40 MONEY MANAGEMENT TIPS

EVERY COLLEGE STUDENT SHOULD KNOW

NATIONAL ENDOWMENT FOR FINANCIAL EDUCATION

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The National Endowment for Financial Education® (NEFE®) is an independent, nonprofit foundation committed to educating Americans on a broad range of financial topics and inspiring empowered financial decision making for individuals and families through every stage of life. For more than 30 years, NEFE has been providing funding, logistical support and personal finance expertise to develop a variety of materials and programs. Additionally NEFE funds research and awards research-based development grants that advance innovative thinking and contribute to our understanding of financial behavior. Learn more at *www.nefe.org*.

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40 MONEY MANAGEMENT TIPS

EVERY COLLEGE STUDENT SHOULD KNOW

NO NEED TO SCROLL, CLICK WHERE YOUR HEART DESIRES

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START HERE

WHETHER YOU'RE ATTENDING A TRADITIONAL FOUR-YEAR INSTITUTION, COMMUNITY COLLEGE OR SPECIALIZED TRADE SCHOOL, YOU'RE GOING TO ENCOUNTER A WHOLE NEW SET OF EXPERIENCES — SOME OF THEM FUN, SOME OF THEM CHALLENGING.

LIKE MANY STUDENTS BEFORE YOU, YOU'LL LEARN ABOUT MANAGING YOUR MONEY FROM TALKING TO YOUR FRIENDS AND FAMILY ABOUT THEIR EXPERIENCES, TRYING THINGS OUT AND LEARNING FROM THEM — WHETHER THEY WORK OR NOT — AND GETTING TO KNOW WHO YOU ARE AND WHAT YOU LIKE TO (AND TEND TO) DO WITH YOUR MONEY.

THIS BOOKLET IS A COLLECTION OF 40 MONEY MANAGEMENT TIPS EVERY YOUNG ADULT NEEDS TO KNOW BEFORE HEADING OUT INTO THE REAL WORLD.

National Endowment for Financial Education® (NEFE®)

TALK TO YOUR PARENTS OR GUARDIANS

TIP 1

THINGS ARE MOST LIKELY GOING TO CHANGE ONCE YOU START SCHOOL. BEFORE YOU HEAD OUT ON YOUR OWN, MAKE SURE YOU'RE ON THE SAME PAGE AS YOUR PARENTS OR GUARDIANS.

KNOW HOW FAR THEY'LL EXTEND THEIR SUPPORT.

- How much of your education are you expected to pay for?
- If they are assisting you, how much will they contribute and for how long?
- Will they be helping you out with living costs, too (e.g., assisting with trips home or covering your phone bill)?

TALK ABOUT THEIR EXPECTATIONS WHILE YOU'RE AT SCHOOL.

- Do they want you to get a job?
- Do they expect you to maintain a certain GPA or graduate on time?
- Do they require access to your bank account or student charge?

REVIEW THE COSTS OF GOING TO YOUR SPECIFIC SCHOOL.

- Discuss education expenses like tuition, books, your dorm and meal plan.
- Review extras like insurance, gas and other living costs.

FINAL NOTE:
Remember, having you in college is an adjustment for them, too. If your parents are helping you out, make sure they have the information they need to pay bills on time, keep their own records and file their income taxes.

CONSIDER COST WHEN CHOOSING A SCHOOL

TIP 2

DYING FOR A CHANGE OF SCENERY? HOPING FOR A BIG SCHOOL WITH PLENTY OF PEOPLE? IT'S IMPORTANT TO REMEMBER THAT DIFFERENT SCHOOLS HAVE DRASTICALLY DIFFERENT COSTS ASSOCIATED WITH THEM.

If you're still weighing your options, here are some things to consider:

- **In state or out of state?**
- **Public or private?**
- **Two-year or four-year?**
- **Driving or flying distance?**
- **Expensive or affordable city?**
- **Availability of public transportation and student housing?**

There's no saying you can't get creative with your school choices, too. For example, you might find it would save you in the long run to complete your general education classes at a community college, where credit hours are cheaper. Then you could transfer to a pricier university to complete the specialized coursework for your major.

BOTTOM LINE:
Try not to pick a school just because you love its city or sports team. Put some thought into the costs, and make an informed decision—you'll thank yourself later!

KNOW THE STORY BEHIND YOUR FINANCIAL NEED

TIP 3

ONCE YOU COMMIT TO YOUR SCHOOL OF CHOICE, IT'S TIME TO FIGURE OUT HOW YOU'LL PAY FOR IT. THAT PUTS YOU IN THE SAME BOAT AS A LOT OF THE STUDENT BODY—IN SEARCH OF FINANCIAL AID.

YOU PROBABLY THINK YOUR NEED FOR AID IS PRETTY OBVIOUS—YOU COULD USE ALL THE HELP YOU CAN GET. BUT IT'S ACTUALLY A DEFINED NUMBER THAT'S UNIQUE TO YOU, BASED ON YOUR SCHOOL AND YOUR FINANCIAL SITUATION.

HERE'S HOW IT'S CALCULATED:

Cost of Attendance – Expected Family Contribution
= Financial Need

COST OF ATTENDANCE (COA)
Each school has its own tally of the annual educational costs you and your family will incur if you attend. It includes:

- Costs you pay directly to the school for items such as tuition and fees, room and board, and books and supplies.
- General expenses such as transportation and miscellaneous personal expenses.

EXPECTED FAMILY CONTRIBUTION (EFC)
This is an estimate of the amount of resources your family has available to meet your entire COA, and it's generally consistent from school to school.

This number is calculated using a series of questions on the *Free Application for Federal Student Aid (FAFSA)*.

FINANCIAL NEED
Whatever's left of your COA after your EFC has been applied is your financial need. Keep in mind that your financial need will differ from one school to the next because each school's COA differs.

FINAL WORD:
Although your financial need represents the total amount of aid you can receive, other variables—such as the amount of funding the school has and the types of financial aid you're willing to consider—affect whether you'll reach that maximum.

COMPLETE THE FAFSA (EARLY AND OFTEN)

TIP 4

WANT FINANCIAL AID? YOU'LL HAVE TO APPLY FOR IT—AND THAT STARTS WITH THE FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA). THIS IS THE FORM THE GOVERNMENT USES TO CALCULATE THE MAXIMUM AMOUNT OF NEED-BASED FEDERAL FINANCIAL AID YOU QUALIFY FOR.

WHEN SHOULD I FILL IT OUT?
The FAFSA is available in early January each year and should be filled out ASAP. Different financial aid programs have different deadlines, often as early as February or March.

WHAT WILL I NEED?

- Personal information such as your name, address and marital status
- W-2 forms and other tax documents to show money earned the previous year
- Any parent or guardian information required
- The names of the schools you're considering

WHAT DO I DO NEXT?
1. Look out for your Student Aid Report (SAR), a summary of FAFSA data you submitted. Check for any mistakes and correct them on your FAFSA online or on paper.

2. Know you might be asked to verify information. Some schools select students at random and some schools verify all students' FAFSAs. All you need to do is provide the documentation the school asks for by the requested deadline.

3. Wait to hear from your college or university. Once you've been accepted, your school will calculate your aid and send you an aid offer. Your aid offer can contain everything from scholarships and grants to work-study opportunities and loans.

FINAL WORD:
Before you accept anything, it's important to fully understand where the money is coming from, what's required of you to remain eligible and whether (and when) you'll have to start paying it back.

GET THE LOWDOWN ON STUDENT LOANS

TIP 5

YOU DON'T HAVE TO BE SCARED TO TAKE OUT STUDENT LOANS, YOU JUST HAVE TO FULLY UNDERSTAND HOW THEY WORK. HERE ARE SOME IMPORTANT ASPECTS TO BE AWARE OF BEFORE YOU SIGN ON FOR THE LONG HAUL:

STUDENT LOANS ACCRUE INTEREST
As with any loan, you're not just borrowing a certain amount of money; you're borrowing a certain amount of money plus interest, which compounds over time. Federal loans have a low, fixed interest rate—but it still adds up.

