

AN INSIDE LOOK AT

Money Issues

HOW TO GET THE MOST OUT OF YOUR MONEY



However, during this same period:

- the cost of public colleges and universities rose 109%, while
- the cost of private colleges increased 146%.

These numbers are dismaying, especially when you are a first-year college student. Your concerns are being shared by families across the United States. For instance, a recent Gallup Poll revealed that 87% of Americans feel that college rates are rising so fast that a college education may soon become an impossible and impractical decision for most people.

A college education may be the largest expense your family will face. Colleges have worked diligently to hold down the costs of higher education. However, the actual demands for improved educational opportunities on the part of parents, students, government, and corporations have dramatically driven up the cost of a college education.

Everyone demands more from colleges, but too often the public criticizes institutions for the prices they must charge to provide the quality demanded by society. The increased use of computers and other technology has placed more emphasis on the purchase of expensive classroom equipment to teach the modern curriculum.

According to the U. S. Department of Commerce, in the last decade:

- the price of a new car rose 37% and
- the cost of food rose 53%.

INSIDE THIS CHAPTER

- ✓ Financial Aid
- ✓ Federal Aid
- ✓ Military Scholarships and Assistance
- ✓ State and Other Aid
- ✓ Aid After Your First Year in College
- ✓ Managing Your Money
- ✓ Other Ways to Save
- ✓ Checking Accounts, Credit and Debit Cards
- ✓ Billing
- ✓ Planning Ahead

Tip

Apply early for financial aid. January 1 is often the earliest date for filing.

At the present time, a four-year college education can cost anywhere from \$20,000 to \$100,000+. Families that do not plan ahead often receive an unpleasant surprise when the bill arrives. However, a college education is still very affordable when considering financial aid and the ability of the parent and student to find other affordable solutions.

This chapter will help you avoid unpleasant surprises by providing the following information:

- How a college education need not be impossible to obtain
- Opportunities for federal and state aid
- How to manage money and cut costs while at college
- The ways colleges and universities typically handle billing

FINANCIAL AID

How It Works

Many students who are enrolled at colleges and universities receive some form of financial assistance. Financial aid is available from governmental programs, individual colleges, states, and private sources.

Financial support is usually available on a term basis. For example, if you receive a \$2,000 per year scholarship to attend a college that operates on a semester calendar, you will receive \$1,000 at the beginning of each semester.

Usually, this amount will be credited toward fees you have incurred. If the amount of the scholarship and other aid is less than your college fees, you must pay the difference. If your financial aid exceeds your fees, you may receive a refund.

Independent vs. Dependent Students

The amount of financial aid you receive can vary, depending on whether you are considered an independent student or a dependent student.

The U. S. Department of Education uses this definition: dependent students rely on their

parents to pay most or all of their college costs; independent students do not.

You are independent if at least one of the following six conditions is true:

- Born before January 1, 1982
- Married
- Enrolled in a graduate or professional program
- Have legal dependents other than a spouse
- Are an orphan or ward of the court, or you were a ward of the court until age 18
- Are a veteran of the U.S. Armed Forces

Keep this list in mind, because your dependency status may change during your college career.

FEDERAL AID

This section will explain the possibilities for federal aid. However, it does not list all the conditions and eligibility requirements.

The United States government has many programs to help you afford college. In order to qualify, you are required to submit an application for financial aid. The form is called the **Free Application for Federal Student Aid (FAFSA)**. All information provided by students and their families is kept confidential.

Individual colleges may have their own forms to be submitted. Therefore, be sure to ask whether or not your college has financial aid forms of its own that you must complete.

Financial aid application deadlines vary from college to college. Be familiar with these dates. If you have any questions, call or visit the financial aid office at the college you are interested in attending.

