



THE DEAN'S LIST

Center for College Planning

June 2008

Your guide to college planning

Money Management & Budgeting

Hello Graduates!

It's time to turn the page and begin a new chapter in your journey. In a couple of months you will be headed off to the college campus you have chosen, where you'll grow academically, socially and personally. Congratulations on taking this next step! Among the many challenges you will face is money management and budgeting. What better time to learn good budgeting habits and money saving techniques than while you are in college? In this issue, we will discuss a few challenges that college students face.

Prior to Graduation...

- Be sure to thank anyone who wrote letters of recommendation for you
- Update them on your college selection
- Request a copy of your high school transcript for your personal records

The Importance of Budgeting

Setting a budget for yourself will help ease the financial stress. It will allow you to take control of your money rather than letting it take control of you. Learn to live within your means. It doesn't work if your budget is unrealistic for your lifestyle or neglects expenses that you actually 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!

ATM's are easy access and allow you to balance your budget and work with only the funds you have available to you. Good budgeting takes practice. Tracking all of your earnings and expenses is the only way to manage a budget. Check out this month's Ask Joe for helpful tips about budgeting.

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.

Federal Work-Study Example

\$1,500 offered at \$7 per hour = 214 eligible work-study hours

Seven and a half hours per week worked = \$107 biweekly paycheck from the Bursar's Office

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 come due prior to student loans 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 or visit: <http://www.finaid.com/savings/>

While various specialty programs may have more expensive costs, most colleges estimate 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 websites such as www.amazon.com or www.foollett.com. After the semester is over, students are often times able to sell their books and earn some cash back. Students are able to sell their books online, at the campus bookstore or maybe even to friends on campus.



There is no better time to begin good habits of money management than in high school. You will be dealing with financial issues in college and for the rest of your life, so now's a good time to begin to develop some skills. While budgeting your weekly paycheck may not be on your agenda right now, it soon will be.

Some tips towards becoming credit smart include:

- 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 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 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.

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 Network Organizations' study showed that eighty-three percent of the college students polled have open credit cards. However, most students do not understand the terms of credit cards they carry. What's more, students are going into debt on their credit cards. 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..."

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.

If you have yet to apply for a credit card, you will have ample opportunities during the first few months at college. Companies target college students by offering free t-shirts, book bags, and water bottles as they set up tables around campus. Remember that these 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. They are dedicated to improving the financial literacy in today's youth throughout the state. Some tips towards becoming credit smart include:

- 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
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Campus Spotlight

Did You Know?

It's Never too Early to Learn about Dollars and Sense!

During the first week in June, a group of Deerfield Community eighth-graders traveled to Southern New Hampshire University (SNHU) to utilize the University's Financial Studies trading room. The trading room contains a room full of computers, with a live electronic stock ticker and two electronic data boards with streaming market data and news headlines. Kris Bristol, Associate Director of SNHU's Center for Financial Studies, gave an hour long presentation on diversification and portfolio management. The students were then given an imaginary \$100,000 and told to invest it in a portfolio of ten stocks. Because the stock portfolios were created online, students will have the ability to continue monitoring them from school or home. The center also has set up online financial literacy training for high school students. The center came online in 2002 and has seen over 24,000 users.



News Around the Nation

Space on College Campuses Still Available for Students

Despite headlines about the growing competitiveness among the nation's colleges and universities, at least 295 colleges and universities still have space available for qualified students in their Fall 2008 freshman and/or transfer classes, according to the results of the National Association for College Admission Counseling's (NACAC) annual Space Availability Survey: Openings for Qualified Students. The survey queries NACAC member four-year colleges and universities on the availability of space, institutional financial aid and housing as of May 1, 2008. Survey results are available at: <http://www.nacacnet.org/MemberPortal/spaceavailabilityresults.htm>.

Dear Joe College,

I've always been more of a spender than a saver. I have managed to save up some money for college expenses but I am worried that I won't be able to manage it well once I get on campus. Can you offer me any tips?

Spendin' Steve

I'm glad you asked, you don't want to find yourself munching stale potato chips in your dorm room or scanning the sidewalks for dropped change in the last two months of the semester. I've got Ten Money Management Tips for ya.....



- 1 **Track It** - Track your spending for a few weeks, see where it's going. Do you really need to hit Starbucks four times a week?
- 2 **Get a Plan** - Map out a budget. The best way to manage your money over the course of the semester is to sit down and make a plan.

- 3 **Make Room for Good Time Money** - If you know you NEED to buy a new cd or go to a concert or party every weekend, make room in your budget for it.
- 4 **Pace Yourself** - If you spend, spend, spend at the beginning of the semester, you could find yourself flat broke later. Give yourself a spending limit each week and stick to it.
- 5 **Go Easy with the Credit Cards** - Use credit cards sparingly. Once you get in the habit of reaching for your Visa card, it can be hard to stop. Just because you have a credit card with a \$2000 limit doesn't mean you can afford to pay it back.
- 6 **Get Real** - You're going to have to make some choices. You can't always do everything you want. Be realistic about your finances.
- 7 **Stuff Happens** - If you bust your budget this week, make up for it next week.
- 8 **Get in Touch with Your Roomie** - Contact your roommate before the semester starts and divvy up expenses. Chat about who will bring the microwave and who will bring the mini-fridge.
- 9 **Look Ahead** - Whether it's a road trip with friends or an auto insurance bill, if you know a big expense is coming, start putting money aside to pay for it.
- 10 **Ask for Help When You Need It** - Ask for Help when You Need It- It's very difficult to say "I'm in trouble and I need money". Gather up your courage and phone home. The longer you put it off the worse it gets.

Good Luck to You!

Joe

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.