DIFFERENT LOANS HAVE DIFFERENT TERMS
There are several types of loans under the *Federal Direct Student Loan Program*, and they vary according to their terms.

For example, **direct subsidized loans** are need-based loans for which the government pays your interest while you're in school. **Direct unsubsidized loans** are non-need-based loans, and you're responsible for the interest from the outset.

PRIVATE LOANS ARE DIFFERENT THAN FEDERAL

- Private lending institutions such as banks and credit unions offer credit-based student loans that don't have the same benefits as federal student loans.
- They usually have variable interest rates that can rise and fall every month, often without a maximum limit.
- They carry different loan terms, repayment schedules, fees and penalties.
- They might require you to get a co-signer for credit approval.

BOTTOM LINE:
Use student loans as a last resort, after any available grants, scholarships and work opportunities; and use private loans only after you have exceeded your maximum awarded federal aid.

KNOW YOUR REPAYMENT OPTIONS

TIP 6

ONCE YOU GRADUATE COLLEGE, YOU'LL LIKELY HAVE SIX MONTHS BEFORE YOU NEED TO START CHIPPING AWAY AT THE MONEY YOU BORROWED—PLUS INTEREST.

MANAGING PAYMENTS

How much can you realistically afford to pay off each month? The answer lies with your debt-to-income ratio. Experts recommend that your educational loan payment represent no more than 10 to 15 percent of your income. Exceed that amount, and you might have trouble keeping up.

TYPES OF REPAYMENT PLANS

Not all repayment plans are considered equal. While **standard** and **extended** repayment plans require that you pay a fixed rate over time (10 or 25 years respectively), other repayment plans aren't as rigid. For example:

- On a **graduated plan**, your payments start low and then increase every two years or so.
- On an **income-based repayment plan**, your monthly payments are capped at an amount deemed affordable for your situation.

CONSEQUENCES OF NOT PAYING

If you miss a student loan payment, your loan becomes delinquent and you may incur late fees. If you fail to pay for 270 days, your loan goes into default, which has more serious consequences.

TEMPORARY DELAYS

Under some circumstances, you can apply to have your payments temporarily postponed due to illness, unemployment or military service. A deferment is a period of time where you can delay the payment of the principal and interest of your loan. If you don't qualify for deferment you may be eligible for forbearance, which will reduce or delay your payments but interest will continue to accrue on your loan.

LOAN FORGIVENESS

If you work in a certain field, part or all of your student loans could be forgiven. This includes professions such as teaching, public service, military, firefighting, law, medicine and working with certain government agencies.

FINAL WORD:

If you're having trouble paying off your loans, tell your loan provider. There are things the company can do to help you out, such as change your repayment plan or terms.

DISCOVER TYPES OF FREE MONEY

TIP 7

THERE ARE A FEW FREE GIFTS IN THE HIGHER EDUCATION ARENA, AND THEY COME IN THE FORM OF GRANTS AND SCHOLARSHIPS. WHO'S GIVING YOU THIS FREE MONEY? EVERYONE FROM THE FEDERAL AND STATE GOVERNMENT AND YOUR SCHOOL, TO PRIVATE COMPANIES AND NONPROFIT ORGANIZATIONS.

GRANTS

These generally are awarded based on your financial need, but sometimes on your academic performance or area of study. Examples include:

- **Federal Pell Grants** and **Supplemental Education Opportunity Grants (FSEOG)** for students with the highest need.
- **Teacher Education Assistance for College and Higher Education (TEACH)** grants for students who commit to teach in schools that serve low-income families.

Just like every other form of financial aid, grants have stipulations on them so be aware of what you need to do to maintain the grant. For example, if you take a TEACH grant and don't finish your program or required service after graduation, your grant switches to a loan.

SCHOLARSHIPS

These sometimes are awarded based on need, but most often are given in recognition of your achievements or special characteristics. For example, if you:

- Are a good student or a star athlete
- Rocked your ACT or SAT
- Attend a certain church or live in a community with a Rotary Club
- Have a parent or guardian who is a veteran or works for a particular company

BOTTOM LINE:

Make sure you are aware of all of your options when it comes to paying for school. There are countless ways to make money stretch, so get creative.

APPLY FOR FREE MONEY

TIP 8

MAKE IT EASY ON YOURSELF WHEN IT COMES TO LOOKING FOR FREE MONEY. WHETHER YOU ARE SEARCHING ONLINE OR IN YOUR COMMUNITY FOR A LITTLE EXTRA AID, SEARCH SMART.

SEARCH ONLINE

There are thousands of scholarships out there, and plenty of places to look. Start with these websites:

- *www.bigfuture.collegeboard.org/scholarship-search*
- *www.finaid.org/scholarships*
- *www.fastweb.com*

APPLY RIGHT

Once you're ready to apply for a scholarship, here are a few tips:

- **Know what's required.** Beyond the FAFSA, you might have to fill out another assessment such as the *CSS profile*.
- **Meet application deadlines.** If you have trouble remembering, set an alarm on your phone to remind you.
- **Apply for as many as possible**. Scholarships come in all shapes and sizes, from full rides that cover every penny to small awards that'll pay for a book or two.
- **Know the terms.** Do you have to maintain a certain GPA or level of participation to keep the money coming?
- **Talk to the financial aid office.** Winning one or more scholarships can affect your financial aid package.

FINAL WORD: BEWARE OF SCAMS.

Legitimate scholarships never charge fees, guarantee amounts or hide their application information from anyone. And often they rely on students to come to them—not the other way around.

If a company seeks you out with offers of awarded money (this often happens via email), be cautious.

- Look for valid contact information.
- Google the company name and the word "scam" to see if others have been victimized.
- Don't give out your credit card, bank account or Social Security number, even if they say you need it to hold your scholarship.
- If you're unsure, contact your financial aid office for help.

EARN YOUR AID

TIP 9

THERE ARE MANY WAYS TO EARN FURTHER AID, INCLUDING WORK-STUDY AND SERVING IN THE UNITED STATES MILITARY.

FEDERAL WORK-STUDY

With this need-based financial aid program, you can earn money for your education through a job set up by your school (if it participates in the program).

Your FAFSA is used to determine how many hours you can work, and your student status and work-study assignment determine how you'll be paid (hourly versus salary). You're guaranteed at least minimum wage, and you can have your wages paid to you or to the school.

RESERVE OFFICER TRAINING CORPS (ROTC)

If serving in the military after college appeals to you, check out the availability of ROTC on your campus. ROTC scholarships are awarded by every branch of the military and cover tuition and other education expenses, plus provide a small living allowance.

In return for the aid, you must agree to join the military as an officer on active duty, in the reserves, or in the National Guard for a set number of years after graduation. Learn more at *www.todaysmilitary.com*.

GI BILL

If you've already served and are heading to school, check out your benefits under the GI Bill, a program that has been helping military veterans pay for school for more than 70 years. Learn more at: *www.benefits.va.gov/gibill.*

FINAL WORD:

Whether you're signing on for a part-time work-study job or an even bigger service role, carefully consider how it will impact your role as a student and your life after graduation.

EVALUATE YOUR AID OPTIONS

TIP 10

WITH SO MANY DIFFERENT EXPENSES AND SOURCES OF FUNDING, IT CAN BE DIFFICULT TO FIGURE OUT EXACTLY HOW MUCH A YEAR OF SCHOOL WILL COST YOU (AND HOW YOU SHOULD COMBINE YOUR AID TO PAY FOR IT).

1. Start by listing out all the costs of attendance. You can get a rough estimate from your school, but it can be helpful to define all the specifics of your particular situation:

- Tuition and fees
- Housing and meals
- Books and supplies
- Transportation and other miscellaneous education costs

2. Subtract any gift aid you've been awarded in the form of grants and scholarships. This will leave you with your net cost.

3. Determine how you'll cover your net cost:

- Earned aid (work-study or military benefits)
- Any family contribution
- Loans (federal or private)

4. Before accepting any form of financial aid:

- Find out what's required of you for that financial aid option (e.g., maintaining a certain GPA, reapplying or renewing every year).
- Know the terms of the financial aid (e.g., interest rates for borrowing, repayment schedule).
- Take out only what you need and use it only for school expenses.