FEDERAL LOAN PROGRAMS

Loan Program	Eligibility	Award Amounts	Interest Rate	Lender/Length of Repayment
Federal Perkins Loans	Undergraduate and graduate students; you do not have to be enrolled at least half time	Undergraduate—up to \$4,000 a year (maximum of \$20,000 as an undergraduate) Graduate—up to \$6,000 a year (maximum of \$40,000, including undergraduate loans) Amount actually received depends on financial need, amount of other aid, availability of funds at school	5 percent	Lender is your school Repay your school or its agent Up to 10 years to repay, depending on the amount owed
Direct Stafford Loans (subsidized and unsubsidized)	Undergraduate and graduate students; must be enrolled at least half-time	Dependent on grade level in school and dependency status (see chart) Subsidized loan requires financial need; Unsubsidized loans do not	Fixed at 6.8 percent for loans disbursed on or after July 1, 2006 Government pays interest on subsidized loans while student is in school and during grace and deferment	Lender is the U.S. Department of Education; repay loan to U.S. Dept. of Education's Direct Loan Servicing Center Between 10 to 25 years to repay, depending on amount owed and type of repayment plan selected
FFEL Stafford Loans (subsidized and unsubsidized)	Same as above	Same as above	Same as above	Lender is a bank, credit union or other private lender; repay loanholder or its agent Between 10 to 25 years to repay, depending on amount owed and type of repayment plan selected
FFEL PLUS Loans	Parents of dependent undergraduate students (enrolled at least half time) and graduate and professional students	Cost of attendance less other aid received = maximum loan amount	Fixed at 8.5 percent for loans disbursed on or after July 1, 2006; borrower pays all interest	Same as above
Direct PLUS Loans	Parents must not have negative credit history Same as above	Same as above	Fixed at 7.9 percent for loans disbursed on or after July 1, 2006; borrower pays all interest	Same as for Direct Stafford loans above, except that a repayment plan based on income earned is not an option

Source: U.S. Department of Education

Tip

Do not spend financial aid on unnecessary items. Many students get very excited when they see the size of their check, but some realize too late how quickly money can be spent.

Need and Eligibility

Most, but not all, federal assistance is based on need. The formula the government uses to determine need is very simple:

$$\text{Cost of Attending College (COA)} \\ \text{less Expected Family Contribution (EFC)} \\ = \text{Your Financial Need}$$

The factors that help determine the EFC are very complex. The financial information you provide determines what your family can afford to spend on your college education. Financial aid officers compare your ability to pay college fees to what it actually costs where you are applying for admission. If they determine you cannot afford all of the costs of college, then you will probably be eligible to receive financial aid to help you. The college will prepare what is called a “financial aid package” to make it possible for you to attend. The college financial aid office will help you find ways to afford attending school.

You may already have your financial aid package for this college year. Even so, keep in mind that you need to reapply each year. Changes in your income and family (for example, if your family grows in number) may affect the amount of aid for which you are eligible.

In general, eligibility for each year is based on financial aid from the preceding year. Your circumstances may vary considerably during that time. If you are ineligible for aid in your first year, you may become eligible in subsequent years if your eligibility status changes in relation to the federally approved guidelines. Generally, you should not see any large fluctuations in financial aid so long as your personal financial situation remains constant and no major changes in governmental programs occur.

Federal programs are subject to the actions of elected officials. Congress devised the formula for the EFC and can also change it. Programs may be added, combined, altered, or eliminated in the future. This information is provided by the United States Department of Education.

In addition to federally funded financial aid, approximately 1,000 educational institutions offer

private sector loan programs. You may be able to apply directly through your college, or you may have to contact the groups themselves.

After Receiving Your Loan

Keep in mind that loans will have to be repaid with interest.

Federal Pell Grants

- Pell grants are generally available only to undergraduate students. However, in some cases, a pell grant may be received if you are enrolled in a post-baccalaureate teacher certification program.
- Amounts awarded can change yearly. The maximum amount that can be awarded depends on program funding.

A grant does differ from a loan in one significant way: You do not have to repay a grant.

