



THE DEAN'S LIST

Center for College Planning

June 2009

Your guide to college planning

Money Management & Budgeting

Hello, Graduates!

In a couple of months you will be headed off to college where you'll grow academically, socially and personally. Congratulations!

The Importance of Having a Spending Plan

Setting a budget (or spending plan) for yourself will help ease financial stress. It will allow you to take control of your money rather than letting it take control of you. Learning to live within your means isn't always easy. Sometimes it means making tough choices between those things you truly need versus those things you merely would like to have. And, a budget doesn't work if your plan is unrealistic for your lifestyle or neglects actual expenses that you have.

Students attending out-of-state schools might want to consider opening a checking account at a local bank, as some businesses may not accept out-of-state checks for phone or cable bills. This will also make it easy for you to transfer money or access an ATM. It is also a good idea to find out what ATM branch is available on campus. Often times you will be charged a fee if you use an ATM that is not affiliated with your bank. Those ATM fees can really add up!

ATMs are easy access and allow you to balance your budget and spend only the funds available to you. Good budgeting takes practice. Tracking all of your earnings and expenses is the only way to manage a budget.

You will be dealing with financial issues throughout your college career. Now is a good time to begin to develop some skills. Consider, for example, how you'll budget your bi-weekly paycheck from a work-study job.

Federal Work-Study Paycheck Example

- You're offered a total of **\$2,000** in work-study funds.
- You find a job which pays **\$8.00** per hour.
- This leaves you with **250** eligible work-study hours.
- By working **eight hours** per week, you'll take home **\$128.00** bi-weekly. *(Fortunately, you aren't taxed on work-study funds. So, you can learn the difference between gross and net pay another time!)*
- **How will you spend your \$128.00?**

Center for College Planning at the NHHEAF Network Organizations

The Center for College Planning at the **NHHEAF Network Organizations** is dedicated to providing students and families with valuable information about the college planning process--from savings options and college admissions requirements, to applying for financial aid and scholarships. We serve all student populations: traditional, continuing education, graduate and adult learner. We offer college planning materials and coordinate speakers for schools, businesses and community organizations free of charge. We provide dynamic small group workshops in our Concord, New Hampshire office. We also provide a toll free college planning hotline and comprehensive Web site. Our goal is to promote higher education as the means to achieving personal, career and life goals.

The NHHEAF Network Organizations

The NHHEAF Network Organizations are comprised of four independent nonprofit organizations dedicated to streamlining the student loan process:

New Hampshire Higher Education Assistance Foundation (NHHEAF) guarantees, originates and disburses your loan.

New Hampshire Higher Education Loan Corporation (NHHELCO) funds your loan.

Granite State Management & Resources (GSM&R) services your loan.

NHHEAF Network Educational Foundation (NNEF) administers charitable giving.



The NHHEAF Network Organizations
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This product has been granted the Seal of Approval from the National Association for College Admission Counseling.

Miscellaneous Expenses and Book Costs

When students arrive on campus, they soon discover the need for additional money to pay for books and miscellaneous expenses. Typically, these costs are due prior to the student loan becoming available. Furthermore, students have yet to begin work-study or an off-campus job. For these reasons, it is critical for students to save a portion of their summer earnings for these immediate expenses. These may include cable, internet or phone set-up charges and parking passes. Begin depositing 20% of your weekly paycheck this summer for college expenses. This will make paying for college expenses much easier when the time comes. Once you begin to think about your summer job as a means to help you pay for college-related expenses, you will soon appreciate the importance of saving. For information about how saving for college impacts financial aid, call the Center for College Planning and speak with a college counselor or visit: www.finaid.com/savings.

While various specialty programs may have more costs, many experts agree that you should expect to spend about \$1,000 for books and supplies for the academic year. Students can save money buying used books at local book exchanges or buying used books on web sites such as, amazon.com, half.com, or efollett.com. After the semester is over, students are often able to sell their books and earn some cash back. Students can sell their books online, at the campus bookstore or maybe even to friends on campus. You may also want to check out chegg.com - a company that specializes in renting textbooks. Make sure to read the terms and conditions as you can't write in the textbook but can highlight "moderately".



Some tips towards becoming credit-smart include:

- Request a lower limit to curb spending
- Understand the credit card fees (finance charges, late payments, annual fees)
- Use credit only if you are sure you can repay it in a timely manner
- Pay bills promptly to keep charges at a minimum
- Avoid impulse shopping
- Look at the alternatives to credit cards (debit cards, pre-paid store cards, etc.)