FINAL WORD:
Once you accept financial aid, know what you need to do to keep it coming. This includes:

- **Reapplying every year.** Even if nothing has changed in your circumstances, you must reapply every year to continue receiving financial aid.
- **Maintaining academic progress.** You also must show you're successfully progressing toward your college goals.

KNOW WHAT TO DO IF SOMETHING CHANGES

TIP 11

LIFE CAN CHANGE A LOT WHILE YOU'RE IN SCHOOL—AND SO CAN YOUR FAMILY'S FINANCIAL SITUATION. YOU OR YOUR PARENT OR GUARDIAN MIGHT HAVE HOURS REDUCED AT WORK, OR LOSE A JOB COMPLETELY. WHEN THINGS LIKE THAT HAPPEN, YOU MIGHT BE ELIGIBLE FOR MORE FINANCIAL AID.

TAKING ACTION
When a life-changing event occurs, call or write your school's financial aid office. Typically, they'll ask you to file a financial aid appeal, a request to have your aid reconsidered due to a change in your financial situation.

HOW TO FILE A FINANCIAL APPEAL

1. Gather any relevant documentation they'll need as proof (and be sure to make copies before submitting it).
2. Write a letter or anything else they require for explanation.
3. Ask the financial aid office when you can expect a response to the appeal.
4. Keep track of whom you talked to and when.

TIPS FOR COMMUNICATING WITH THE FINANCIAL AID OFFICE
Aid offices are responsible for just about every aspect of aid, from calculating financial need to processing loans and monitoring students' eligibility. They are busy places, so it's a good idea to know how to communicate with them.

- Make an in-person visit if your circumstances are complex or if you haven't gotten through or heard back.
- Know that all written communication, including email, is on record.
- Always request confirmation that they received your message.
- Always respond in writing when original documentation is required.
- Keep a record of all communications with the aid office in case of errors or questions in the future.

BOTTOM LINE:
Do what you can to stay in school and seek more financial aid, and rely on people to help you.

START WITH THE BASICS

TIP 12

IT'S IMPORTANT TO LEARN THE BASICS OF MONEY MANAGEMENT BEFORE YOU ENCOUNTER THE BIGGER FINANCIAL DECISIONS IN YOUR FUTURE.

If your school doesn't offer a Money 101 course, that doesn't mean you're going to be a financial failure. There are plenty of other places you can go to get a good foundation, and one of them is *CashCourse*®.

WHAT'S CASHCOURSE?
A free online resource specially designed for college students, where you can:
Read articles and watch videos on everything from spending and saving to credit and debt.

Get answers to your specific financial questions, such as:

- Is it possible to over-borrow?
- Should I choose a fixed or a variable rate on a personal loan?
- How can I finance grad school if I'm still paying regular student loans?

Translate confusing financial jargon. Use a glossary to learn confusing terms like APR (annual percentage rate) and YTD (year-to-date).

Run the numbers with interactive financial calculators.

- How long will it take to pay off my credit card?
- Should I live on or off campus?
- What would my loan payments be?

Make sure you've covered your bases with comprehensive checklists for moving, saving—even adopting a pet.

Create a monthly budget, adding entries for your specific expenses and saving them online.

Find stories from other college students about how they've managed their money in college.

FINAL WORD:
CashCourse doesn't have any ads, agenda or bias. It's a NEFE-produced guide available at *www.cashcourse.org*.

PUT YOUR MONEY IN THE BANK

TIP 13

WHETHER YOU'VE CARRIED CASH ALL YOUR LIFE OR HAD A CHECKING ACCOUNT SINCE YOU BECAME A TEEN, YOU'LL WANT TO FIND A BANKING SOLUTION THAT WILL WORK FOR YOU WHILE YOU'RE IN COLLEGE.

HERE'S WHY:
1. It's a lot safer than leaving money in your dorm room or apartment. When your money is in a bank, it's protected by vaults and security guards and is federally insured.

2. It allows you easy access to your money. You can:

- Purchase things with a debit card.
- Withdraw cash at any time from the ATM.
- Pay bills — such as car insurance, rent and credit card payments — that can't be paid with cash.

3. It might help you grow your money. Many banks offer interest-earning accounts such as money market and saving accounts.

WHEN CHOOSING A BANK OR CREDIT UNION:
Ask about accounts and services.

- Does it offer a student or basic checking account with low or no monthly fees?
- Can you get overdraft protection, so you don't get dinged for withdrawing too much?
- Does it offer online banking, mobile deposits, text alerts and 24-hour customer service?
- Can you set up automatic transfers or bill-pay services?

And don't forget about fees. Will it charge penalties for:

- Monthly account use?
- Falling below a minimum balance?
- Using an ATM not owned by the bank?
- Having insufficient funds?

FINAL NOTE:
Consider your lifestyle and needs. Think about factors such as the bank's location and services and what you want to be able to do with your money. You might even consider an online-only bank (just keep in mind you'll be giving up any face-to-face communication).

USE YOUR

CHECKING ACCOUNT RESPONSIBLY

TIP 14

MONEY IN THE BANK CAN BE A LITTLE EASIER TO LOSE TRACK OF THAN CASH IN YOUR POCKET. THAT'S BECAUSE YOU NEVER REALLY SEE IT UNTIL IT APPEARS AS A NUMBER ON A RECEIPT OR AN ENTRY ON YOUR STATEMENT.

TO ENSURE YOU DON'T RUN INTO ISSUES, KNOW THE INS AND OUTS OF YOUR CHECKING ACCOUNT AND TAKE ADVANTAGE OF SERVICES THAT MAKE IT EASIER FOR YOU TO TRACK YOUR MONEY.

KNOW HOW THINGS WORK

Find out when your bank processes transactions. If you make a purchase on the weekend, will it show up as a pending charge until the bank opens on Monday?

Be aware of holds on your account. In some cases — like with a deposit on a hotel room — you might have a hold on your account. This means you can't access those funds until they are realeased.

SET UP SAFEGUARDS

Make things automatic. Set up direct deposit for your financial aid and paychecks and auto bill pay for all your routine services (so you don't forget pay them).

Take advantage of notifications. Many banks will email or text you if your account balance is low or something's changed on your account.

Password-protect everything. Set up different passwords for your online bank account, email address (where you'll receive any statements or notifications from your bank), smartphone and mobile banking apps.

PAY ATTENTION

Monitor your spending. Review your online transactions and be mindful of your account balance at all times (you don't want to spend money you don't have).

Balance your account each month. Verify each transaction on your statement and review your spending line by line. You want to make sure you didn't get double-charged somewhere and that your account hasn't been compromised.

Look out for fraud.

- Regularly verify your account and billing data to make sure it hasn't changed.
- Watch for unauthorized transactions, especially during periods of heavy debit card use (e.g., the beginning of the school year and the holidays).
- Report any suspicious activity to the bank ASAP, so it can start helping you resolve the situation.

FINAL WORD:

- Remember to keep your debit card safe, too.
- Leave it at home if you're prone to losing things or having things fall out of your pocket.
- No matter how close you are to your friends or roommates, avoid lending your cards to anyone.
- Leave your cards out of plain sight, even in your room. You can never be too careful about protecting your money.
- Use cash while you're out, so you can avoid having to put down your card to open a tab.

GET ORGANIZED

TIP 15

WHETHER REAL OR VIRTUAL, YOU'LL NEED A PLACE TO STORE IMPORTANT RECORDS, BILLS AND DOCUMENTS, SO YOU KNOW WHERE TO FIND THEM WHEN YOU NEED THEM.

FIND THE RIGHT STORAGE SOLUTION FOR YOU

Physical: For basic bills and documents, look into a simple accordion file or a small filing cabinet. Make separate folders for documents from your school, bank and service providers. As you put things away, add reminders of any deadlines and due dates to your phone.

Electronic: If you know you'll be more organized with virtual files, look into setting up a system on your computer or on cloud storage. Save electronic files to specific folders, and scan or take pictures of paper documents and upload them. Just be sure to back up your files on an external hard drive so you don't lose them if your computer dies.