Federal Supplemental Educational Opportunity Grants (FSEOG)

FSEOGs are designed for undergraduate students with exceptional financial need. If you qualify, you could receive up to \$4,000 per year. It is important to note, however, that not all schools participate in this program.

The FSEOG program has a limited amount of funds. After all of those funds have been disbursed for the year, no more awards can be given that year. Also, recipients of Federal Pell Grants receive priority for FSEOG awards. For these reasons, financial advisors recommend filing early for aid.

Work-Study

Another avenue for receiving financial aid is through the Federal Work-Study (FWS) Program. This program provides part-time jobs for undergraduate and graduate students who demonstrate financial need. You apply through the Free Application for Federal Student Aid.

The FWS program provides employment, both on and off campus, to qualified students. These jobs allow students to earn money to pay for their college expenses. The pay rate is usually the current federal minimum wage. The total amount you are allowed to earn depends on when you apply, your financial need, and your school's level of funding.

FWS is available to full- and part-time students. Work hours will be coordinated with your class schedule and will generally average about 8 to 10 hours a week.

The money earned from a Federal Work Study job is usually given to you directly, at least once a month, by the school. However, you may also request that the money be deposited automatically into your bank account or that the school apply it directly towards your tuition, living expenses, and other fees.

MILITARY SCHOLARSHIPS AND ASSISTANCE

On many campuses, the Reserve Officer Training Corps (ROTC) offers four-year scholarships. Three-, two-, and even one-year scholarships are also available. These scholarships will pay part, or all, of your costs and may provide monthly, tax-free stipends.

In exchange for the aid, you will have to take a full course load that includes military science courses. Also, once a week, you will be required to wear a uniform and participate in military drills, labs, military science presentations, and training activities. Upon graduation you will be awarded officer rank and be required to complete a period of service with that branch of the military. Length of service varies, depending on the branch in which you have enlisted.

To find out the specific conditions, contact a recruitment officer or your college admissions office.

STATE AND OTHER AID

All fifty states offer some form of aid to their residents. However, the types, conditions, and eligibility requirements of this aid vary greatly.

The title of the state department that handles aid for college students also varies from state to state. It may be called Department of Higher or Post-Secondary Education, Board of Regents, Student Assistance Commission, or something similar. You will have to check with your college to see what options are available.

Some labor unions, religious organizations, ethnic groups, and private companies offer aid to college students. Sometimes stipulations are attached. For example, you might have to get a degree in a discipline that will benefit a specific organization.

Less than 1% of all financial aid comes from these sources; however, you can be part of that 1%.

Check to see what opportunities exist for additional aid after you have been enrolled for a semester. Many colleges offer scholarships for selected groups of students, including minorities, older returning students, those interested in a specific area of study, and those who have good grades. Sometimes the competition for an award will be very intense; at other times, scholarships will go unclaimed because no one has applied for them.

Once in college, contact your financial aid office regarding these additional scholarships and awards. Also, keep an eye out for announcements in various academic departments, on campus bulletin boards (including electronic bulletin boards), and in educational publications such as *The Chronicle of Higher Education*.

Fact

"The Chronicle of Higher Education" reports that 12.9% of first-year students received aid through the work study program.

Tip

The armed services offer programs to help members of the military and their families attend college. A number of programs are specially designed for veterans. To see if you qualify, contact your college admissions office or the Veteran's Administration.

AID AFTER YOUR FIRST YEAR IN COLLEGE***Working in Residence Halls***

Colleges that provide student housing almost always employ students to work in their residence halls. Students who live on and have responsibility over a particular floor are called Resident Advisors (RAs).

RAs are expected to resolve disputes, lead activities, and deal with the day-to-day problems and concerns that arise in residence halls. In exchange for these services, colleges may pay all, or some, of their tuition. Generally they may only pay for room and board, although RAs might also receive a salary.

