Other: $___________

**TOTAL EXPENSES:** $___________

LIST ONE FINANCIAL GOAL HERE:
Powerful features, simplified.

See all your accounts in one place.

See all your balances and transactions together, on the web or your phone. Mint automatically pulls all your financial information into one place, so you can finally get the entire picture. Learn more.

Stay up-to-date on your money.

Mint automatically updates and categorizes your information, and
BUDGETING

❖ Compare wants vs. needs

❖ Make savings part of your "bills"

❖ Start paying towards your loans IN SCHOOL!

❖ Even if it's only $5 a month. Get in the habit of making payments.
PAYING FOR COLLEGE

- Scholarships
- Grants
- Work Study
FAFSA

The FAFSA has changed this year!!

- The 1718 FAFSA opened on October 1, 2016 at www.fafsa.ed.gov

- You will use your 2015 tax information for the 1718 FAFSA

- You needed to submit your 1718 FAFSA before November 15, 2016 in order to be in the Priority Group for UM
You and one parent need an FSA ID.
IRS Data Retrieval Tool

Applying is faster and easier with the IRS DRT!

Based on your response, we recommend that you transfer your information from the IRS into this FAFSA. The IRS Data Retrieval Tool allows users to link to the IRS Web site and securely transfer original IRS tax return information into their FAFSA.

If you use the IRS DRT, you will not have to provide additional IRS documentation later to qualify for federal student aid.

LINK TO IRS

No, Thanks.
Grants
Based on Financial Need

- Most Common: Pell Grant
- Max Pell Grant is
  - $5,815 (for the 16-17 year)
- Can receive it for up to 6 years
Work-Study
Earn-as-you-go Aid

- Work a job to earn aid
- This aid comes as a bi-weekly paycheck
- Many different departments and locations
  - UDASH Bus Driver
  - Office Assistant for non-profit
  - Research Aide for Avian Study
  - After-school Program Assistant
Scholarships

Applications typically open in October/November

- **Financial Aid Office**: [www.umt.edu/scholarships](http://www.umt.edu/scholarships)
- **UM Scholarship Portal**: [www.umt.edu/finaid/scholarships/um-scholarship-portal](http://www.umt.edu/finaid/scholarships/um-scholarship-portal)
- **Your Department**: talk to staff at front desk or see your department website
- **External Databases**: [http://www.umt.edu/finaid/scholarships/external-scholarships](http://www.umt.edu/finaid/scholarships/external-scholarships)
Student Loans
Private, Federal and Institutional
Private Student Loans

- Issued by a private lender (not the government) to the student.
- Most require credit check, cosigner, occupation.
- May have higher interest rates than federal loans.
- Limited repayment options, loan forgiveness, deferment, etc.
- Cannot be consolidated with Federal or Institutional loans.
LOANS

Federal / Institutional Student Loans

- **Direct Subsidized Loan**, 3.76%
- **Federal Perkins Loan**, 5%
- **Direct Unsubsidized Loan**, 3.76%
- **Direct Parent PLUS Loan**, 6.31%
You do not have to accept the total amount of a loan. You can always accept a portion of it.
Decide Now How Much You Are Willing To Borrow For Your Education

$20,000?  $30,000?  $50,000?

Make sure your borrowing patterns will total this amount and no more by the time you graduate.

Go to a Loan Calculator to see what your payments would be BEFORE you accept a loan
There Are Caps To What You Can Borrow

Dependent Undergraduates: $31,000
Independent Undergraduates: $57,500
Graduate or Professional Students: $138,500
Medical Graduate Students: $224,000
Do Not Spend Your Refund Check on Non-School Related Items

You should not spend your student loan money on TVs, vacations, pets, snowmobile, etc..
Once You Get Your Aid, You Need To Keep It

You earn your aid by attending class. Stop attending class and you will have to pay your aid back.
There are four main servicers used by the Department of Education for Direct Loans:

- FedLoan Servicing
- Nelnet
- Navient
- Sallie Mae
- Great Lakes
LOANS

Repayment Plans

- Standard (fixed payments, 10 yrs)
- Graduated (low payments at first, then increase over 10 yrs)
- Extended Standard (fixed payments, up to 25 yrs)
- Extended Graduated (low payments at first, then increase; up to 25 yrs)
- Revised Pay As You Earn (payments 10% of discretionary income)
- Pay As You Earn (payments 10% of discretionary income)
- Income-Based Repayment, IBR (payments 15% of discretionary income)
- Income-Contingent Repayment, ICR (payments based on gross income, family size, total amount of loans)
- Income-Sensitive Repayment (payments based on annual income)

I want to pay off my loans in a set number of years

I can only make payments that are based on how much money I make
LOANS

Repayment Plans - Parent PLUS

- Standard (fixed payments, 10 yrs)
- Graduated (low payments at first, then increase over 10 yrs)
- Extended Standard (fixed payments, up to 25 yrs)
- Extended Graduated (low payments at first, then increase; up to 25 yrs)
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STUDENT LOAN DEFAULT

- Last payment is over 270 days late
  - 24% collection agency cost
  - Wages garnished at 15%
  - SSI and SSDI benefits are garnished
  - Federal and state tax refund kept
  - Goes on your credit report

- Never ignore mail sent to you from your loan servicer.
Once You Graduate

Beware of Third-Party Companies