KNOW WHAT TO SAVE

It's OK to throw away receipts from everyday purchases once they are visible on your bank statement. But for bigger items, such as your student loans, you'll want to know what you need to hold onto.

School-Related:

- Pending applications
- Signed contracts
- Financial aid offers and agreements
- Records of your courses, grades and credits

Income-related:

- Pay stubs
- Tax returns and W-2s

Account and service agreements:

- Statements for your checking, saving and investment accounts
- Credit card and loan agreements
- Contracts and bills for your phone, cable and Internet

Records of coverage:

- Insurance policies (e.g., car, renters', health)
- Car title and registration
- Receipts and warranties for big purchases

BOTTOM LINE:

When in doubt, save it—or at least make a copy.

WATCH OUT FOR IDENTITY FRAUD

TIP 16

THINK YOU'D KNOW IF YOU'VE BEEN THE VICTIM OF IDENTITY FRAUD? A NEW STUDY SAYS MANY STUDENTS DON'T. OUT OF ALL AMERICANS, STUDENTS ARE THE LEAST LIKELY TO DETECT WHEN IDENTITY FRAUD HAS HAPPENED TO THEM (INSTEAD, A DEBT COLLECTOR OR LENDER HAS TO BREAK THE NEWS).

WHAT IS IDENTITY FRAUD?

Identity fraud is when someone uses your personal information to make purchases, withdraw cash, set up accounts and services, and secure loans in your name without your approval.

HOW DO THEY GET YOUR PERSONAL INFORMATION?

- Sift through your trash for discarded papers.
- Look over your shoulder at the ATM to capture your PIN.
- Skim your credit card during transactions with a special storage device.
- Use malware, malicious software that affects your computer.
- Contact you with a scheme, such as:
  - Pretending to be a representative from your bank or the IRS
  - Emailing you with a fake donation request or emergency
  - Asking for a fee in advance of granting you a scholarship or loan

FINAL WORD:

As a college student, you're going to have offers and promotions coming at you. If it sounds too good to be true — it probably is. And if you need help determining whether something's legit, show it to your advisor or another trusted person on your campus.

PROTECT YOURSELF FROM IDENTITY FRAUD

TIP 17

NOW THAT YOU KNOW A BIT MORE ABOUT IDENTITY FRAUD, IT'S KEY THAT YOU LEARN HOW TO PROTECT YOURSELF FROM SCAMS COMING YOUR WAY.

HOW CAN YOU PREVENT IT?

Shred everything with your name, address, credit card numbers and bank account on it before you throw it away. This includes credit card offers you get in the mail.

- Opt out of pre-approval offers.
- Sign up for paperless billing.

Guard the big stuff. Leave your birth certificate, Social Security card and passport at home, unless you really need it. And limit who you share any of those numbers with.

Avoid oversharing on social networks.

- Leave your full name, address and birth date out of your profiles.
- Ignore friend requests from people you don't know.

Be careful when shopping or banking online:

- Shop only on secured sites that start with https.
- Log out of any accounts before you shut down your computer (e.g., email, bank account, student account).
- Avoid shopping or banking on public school computers; and if you have to, never save your username or passwords.

Protect your smartphone.

- Password-protect your phone and apps.
- Download software updates regularly.
- Take advantage of security technology such as fingerprint logins.

Monitor your statements.

- Check your statements every month to detect any charges that aren't yours.
- Notice if your statements stop coming (someone might have switched the address).
- Look into any contracts or statements you receive in your name that you didn't apply for.

FINAL WORD:

You can prevent identity fraud from happening to you by knowing what to look out for and being careful with your money and personal information.

REPORT AND REMEDY IDENTITY FRAUD

TIP 18

IF YOU SUSPECT YOUR IDENTITY HAS BEEN COMPROMISED, ACT QUICKLY! MOST PEOPLE WHO STEAL CREDIT CARDS AND OTHER FINANCIAL DATA ACT WITHIN THE FIRST 48 HOURS.

1. Act quickly. With a credit card your maximum liability is $50. However, with a debit card you have to report fraud quickly to ensure you get your money back.

If you report a lost or stolen debit card within 48 hours, your liability for unauthorized charges is $50. Between 49 hours and 60 days, your liability goes up to $500. After 60 days, you might be liable for all of the charges.

2. Alert the credit reporting agencies.

- Contact one of the credit reporting agencies—either Equifax, TransUnion or Experian—and that agency must tell the other two.
- Ask them to place a fraud alert on your file, to make it harder for someone to open new accounts in your name. A basic alert last 90 days, but you can extend it to seven years.

3. Report the theft to the Federal Trade Commission.

- Complete its online complaint form, giving as many details as you can.
- Save and print off your FTC Identity Theft Affidavit.

4. Report the theft to the police. File a police report, so you have official record of the fraud. You'll need this, along with the FTC Affidavit, to prove to businesses that identity theft occurred.

FINAL NOTE:

Once you've completed all the right reporting, it's time to remedy some of the damage.

- Close any new accounts that have been opened in your name.
- Remove any unauthorized charges from your accounts.
- Correct any fraudulent entries on your credit report.

If you encounter people who aren't being cooperative, inform them of your *fraud victim rights*.

CREATE A SPENDING PLAN

TIP 19

WHEN YOU FIRST START MANAGING YOUR MONEY, IT CAN BE EASY TO LOSE TRACK OF WHERE IT'S GOING. THAT'S WHY IT'S IMPORTANT TO HAVE A PLAN FOR YOUR MONEY. HERE'S HOW TO GET STARTED:

KNOW WHERE YOUR MONEY CURRENTLY GOES

Start by tracking your expenses for a month. Write down every penny—from school expenses and bills to sodas and packs of gum—using a notebook or an app on your phone.

DRAW UP A PLAN

1. **Identify your monthly income.** This includes financial aid paid directly to you, assistance from your parents or guardians and after-tax income from a job.
2. **Rank your expenses.** Start with fixed expenses, to make sure they get paid first; then list variable expenses, estimating how much each will cost.
3. **Subtract your expenses from your income.**
4. **Set aside anything left over** for periodic expenses, which might not occur that month (but can take out a big chunk of your income if they do).
5. **Put your plan into action.**

REVIEW AND ADJUST THE PLAN

After the first month, evaluate how you did and make any necessary changes in your plan for the next month. For example, if you're spending more than you have:

- Try cutting some of your variable expenses (e.g., eat out less)
- Look for ways to earn more money (e.g., get a part-time job or sell some of your stuff)

FINAL NOTE:

Don't stress too much about your spending plan in the beginning. The point is to create one and start using it.

DEVELOP A MONEY MANAGEMENT STYLE

TIP 20

THERE IS NO RIGHT OR WRONG WAY TO MANAGE YOUR MONEY. YOU'RE GOING TO DO THINGS DIFFERENTLY THAN YOUR FRIENDS AND FAMILY MEMBERS, AND YOU'LL CHANGE HOW YOU MANAGE YOUR MONEY OVER TIME.

THE IMPORTANT THING IS TO KNOW WHAT'S DRIVING YOUR MONEY BEHAVIORS, SO YOU CAN MAKE MORE INFORMED DECISIONS FOR YOUR LIFE.

ALIGN YOUR SPENDING WITH YOUR VALUES

Everyone has different ways they like to spend their money. You might shell out for experiences such as visiting new cities and playing intramural sports, while your roommate likes having the latest sound system or flat-screen.

- **Focus on what's really important to you** when deciding how to spend and save your money. For example, if you're trying to save up for a new tablet or a trip, you might not have room in your spending plan to go out to eat all the time.
- **Don't be afraid to say "no" to something your friends want to do** if it's going to take away from your greater goals.

DISCOVER YOUR FINANCIAL IDENTITY

Your financial identity is the way you approach money management—what you think about and rely on when you've got decisions to make. Knowing your financial identity can provide insights into what you need to do to become financially self-sufficient.