If you are a RA, you will be expected to be on duty several nights a week. This duty usually means you must be in your room and keep an eye on your floor. In addition, you will have to attend seminars and be trained in counseling and CPR skills.

Colleges look for responsible, hard-working students to fill these positions. Some students enjoy the responsibility, while others find the job tiring and burdensome. The events in your hall may make it difficult to study while you are on duty. On the other hand, you may thoroughly enjoy the contact with other students.

These positions are seldom available to first-year students. Although some colleges reserve them for graduate students, many do not. Since these programs tend to be administered through a Residence Life or Housing Office, colleges often do not list this opportunity as a source of financial aid.

MANAGING YOUR MONEY

Being on your own for the first time can be a challenging new experience. Living on your own and being in charge of your own money is often a struggle for many students.

One of the most important parts of your educational experience will be learning to manage money. Students are often deceived by the large

balance they have in their bank account at the beginning of the semester. Such a large sum of money may seem like a lot at the time, but you need good money-management skills to make that amount last throughout the semester.

The key to managing money is to think about what you are spending it on before you actually spend it. Being aware of how much money you have and budgeting it properly will help keep you in control of your money.

Money In

Today, more and more college students are working their way through school. Students work both full and part-time jobs to pay tuition, buy books, and pay for other living expenses while in college.

Keep in mind, though, that most professors recommend students work no more than 20 hours a week. Students whose jobs cut into study time are at a distinct disadvantage compared to those students who do not work.

In addition, the jobs that college students get tend to be temporary positions. For many students, the best long-term investment is to do well in the classroom, even if this means taking out a student loan. Keep your college loans to an absolute minimum; they can become a huge burden to repay after graduation if you have not been conservative in your borrowing needs.

If you do get a job, be careful that you do not let your work interfere with studies or sleep. You will need to be disciplined and will probably have to give up some recreation time. In fact, you may want to put off making a major purchase, such as buying a new car, until after you graduate.

Money Out

As a college student, you will be tempted to spend money on many things. The key to managing money is being aware of exactly what you are spending your money on. Creating and maintaining a monthly or weekly budget can help you stay focused and in control of your finances.

Budgeting your money involves careful planning. When estimating costs, be aware that

you will likely encounter unexpected expenses, so plan accordingly.

Most colleges and universities provide an estimate of how much things should cost in the community where your college is located. These estimates tend to be reasonable. Of course, your own habits will greatly influence your costs. You may or may not spend a lot of money on a new car, clothes, or entertainment.

Spending money frequently becomes a point of conflict between students and their families. A number of variables need to be considered. If you are living on campus, for example, your money will be used mostly for books, personal incidentals, and leisure time activities.

How can you estimate a reasonable monthly budget? Here are some ideas:

- Use the estimate your college provides and divide by the number of months in the semester.
- Speak with other students, especially ones who are currently enrolled.
- Use your own past experiences to estimate costs.

A good plan is flexible and combines all three ideas. Just remember, you will need a little extra money at times, especially at the beginning of a semester.

Fact

According to the U.S. Department of Labor, among recent high school graduates, 40% were in the labor force. Of those, 9 out of 10 were enrolled in college full-time.

BUDGET PLANNING SHEET

The following chart lists a number of categories to help you anticipate college costs. Some categories may not apply to you. For example, if you live on campus, you will not pay rent.

Amount Budgeted

Rent _____	Monthly Income
Utilities _____	after Taxes _____
Other Regular Payments _____ (car insurance, for example)	less College Costs _____
Household Cleaning Supplies _____	= Expendable Income _____
Other Household Expenditures _____ (light bulbs, for example)	
Clothing Expenses _____	
Laundry Expenses _____	
Phone Bill _____	
Restaurant Expenses _____	
Toiletries _____	
Transportation _____	
TOTAL _____	

Tip

If a used textbook is heavily marked or underlined, this marking could interfere with your ability to read and comprehend the material. A new book could be worth the extra cost.