Credit Cards and College Students

Credit cards have become must-haves in the eyes of many college students. More students have credit cards than ever before. A recent NHHEAF survey found that eighty-three percent of New Hampshire college students have open credit cards. However, most students do not understand the terms of credit cards they carry. What's more, students are going into serious debt on their credit cards... (usually buying stuff they wanted not that they needed!) The same study found that the average college senior had \$3,388 in credit card debt. This is staggering considering that most students do not have full-time jobs or the capacity to make even the minimum monthly payments! Easy access to funds to buy what you want when you want can be a huge temptation. But take it from many students who didn't use credit wisely, "when you're a student, live like a student so that when you graduate you won't have to..."

President Obama has recently signed the **Credit Card Accountability, Responsibility, and Disclosure (CARD)**

Act of 2009. This law takes effect in February 2010 and will significantly change credit card availability for those under the age of 21 in an effort to protect students from getting into debt by either requiring a \$500 credit limit or a limit that is 20% of your annual income. A co-signer may be required. There are some advantages to having a credit card. However, it is in the student's best interest to use credit wisely and with a better understanding of the terms. Credit cards can be a helpful resource in case of emergencies. Remember though, that ordering a late night pizza (or worse, a spring break vacation) is not considered an emergency. Emergency situations may include car trouble, doctor's visits or prescriptions. Making on-time payments and paying off card balances will generate good credit, which is very important. Your time in college is a great opportunity to build a good credit history. Upon graduation, you may want to purchase a car or a home. Many times, employers will review credit reports in the hiring process. So, clearly, building good credit is very valuable. In previous years, companies targeted college students by offering free t-shirts, book bags, and water bottles as they set up tables around campus. The CARD Act of 2009 prohibits this activity.

It is important to remember credit cards are not free money; they are actually high interest loans. And if not used responsibly, the consequences can be long-lasting - years beyond college graduation. Adverse credit ratings stick with you for seven years. To help you better understand credit card usage, visit The New Hampshire Jump\$tart Coalition at www.nhjumpstart.org. NH Jump\$tart is dedicated to improving the financial literacy of New Hampshire's youth.

Campus Spotlight

Did You Know?

NHTI Offers Travel Abroad



New Hampshire Technical Institute is now offering more educational travel opportunities for students, faculty, staff, and the community. These opportunities include both domestic and international trips. NHTI educational tours not only offer extensive sightseeing, but also provide an opportunity to truly immerse oneself in the culture or environment of a unique destination by participating in an enriched educational experience on location. The beauty of this educational travel experience for the student is that it does not require a full semester abroad like most traditional college programs. A journal and final paper are required. Class meetings and assigned readings may also be necessary in order to meet credit requirements. Currently, trips to Costa Rica, China, Italy and France are available. For more information about studying abroad visit www.nhti.edu.

News Around the Nation

Recession Forces Tough Choices

A recent [survey](#) of households in all fifty states found that 70% of prospective college students have been forced to change their plans for the coming term due to the current economic recession. Among the changes, 53% will consider a less expensive college and almost half of those surveyed planned to work as freshmen. Many students choose a college closer to home to save on travel costs. The survey also found that 24% of those who considered a private college are considering a public institution to save money.

Joe College Blog

This month at **Ask Joe College**, Rich gives tips to soon-to-be freshmen about the most productive way to spend their summer in order to get ready for college in the fall! Don't miss this one; some of the advice is crucial to a successful start of your first semester. Also, don't forget to check out **Life with Lauryn** for Lauryn's last blog as her internship with NHHEAF's Center for College Planning comes to an end.



Don't forget to **Friend NHHEAF on Facebook** and **follow us on Twitter**.



Upcoming:

July - We will discuss ways students can prepare for dorm life

Your next college planning e-mail will be sent in July. Meanwhile, good luck with your summer employment search. Try to relate your summer job to your college major or a potential career, and perform job shadows to learn more about these professions.

The NHHEAF Network Organizations are comprised of four 501(c)(3) nonprofit organizations that provide students and families with the resources and funding to pursue higher education aspirations. Funds generated by the Organizations make their charitable mission possible as student loan earnings are reinvested in programs and services that benefit citizens of New Hampshire. For more information, visit www.nhheaf.org.