When you're first starting out:

- **You might find financial decisions overwhelming, and your focus may be on other things.** This may lead you to act impulsively, so it will help you to slow down, gather information and carefully contemplate a decision before going forward.
- **You might want to adopt the financial practices of your parents or guardians.** While modeling their positive behavior is good, remember you'll face different challenges and opportunities than them. Ideally you will seek out additional insight and opinions.

FINAL WORD:

Not sure where you are on the financial identity spectrum? Take *this quiz*.

SET SMART FINANCIAL GOALS

TIP 21

GOT THINGS YOU WANT TO BUY OR EXPERIENCE IN THE FUTURE? CHANCES ARE THEY COST MORE MONEY THAN YOU HAVE RIGHT NOW. THAT DOESN'T MEAN THEY'RE NOT DOABLE; IT JUST MEANS YOU HAVE TO MAKE THEM A PRIORITY—AND THAT'S WHERE GOALS CAN HELP.

WHY HAVE GOALS?

When you're managing your money every month, it can be easy to get caught up in day-to-day expenses and forget to save for later on. If you write down your goals and incorporate them into your spending plan, you'll have a better chance of achieving them.

NEED HELP DEFINING YOUR GOALS?

Get specific:

- What's the desired end result, and what steps do I need to take to get there?
- Is there anyone else I need to involve?

Define your goals:

- How will I know I've succeeded?
- How many actions will it take?

Make sure you have the means:

- Do I have, or can I get, the resources I need?
- Are the plans I've put in place going to get me there?

Confirm the importance:

- Is this a worthwhile goal for me, and am I willing to commit to achieve it?
- How does it fit in with my other goals—can I work toward all of them at once?

Set a timetable:

- When is the deadline?
- Is it a short-, medium- or long-term goal?

FINAL NOTE:

Life is full of surprises. You'll likely have situations that threaten to derail you—establish checkpoints and plan strategies to cope, so you'll be more likely to keep at it.

SPEND YOUR MONEY WISELY

TIP 22

WITH A LITTLE SELF-AWARENESS AND SELF-CONTROL, YOU CAN TRANSFORM INTO A SMART SPENDER. HERE ARE A FEW THINGS TO KEEP IN MIND THE NEXT TIME YOU'RE GETTING READY TO MAKE A PURCHASE.

BE A SAVVY SHOPPER

- **Make a shopping list** and stick to it.
- **Decide how much you can spend**, and limit temptation by only carrying cash.
- **Search for coupon codes and promotions** online, and ask about discounts when you get to a store.

FIND THE BEST DEAL

- **Consider used over new.** Go for refurbished electronics and previously owned books.
- **Comparison shop.** Check prices at several stores and online retailers.
- **Get the inside scoop.** Read reviews online and talk to people you trust.

THINK THROUGH BIG PURCHASES

1. **Define your goal.** What do you want to achieve with this purchase?
2. **Establish your criteria.** What aspects are "must-haves" and what are "nice-to-haves"?
3. **Choose a few options**, taking anything that doesn't match your needs off the table.
4. **Identify the pros and cons of each.** For example: "Option A has all the features I need and is in my budget, but it's not the color I want. Option B is the right color, but costs $200 more than I can spend."
5. **Decide what's best.** Choose the purchase option that best fits your criteria and financial situation.
6. **Evaluate the results.** Do you feel good about the purchase? What might you do differently next time?

FINAL NOTE:

Know your triggers. Are you a sucker for a sale? Do you have a weakness for $4 lattes? Recognize what leads you to spend, and avoid those situations as much as you can.

START SAVING TODAY

TIP 23

WHAT'S THE SECRET TO SAVING MONEY AS A COLLEGE STUDENT? PUTTING AWAY A LITTLE AT A TIME. IT MIGHT NOT SEEM LIKE MUCH NOW, BUT IT CAN ADD UP—IF YOU'RE COMMITTED.

Pay yourself first. Treat savings like a bill, listing it as a fixed expense in your spending plan. If you've already allocated the money to savings, you'll be less likely to spend it.

Make it automatic. Set up an automatic withdrawal from your checking account to a savings account each month—that way you don't even see it it.

Save all of a certain type of income, such as your tax refund, tip money or proceeds from selling back your books.

Establish savings goals:

- **Save for things you want**, such as a new computer.
- **Save for things you know are coming**, such as holiday shopping—it happens every year—or a lost or broken phone (it's only a matter of time).

Create an emergency fund. What will you do if your car breaks down, you lose your job or you have to spend the night in the ER? Crises happen, and they can be a lot less stressful if you have some extra padding.

- Start with a goal of $500 (then build it up to cover *one to two months of expenses*).
- Keep it separate from other savings.
- Use it only for emergencies, and replenish it after you get back on your feet.

FINAL WORD:
Part of having a savings plan is to know where to save. If you want to save your money while also keeping it accessible, consider a savings account or money market account.

LIMIT TRANSPORTATION COSTS

TIP 24

MOST CAMPUSES ARE DESIGNED FOR STUDENTS TO WALK, BIKE OR RIDE PUBLIC TRANSPORTATION, SO YOU SHOULD BE ABLE TO MANAGE WITHOUT A CAR. HOWEVER, YOU MIGHT NEED YOUR OWN VEHICLE IF YOU COMMUTE TO SCHOOL OR WORK.

CONSIDER ALTERNATIVE TRANSPORTATION

- **Bring a bike or scooter to school.**
- **Look into public transportation** such as the bus, subway or light rail.
- **Carpool with people in your classes**, and research ride- and bike-sharing opportunities.

CUT CAR COSTS
If you bring a car to school, you'll need to register it, insure it and find a place to park it.

Find affordable insurance:

- Call several companies and compare prices.
- Ask about discounts for good grades, safe driving records and bundling.
- Consider getting only liability coverage if your car is old.

Save on parking. Park your car in the cheapest lot on campus, and avoid parking tickets.

Drive sparingly. Combine errands to save on gas, and take public transportation when you can.

Keep up on regular maintenance. Extend the life of your car and avoid costly repairs by getting routine maintenance.

- What's routine? Check your owner's manual for details on necessary upkeep.
- Download an app to track repairs and make a checklist for upcoming fixes you need to save for.

FINAL NOTE:

- **Plan ahead for emergencies.** A major part of owning a vehicle is having a plan in the case of an emergency.
- **Have an emergency car kit**, which includes items like jumper cables, screwdrivers, a tire pressure gauge and a flashlight (get a *full list* here).
- **Sign up for roadside assistance,** so you can avoid a costly tow. Check for rates with your insurance company and compare to AAA.
- **Set aside money for your deductible,** in case you need to file a claim.

CURB TECH EXPENSES

TIP 25

IN TODAY'S WORLD IT'S COMMON FOR STUDENTS TO USE ELECTRONICS AT SCHOOL, BUT YOU CAN EASILY LIMIT YOUR SPENDING ON TECH.

KNOW WHAT YOUR SCHOOL OFFERS AND REQUIRES

- Are you required to have a laptop or tablet for class?
- Do you need any special software, such as word processing for papers?
- Do you have access to free Wi-Fi, public computers and a printing stipend?

ASSESS YOUR NEEDS

Identify how you'll use your technology to determine the level of tech you need.

- Will you be completing online coursework and conducting research, in addition to streaming video and making calls?
- Do you really need a top-of-the-line processor, or will a simpler model work for you?
- Could you get by with a regular phone, or do you require smartphone capabilities?

FIND THE BEST DEAL

- **Shop at the campus bookstore** and compare to student prices at other stores.
- **Hold off on just-released versions**—you may see prices drop later.
- **Look for refurbished items** that work like new and come with a warranty, but are significantly cheaper.
- **Try selling your old equipment first.** In some instances, the manufacturer may be willing to buy back your equipment or offer you store credit.

FINAL NOTE:

Protect your devices. Once you've acquired the technology you need to be successful in school, make sure you protect it.

Know the coverage that comes with your device:

- Does it have a warranty, or do you need to get insurance or other protections?
- Are you covered for cracked screens, water spills or other accidental mishaps?

- **Investigate tracking tools** available for finding lost or stolen devices—and remember to turn them on.