Once you arrive at a monthly dollar amount, one way to make sure your money lasts is to categorize expenses. To do this, divide your costs into three categories:

1. Regular payments that you have to make, such as car payments and rent
2. Expenses that could be reduced, such as food, transportation, or clothing
3. Optional expenses, such as eating out and going to concerts

This way, you can meet your obligations, adjust the ones with more flexibility, and eliminate some, if necessary.

Entertainment Expenses

For some students, entertainment expenses are fairly high. Keep in mind that colleges and universities offer many opportunities for free or low-cost entertainment.

Your college probably offers movies, plays, concerts, special lectures, a variety of clubs, and other activities. Institutions of higher learning are interested in developing the wider intellectual and social lives of students and know that most students do not have much money to spend.

If you keep up with campus activities, you will find a lot of quality entertainment available at a fairly low price.

Special Considerations For Off-Campus Living

If you live off campus, you will have many hidden costs to consider when trying to compute a budget. For example, older apartments with high ceilings are often expensive. Utilities may cost extra, and the bills may be more expensive in certain seasons. Also, you will have to pay for household items, such as light bulbs and toilet paper, which are usually supplied to people living on campus.

Food can also be expensive. Seasoned shoppers know how to find bargains, but if you are not accustomed to shopping for your own food, you may want to take advantage of the following suggestions:

- **Plan meals ahead of time and shop with a list.** A list will help to keep you from buying things you do not need and will cut down on the number of trips to the store. Allow some flexibility, so that if you do see a good bargain, you can buy it.
- **Beware of supermarket strategies.** Stores tend to place convenience items (often the most costly) at locations which encourage impulse buying.
- **Avoid shopping when you are hungry.**

(For more information on the social and educational aspects of living on or off campus, see the Residence Life and Student Safety chapters.)

OTHER WAYS TO SAVE

Books

New textbooks are very expensive. Almost every college provides the opportunity to buy used books at a significant discount. Most used books are marked in by previous owners, but you may find one with little or no markings, particularly if you look for them early.

If the student who owned the book before you was a good student, the book may be usefully highlighted and annotated. Avoid following any markings in the textbook too closely. You may miss important points that your book's previous owner missed.

When buying used textbooks, take special care that the book is exactly the same one your professor requires. Be sure that it has the same title, is the same edition, and was published in the same year as the book assigned for your class.

Sometimes a professor will tell the class that the edition does not matter, but often the edition does matter. The edition is usually printed on either the cover, the title page, or the page opposite the title page.

Professors change books often, and editions sometimes change from year to year. If you buy the second edition of a book and the rest of your class has the third edition, your book

ON-CAMPUS vs. OFF-CAMPUS HOUSING

The following chart compares several aspects of living on with living off campus.

Off-Campus Housing

- Distance from campus is a disadvantage.
- Your apartment may or may not have security.
- If you don't mind cooking, you may be able to save on food costs.
- If you are a careful consumer and savvy shopper, you may save more money.
- Purchasing a condominium or house may be a good investment.
- A reliable roommate can share your costs.
- Your own apartment may be appealing, allowing for more individualization.
- Landlords can be difficult to contact.
- You can learn living skills you will need after graduation.
- Adjusting to campus life and off-campus life.

On-Campus Housing

- Proximity to campus resources is a plus.
- All colleges have significant campus security.
- Food expenses may be higher if you eat in the college's cafeteria.
- If you are an inexperienced consumer, you will likely spend more than necessary.
- On-campus housing expenditures will not result in equity build up.
- An unreliable roommate can cost you money.
- Residence halls are more functional.
- Maintenance is handled by the college.
- You will have fewer worries and can concentrate more on your studies.
- Adjusting to campus life.

Tip

If you decide to open an account at a bank near your college, be sure to write down its address and phone number before you leave for home on an extended break.

may not have the same chapters. Your copy may have different page numbers and may contain significantly different, perhaps outdated, information.