SELECT HOUSING MINDFULLY

TIP 26

THERE ARE SOME MAJOR DIFFERENCES BETWEEN LIVING ON CAMPUS VERSUS HAVING YOUR OWN PLACE. WHEN DECIDING WHERE TO LIVE, MAKE SURE YOU HAVE WEIGHED THE PROS AND CONS ASSOCIATED WITH EACH OPTION.

DORM LIVING

In the dorm, everything's taken care of. However, this convenience may come at a higher cost than living off campus. Do your research on dorm cost prior to deciding if living on campus is right for you and your housing budget.

- **Utilities, furniture and Internet.** Chances are your rate includes all of the essentials. Compare this to what it would cost off campus.
- **Meal plan.** There's most likely a nearby dining hall serving breakfast, lunch and dinner. At the beginning of the semester you will be able to select a meal plan that suits your needs.

ON YOUR OWN

Living off campus has its perks, but it also takes a bit more organization. The *costs* begin before you step foot in your new place. You often have to pay an application fee, and then put down a security deposit—usually amounting to the first month's rent.

Once you move in, you'll start paying your service providers:

- **Utilities** such as your electricity, gas and water, which sometimes require a deposit to start service.
- **Extras** such as your Internet and cable, which sometimes charge a fee for installation.
- **Renters' insurance,** which protects you if your stuff is stolen, damaged or destroyed (and is sometimes required by your building).

FINAL NOTE:

Regardless of where you decide to live, there are ways you can stick to a reasonable budget. Consider cutting costs by living with roommates, bargaining with service providers and utilizing services on campus.

GET REAL WITH YOUR ROOMATES

TIP 27

LIVING WITH ROOMMATES CAN BE AN EFFECTIVE WAY TO SAVE WHILE IN COLLEGE. BUT EVEN THE BEST FRIENDSHIPS CAN GET COMPLICATED WHEN QUARTERS ARE TIGHT AND MONEY IS INVOLVED.

CHOOSE A RELIABLE ROOMMATE

- Avoid bunking up with a friend who has had money troubles, experienced difficulty paying bills, or has contemplated moving back home.
- Make sure you trust them and want the same things out of your living situation.

SET EXPECTATIONS BEFORE SIGNING A LEASE

Decide how you'll pay for and split bills. Know who's going to actually make the payment, and how you will pay them back.

Confirm what you'll share:

- Will you split the cost of groceries and household staples?
- Who's contributing what furniture and appliances to the group?
- Can you borrow each other's clothes, jewelry or vehicles?

Discuss how you'll divide cleaning duties.

Establish rules for entertaining friends and significant others.

TROUBLESHOOT WHEN THINGS COME UP

You'll likely have conflict at some point, but you can mediate it with clear communication.

Avoid lending each other money. If you do, set terms for when it must be paid back.

Discuss issues in person, instead of via note or text.

Know what you're on the hook for.

- Will you be responsible if you roommate doesn't pay rent?
- If your roommate causes damage, will it impact your portion of the security deposit?
- If your roommate wants to leave early, are they allowed to sublease their spot?

FINAL WORD:

Living with someone else requires planning, commitment and involvement. Setting guidelines ahead of time can help make your roommate relationship a success.

PLUG SPENDING LEAKS

TIP 28

SPENDING LEAKS OFTEN FLY UNDER THE RADAR, UNTIL YOU REALIZE HOW MUCH THEY'VE ADDED UP OVER TIME. YOU CAN PREVENT THESE SNEAKY SITUATIONS BY PAYING CLOSER ATTENTION TO YOUR MONEY.

Cut out costly habits, like smoking, buying expensive coffee drinks, hitting up vending machines and going out to eat.

Make sure you have the right meal plan. Adjust it for next semester if you're not eating as much as you planned; and look into rolling over meals.

PAY ATTENTION TO YOUR STUDENT CHARGE ACCOUNT

- Treat it the same way you would your checking account.
- Keep track of your spending on your phone or on your computer.
- Limit spending to necessities only.

SEEK OUT DEALS

- Shop at thrift stores, garage sales and online community swap sites.
- Look for daily deals, coupons and discount codes.
- Buy used textbooks.

CUT HOUSEHOLD EXPENSES

- Turn off the lights when you're not in the room.
- Unplug appliances and electronics when you're not using them.
- Open the windows instead of using the A/C, and put on a sweater in lieu of the heat.

FINAL NOTE:

Being a student does have some benefits when it comes to plugging spending leaks. Try flashing your student ID card at the movies, restaurants and on public transportation to see if they offer any special deals for students. Save money on entertainment by seeking out free concerts, festivals and plays on campus and in the city.

FIND THE RIGHT HEALTH CARE COVERAGE FOR YOU

TIP 29

AS A STUDENT, YOU HAVE A RANGE OF INSURANCE OPTIONS TO CHOOSE FROM. RESEARCH THE HEALTH CARE COVERAGE AVAILABLE TO YOU, AND CHOOSE THE OPTION THAT BEST FITS YOUR NEEDS AND BUDGET.

HEALTH INSURANCE OPTIONS

Your family's plan. Ask your parent or guardian if he or she can afford to keep you on the family health plan—which you legally can stay on until you're 26.

- **Find out what it covers.** If you're living in another state, you might experience coverage limitations (e.g., you're covered for medical emergencies but not routine doctor visits).
- **Discuss your contribution.** Do you need to pay for any of the costs, such as your portion of the monthly premium and your prescriptions and copays?

A plan provided by your school. Many colleges offer affordable health insurance to students while they are enrolled.

- **Pay attention to possible stipulations in the plan.** Some plans don't cover part-time students; others may have a limited pool of in-network doctors.
- **Look into free and low-cost services at the student health center.** Although you'll still want to have insurance, you can save by getting routine checkups and minor health issues taken care of there.

An independent plan through the *Affordable Care Act Marketplace*, which offers:

- **Basic plans** with low premiums
- **Comprehensive plans** with pricey premiums
- **Catastrophic plans,** which cover worst-case scenarios

FINAL WORD:

When choosing a plan think about how often you visit the doctor each year, how many prescriptions you take, whether you need to see a medical specialist and if you need dental or vision coverage. Consider the costs of monthly premiums, copays and deductibles, which may impact which plan is right for you and your spending plan.

EARN EXTRA MONEY WITH A JOB

TIP 30

HAVING A JOB WHILE YOU'RE IN SCHOOL NOT ONLY WILL PROVIDE YOU WITH EXTRA INCOME, BUT ALSO IT'LL GIVE YOU VALUABLE EXPERIENCE IN THE WORKING WORLD.

WHAT TO KEEP IN MIND

- **Look for opportunities with flexible schedules**, short shifts and weekend availability, so you can make it to class and have time to study.
- **Check in with the financial aid office** to see whether earning additional income will affect your financial aid.

CONSIDER WORKING ON CAMPUS

On-campus jobs are convenient and offer flexible work schedules.

- **Visit your school's employment office or online job board** to find out about openings in places on campus such as the campus bookstore, library, computer labs or recreational facility.
- **Ask your department** about opportunities that relate to your major.
- **Look into other moneymakers,** such as participating in research studies or focus groups, and tutoring other students.

LOOK OFF CAMPUS

Your college is in a town or city that provides a variety of other job opportunities.

Start looking early—three months in advance—because you'll be competing with other student job-seekers.

Contact local businesses:

- Look for places that hire students, such as restaurants, coffee shops and malls.
- Reach out to companies in your field of study to ask about part-time opportunities and internships.

Make money off your skills or hobbies:

- **Offer up your services** for house-sitting, pet sitting, dog walking, computer troubleshooting, website designing or car detailing.
- **Sell handmade goods** such as jewelry, clothing and photography.

FINAL WORD:

Keep in mind that you're in college for a reason—to start your career. It's important to always make school your first priority.

KNOW HOW

CREDIT CARDS WORK

TIP 31

AS A COLLEGE STUDENT, YOU'LL BE INUNDATED WITH CREDIT CARD OFFERS WHEREVER YOU GO—AT YOUR FAVORITE STORES, AT BIG-BOX RETAILERS, EVEN AT THE AIRPORT.

VIEW CREDIT CARDS AS LOANS

Like any other form of credit, credit cards allow you to borrow money to pay for things you want—up to a certain amount each month, determined by your credit limit.

At the end of your billing cycle, the card provider gives you a certain number of days (known as your grace period) to pay back what you owe, or at least a minimum payment.

Paying the minimum each month is important, because you avoid a costly fee. However, if you only pay the minimum, you leave the rest of the money on your card (effectively your balance), where it will accrue interest until you pay it off.

How much interest? It depends on your card.

PAY CLOSE ATTENTION TO INTEREST RATES

Each credit card has a different APR (annual percentage rate), the amount of interest it charges each year on your balance.

- **A fixed interest rate** stays the same over time.
- **A variable interest rate** changes over time and can be raised at any time, or in response to your credit behavior.
- **An introductory interest rate** starts low—sometimes as low as 0 percent—but increases after a certain period of time.

Many cards charge different interest rates for different types of purchases. For example, you might incur a lower interest rate on everyday purchases such as groceries and gas and a higher interest rate on a cash advance.

FINAL NOTE:

Credit cards might seem similar to debit cards, but they have different benefits and drawbacks—and drastically different terms. Here are a few key differences:

DEBIT CARD	CREDIT CARD
Can get from bank	Can get from bank or other company
Might charge fees	Might charge fees
Can make purchases online	Can make purchases online
Money taken interest-free from checking account	Money borrowed interest-free from card provider, if paid back on time (charged interest, if paid back later)
Does not help build credit history	Helps build credit history
Free to withdraw cash from bank's ATM (charged fee if another bank's ATM)	Charged interest on cash advance from ATM or card
Does not offer rewards	Often offers rewards for use

CHOOSE YOUR CREDIT CARD CAREFULLY

TIP 32

CARD PROVIDERS MAKE SIGNING UP FOR CREDIT CARDS INCREDIBLY APPEALING. WHETHER THEY'RE EMPHASIZING THE SWEET REWARDS OR THE LOW MONTHLY PAYMENTS, IT CAN BE EASY TO GET SWEPT UP IN THEIR SELL.

TAKE TIME TO RESEARCH YOUR OPTIONS. Try not to say "yes" to any offer that comes your way. Make sure you clearly understand the terms and conditions, fees and perks of the card first. Also, avoid chasing after rewards. If you are considering a rewards card, make sure you're not getting a high interest rate and unforgiving terms in return.

KNOW THAT SOME CARDS REQUIRE YOU TO HAVE A CERTAIN CREDIT SCORE TO QUALIFY.
Unless you already have a variety of other loans, it's unlikely you'll have more than a fair or average score.

- **Look to your bank.** It might offer a number of cards for applicants with limited credit histories, such as a student card with a low balance or a secured card connected to your checking or savings account.
- **Talk to your parents or guardians.** Ask whether they would consider adding you as an authorized user on one of their cards, so you can start building a credit history.

AVOID SIGNING UP FOR MULTIPLE CARDS AT ONCE.
You only need to start with one card.

- **Look for cards with** no annual fees, low interest rates and 20- to 30-day grace periods.
- **Beware of cards that** charge one-time processing fees or offer low introductory interest rates that shoot up after a few months.

FINAL WORD:
Never co-sign for someone else's credit card. If you do, you'll be legally liable to repay any debt that person incurs.

USE YOUR CREDIT CARD RESPONSIBLY

TIP 33

WHEN YOU FIRST START USING YOUR CREDIT CARD, IT CAN BE EASY TO GET CARRIED AWAY. TO ENSURE YOU DON'T GET IN OVER YOUR HEAD WITH YOUR CREDIT USE, TAKE THE FOLLOWING STEPS:

PAY OFF YOUR BILL IN FULL EACH MONTH—AND MAKE SURE YOU PAY IT ON TIME.

- If you only make the minimum payment, you'll be left with a balance, which will increase over time thanks to interest.
- If you pay your bill late, you'll incur a fee, and it will look like you can't handle your payments.

Know what's going on with your account by reading your statement each month. Not only will it give you a picture of how much you're spending and when your payment is due, but also it will alert you to any unauthorized charges.

ESTABLISH A "CREDIT CODE OF BEHAVIOR."

- **Only use your card for certain types of purchases**, so it's easier to keep track of how much you're spending throughout the month.
- **If you charge anything big, have a plan to pay it off.** If you plan to pay it off over time, know how interest will impact the overall cost.

Withdraw cash using your debit card, instead of withdrawing a cash advance from your credit card. You'll avoid fees and a hefty interest rate.

FINAL NOTE:
Know what your credit card company is required to tell you.
For example:

- On every statement, your card provider must spell out how long it'll take you to pay off your balance if you only make the minimum payments.
- If your card provider plans to increase your interest rate, it must notify you in writing 45 days beforehand.

BUILD A GOOD CREDIT HISTORY

TIP 34

YOUR CREDIT HISTORY IS A TRACK RECORD OF YOUR CREDIT USE, AS RECORDED BY THREE DIFFERENT CREDIT REPORTING BUREAUS (EXPERIAN, TRANSUNION AND EQUIFAX). EVERY TIME YOU OPEN A NEW LINE OF CREDIT OR MAKE A LATE PAYMENT, FOR EXAMPLE, THE CREDIT REPORTING BUREAUS TAKE NOTE.

WHAT'S IN MY CREDIT SCORE?

Your credit score is calculated using both positive and negative information found in your credit report, which is a summary of your credit history. The most commonly used credit score is from FICO, and it ranges from 300 to 850.

To learn what factors are considered and which have the most weight in your score, see this *handy chart*.

WHO USES MY CREDIT SCORE TO MAKE DECISIONS ABOUT ME?

Not only do lenders consult your credit score, but also landlords, employers and service providers. If you have a poor credit history, you could be turned down for a job, denied an apartment, charged a high insurance rate, or required to put down a deposit to set up Internet.

HOW CAN I BUILD OR IMPROVE MY CREDIT SCORE?

- **Pay everything on time**, from basic expenses and utilities to loan and credit card payments.
- **Apply for credit only when you need it.**
- **Try to use only 25 percent of the total credit available to you,** so it doesn't look like you're heavily relying on it to get by.
- **Never max out your credit card**—that's a red flag to lenders.
- **Remedy any inaccuracies** you see on your credit history immediately.

FINAL NOTE:

Check your credit report regularly. You can request a free report from each of the credit reporting bureaus by going to *www.annualcreditreport.com*. You might consider staggering the reports throughout the year, so you can keep a watchful eye.

GET HELP IF YOU'RE IN DEBT TROUBLE

TIP 35

YOU MIGHT BE IN DEBT TROUBLE IF YOU DON'T KNOW HOW MUCH YOU OWE, BORROW FROM ONE CREDIT CARD TO PAY ANOTHER, MISS PAYMENTS OR PAY YOUR BILLS LATE OR START HEARING FROM YOUR CREDITORS OR COLLECTION AGENCIES.

JUST LIKE WITH ANY OTHER FINANCIAL ISSUE, IT'S IMPORTANT TO SPEAK TO THE RIGHT PEOPLE AND TAKE THE RIGHT STEPS TO RESOLVE IT.

PEOPLE TO TALK TO

- Start with your parents or guardians, who can offer insight into your situation.
- Seek help from the National Foundation for Credit Counseling, whose experts can help you formulate a plan.
- Consult with your financial aid advisor, or see a psychologist on campus to help you cope with the mental consequences of debt.

STEPS TO TAKE

- **Put away your credit cards, but don't close down the accounts completely.** You might need them at some point, and closing your accounts can have a negative impact on your credit score.
- **Know what you owe.** It might not be as bad as you think.
- **Contact your creditors directly** and ask them to lower your rates.
- **Make a budget** to determine how much money you can set aside to pay off debt.
- **Reward yourself.** It can be hard to stay disciplined over weeks and months of paying down debt. Create milestones you can celebrate and give yourself breaks along the way.