Always keep receipts from book purchases. Sometimes college bookstores stock the wrong book or professors decide that they want to require a different one. At other times, you may decide to drop a course. In such instances, you will want to return your books and will likely need a receipt to get a refund.

Summer Terms

Taking classes during the summer is another way to keep your costs manageable. You may even be able to finish a degree more quickly. However, you will be going to college without a break in your routine.

Some students burn out, especially since summer classes tend to meet more often and for longer periods than classes offered during the

regular term. Many students also find it hard to concentrate on warm summer days.

On the other hand, some students prefer summer college because they can take fewer classes and concentrate on them more intensely.

Summer Term Suggestions:

- If you attend a private college, look into the possibility of attending a public university over the summer. You may be able to save money by taking a course or two that will transfer.
- If you decide to take a course at another university, check with your advisor and registrar before you register. You need to make sure that your full-time college will accept credits earned during a summer term elsewhere.

Tip

Financial experts agree that you should not take a cash advance on your credit card. Often, the interest rates for cash advances are much higher than the rate you pay for regular purchases.

- Try to get the approval in writing. Not all colleges accept credits earned at other colleges. You don't want to spend money on a course that cannot help you reach your goal of earning a degree.

CHECKING ACCOUNTS, CREDIT AND DEBIT CARDS

You may already be adept at handling personal finances. However, many students find managing money in college to be more challenging than at previous times in their lives.

✓ **TIP:** Do not carry around a lot of cash. The money could be stolen or you may be tempted to spend more than you can afford.

Checks

You do not have to open an account in the community where you attend college. Instead, you may want to keep an account at your bank back home.

The chief disadvantage of having an account in a bank near home (rather than one near your college) is that it is difficult to make frequent deposits in person.

Of course, your family may be able to make deposits for you. They may also be able to handle other issues (such as overdrafts) if you continue using your established bank.

College students constitute a significant financial force in many communities, and merchants want your money. Some merchants may even give discounts if you show your student ID card.

Typically, they will accept out-of-town or out-of-state checks as long as you have proper identification. However, merchants may be very cautious about accepting student checks at the end of a semester when large numbers of students may be leaving town without intending to return the next term.

Though you probably will encounter little trouble paying for goods and services with

checks, do not assume that all businesses will accept them.

Debit Cards

Increasingly, students use debit cards that allow them to spend money they have in their bank or credit union account. Some colleges combine student identification cards and debit cards into one. You can use your ID card to check books out of the library, attend campus events, get into your residence hall, and buy goods and services on campus. The advantage of an ID debit card is that you can deposit money at the beginning of a term and use the card to buy things. You will not need to carry much money, and you may be able to keep better track of expenditures.

You may also have a debit/ATM card from your bank, but you should be sensible with how you use it. The following guidelines will assist you:

- Know what fees the financial institution charges for the use of the card. It makes little sense to use a money machine to withdraw \$5 if you are charged a substantial fee for each transaction.
- When withdrawing money from an ATM, never leave the withdrawal slip. Criminals can use the numbers to authorize payments by telephone or to withdraw money.
- If you plan to use a debit/ATM card frequently, try to get one that does not have a per-transaction fee.

Credit Cards

Credit cards allow you to purchase goods and services without making immediate payment. Later, you will be billed for your purchases. If you cannot (or choose not to) pay all of your balance, you still must pay a minimum fee that varies from card to card.

Credit card companies make their money from the interest they charge on what you owe. Interest rates may be fairly high—sometimes excessively high. If you do not pay off your balance promptly, you may run up some very serious debts.

Banks and other companies that provide financial services are always looking for new customers. Students are considered good credit risks because they frequently receive income from their families and because they have the potential to earn good salaries in the future. Many good reasons exist for getting a credit card, such as ensuring that you have some money in case of an emergency. If you have never had a credit card before attending college, you need to be careful.