FINAL NOTE:
KNOW THE APPROPRIATE AMOUNT OF DEBT FOR YOU.

FOLLOW THE 20-10 RULE:

- When deciding whether to take out money, limit the amount you borrow to less than 20 percent of your annual net income.
- When setting up your monthly payments, limit them to less than 10 percent of your monthly net income.

HARNESS THE POWER OF COMPOUNDING INTEREST

TIP 36

WHAT'S THE BEST THING YOU CAN DO TO GROW YOUR MONEY? GET AN EARLY START.

EVEN IF YOU DON'T HAVE MUCH TO PUT AWAY, SMALL AMOUNTS CAN ADD UP TO BIG NUMBERS IN THE LONG RUN—THANKS TO COMPOUNDING INTEREST.

KNOW HOW IT WORKS

When you save or invest your money, it earns interest according to a particular interest rate. That interest then gets added to your baseline total, and starts earning interest along with the original amount.

For example, if you save $1,000 in an account with a 10 percent interest rate, you'll have an extra $100 at the end of a year. The second year, you'll earn another 10 percent, not only on your original $1,000 but also on the $100 in interest you earned the previous year.

UNDERSTAND HOW IT CAN ADD UP

The longer you keep your money in an interest-earning account or investment, the more compound interest works in your favor, and the easier it can be to attain your financial goals. This is true even if you stop contributing along the way.

FINAL WORD:

When you save or invest for the long term, it's important to remember that your money won't be worth as much later as it is now due to inflation.

Inflation is when the prices of food, gas, clothes and other goods and services increase over time, because it costs more to provide them.

KNOW WHERE TO INVEST YOUR MONEY

TIP 37

WHEN YOU INVEST, YOU BUY AN ASSET YOU BELIEVE WILL INCREASE IN VALUE—ANYTHING FROM A RENTAL PROPERTY TO STOCK IN A COMPANY. INVESTMENTS ARE RISKIER THAN SAVINGS BECAUSE THERE'S NO GUARANTEE YOU'LL EARN MORE THAN YOU PAID FOR THE ASSETS.

NAVIGATING THE STOCK MARKET

Stocks – When you buy stock in a company, you are providing money to a company to run a business and you become part owner of the company. If the company does well, the value of the stock increases.

- **How you make money:** You make money by selling the stock when it's worth more than you paid for it. You also might receive a quarterly or annual dividend from the company's profits.
- **Potential risks:** Stock prices can change due to the company's current or expected sales and profits, changes in the economy or government regulations, or recent publicity the company has received—good or bad.

Mutual Funds – When you buy a mutual fund, you pool your money with other people's money and become part owner of a portfolio of stocks, bonds and other assets owned by the fund.

- **How it's managed:** Each mutual fund has an investment objective—income, growth or something else. A portfolio manager does all the work researching investment opportunities and conducting the actual buying and selling. You make money when you receive dividends or sell the fund.
- **Potential risks:** With mutual funds, you're still investing in securities in the stock market, but it's a one-stop investment in many companies, which is less risky than owning shares in just a few.

FINAL WORD:

Investing in the stock market can be tricky. When you want help making investment decisions, seek help from an investment advisor.

CHOOSE A MAJOR WISELY

TIP 38

THERE ARE SEVERAL CONSIDERATIONS TO MAKE WHEN CHOOSING A COLLEGE MAJOR. NOT ONLY DO YOU WANT TO BE PASSIONATE ABOUT THE SUBJECT MATTER, YOU ALSO WANT TO KNOW THAT YOUR MAJOR WILL SET YOU UP FOR A SUCCESSFUL FUTURE.

FIND YOUR PASSION

It's okay if you don't have a solid plan for what you want to pursue while at college, but you do need to make a plan for how you will discover your passions. Take some classes that stand out to you or join a club. However, be sure to keep your focus on your future.

THINK BEYOND GRADUATION

Learn about the future careers available in your major.

- What is the employment outlook?
- How much can you expect to make?

Look into extras such as minors and certificates that will make you stand out.

Know what degrees you'll need. Some professions require a basic degree, and others require a masters or doctorate.

Investigate switching majors, if you have a change of heart.

Not sure what you want to do? Search online for "fastest-growing careers" to learn what fields will provide the best job prospects.

LAST WORD:

Whether you're majoring in engineering or graphic design, it's important to ensure your education trajectory is going to lead you where you want to be career-wise.

MAKE YOUR CAREER A MAIN FOCUS

TIP 39

COLLEGE IS A TIME FOR YOU TO GROW PERSONALLY, INTELLECTUALLY AND PROFESSIONALLY. DON'T WAIT UNTIL THE END OF YOUR COLLEGE CAREER TO PLAN FOR THE FUTURE; THE TIME TO TACKLE YOUR CAREER STARTS NOW.

TAKE ADVANTAGE OF THE CAREER CENTER

The sole reason this place exists is to help you find a job, so visit it frequently!

- **Develop a plan.** Meet with an advisor who can help you identify the right steps for you. Then, check back every semester to determine how you're doing.
- **Get tips on how to sell yourself.** Experts at the career center can review your resume, cover letters and applications, and even can conduct mock interviews.
- **Participate in on-campus job fairs.** It's never too early to hone your interview skills and practice networking with employers. These events also will give you a picture of what companies are looking for when hiring students in your field.

TAKE INTERNSHIPS

Unpaid internships or volunteer opportunities might not seem too appealing to you now, but they can pay off in the future. Here's why:

- They look great on your resume.
- They give you a picture of what it'll be like to work in your field.
- They might lead to a full-time position with the company after you graduate.
- They can provide references for when you apply for future jobs.
- They allow you to learn from people who have advanced in their careers—how they've gotten there and what insight they might have for someone just starting out.

BOTTOM LINE:

Many students wait until their senior year to start thinking about their careers. Get ahead of the game by making it a priority early.

LOOK FOR GUIDANCE

TIP 40

THERE WILL BE TIMES DURING YOUR COLLEGE CAREER WHEN YOU NEED QUESTIONS ANSWERED, OR JUST A BIT OF DIRECTION. REMEMBER THAT ALONG WITH YOUR FAMILY AND FRIENDS, THERE ARE PEOPLE AT YOUR COLLEGE READY TO HELP YOU WITH ANYTHING THAT MAY ARISE.

TALK ABOUT ANYTHING THAT COMES UP

Having a conflict with a roommate?
- Talk to your resident advisor.

Falling behind in a course?
- Bring it up to the professor or teaching assistant.

Got trouble with a landlord?
- Consult with a legal advisor on campus.

Having difficulty managing your student loans?
- Discuss it with the financial aid office.

Think you've been scammed?
- Report it to a consumer protection agency.

Considering dropping out of school?
- Share your thoughts with your advisor.

USE YOUR RESOURCES

If you ever feel overwhelmed, or simply need someone to talk to, look to your family, guardians and close friends. Chances are, someone you know has experienced a similar situation and can give you some insight.

FINAL NOTE:

College might seem a bit intimidating, but with the proper preparation and guidance you will do just fine. You are never on your own; there are always people available to help you when you need some direction. You've got this!

OTHER NEFE RESOURCES

NEFE

www.nefe.org
Learn more about the National Endowment for Financial Education's programs, projects, research and funding for exploratory projects on personal finance and financial behaviors,

CASHCOURSE

info.cashcourse.org
CashCourse helps college students build money management skills, survive a tough economy and prepare for success. The online program offers resources for all students, regardless of college affiliation.

HSFPP

www.hsfpp.org
For more than 30 years, teachers have used this turnkey financial literacy program to equip students grades 8-12 with basic personal finance skills that prepare them for financial independence.

ON YOUR OWN

www.onyourown.org
The On Your Own blog features practical information for young adults just starting out in the real world. Along with informational articles and tools, OYO offers profiles of real people across the country detailing their financial experiences as they enter adulthood.

SMART ABOUT MONEY

www.smartaboutmoney.org
Read practical articles and use financial calculators, worksheets, money-saving tips, and other valuable resources to help you make smart decisions with your money. SAM offers materials for people at various stages in life and financial situations.