Recent studies indicate that 83% of college students have a credit card. Nearly one-third of them have four or more cards. While research shows that 34% of college students understand the concept of buying on credit, only 8% understand compound interest.

Many student credit cards offer low introductory rates; however, these rates typically increase dramatically within the first few months. When applying for a card, be aware of hidden interest rate increases, late fees, and over-the-limit fees that can be charged to your account.

Students often fall behind when they are unable to pay the minimum payment and then are assessed late fees. Although the credit limit may not have been reached, late fees add up and eventually push you over your limit and cause even more fees to accrue.

In recent years, 21% of undergraduates had a credit card balance of \$3,000 to \$7,000 dollars. Avoid this situation by following these guidelines:

- Do not accept every credit card offer you receive. Cut up credit cards you do not use and throw them out.
- Often, credit cards offer low interest rates as teasers. The rate may be good for a limited time, but later the rates rise dramatically. Always read the fine print on credit card applications.
- Pay your balance in full each month to avoid additional fees.
- If you want a card specifically for emergencies, consider getting a pre-paid cash card.
- Keep your receipts so that you can compare them to your monthly bill.

- Avoid giving your credit card number to others. Unauthorized usage can be costly.

One way to minimize credit card interest is to use a student loan to pay living and other college expenses rather than using a credit card.

BILLING

Fees at colleges and universities are ordinarily fixed and not subject to negotiation. However, you should always explore the options available; you may be able to avoid certain fees.

If specific housing arrangements are required of all students, then you have no choice but to pay the fees. Sometimes, though, you may be able to choose from a variety of housing and meal plans.

Colleges have different systems for billing; however, these procedures are common:

- Bills are generated by computer and mailed to you.
- Most colleges and universities bill only for the current semester.
- You will incur late penalties if bills are not paid by established dates.

Colleges are well aware that some families have trouble paying their fees all at once. Many offer payment plans that allow you to break up your payments into smaller amounts.

Some colleges offer plans of their own, while others work in cooperation with finance companies. These plans can vary considerably, and many options may be available. Some plans charge interest or involve additional charges.

Early Registration

Ordinarily, a bill will be issued only after you have actually registered for classes whether you have enrolled during an early registration period or during the traditional period just prior to the beginning of a term.

If you register early, you will probably receive your bill soon. The number of classes you are enrolled in will affect your bill. In addition to scheduling classes, registration gives you the chance to sign up for other services, such as

Tip

If you have the resources, you may save money by paying bills completely when you get them. Some colleges may offer discounts if fees are paid early or for the entire year.

Tip

Colleges and universities are limited in ways they can accommodate you in a financial crisis, but it does not hurt to explore your options.

housing, meals, parking permits, and health insurance. Usually, the only cost that is not pre-billed is the cost of books and supplies.

Any time you have the option to register early, do so. You will benefit in a number of ways:

- You may find a greater variety of classes from which to choose.
- You may receive your bill quicker, giving you important information that can allow you to plan ahead.
- If you have any questions about your bill, you will have more time to contact the department in charge of billing. Getting a bill soon after early registration does not mean you have to pay it immediately.

Refunds

Colleges and universities have established procedures for refunding fees if you decide to withdraw. Usually, a specific time period is set during which refunds will be issued. The more time that elapses before you withdraw, the less likely you will receive a refund. Some colleges will refund only part of a fee if you withdraw early.

Collections

Colleges and universities pursue delinquent accounts. They may collect not only tuition fees, but parking, library, and other fines. Colleges collect money owed them so that they can pay their employees and offer financial aid.

Colleges and universities use collection agencies if they feel they must. Most often, however, students who owe money will not be able to obtain records, transcripts, or other evidence of academic achievement until they have paid what they owe. Some colleges may not allow you to continue taking classes if you are behind in payments. Many colleges will not award degrees to students with delinquent accounts.

However, colleges and universities are interested in helping you meet your financial obligations. They do their best to minimize areas of possible difficulty.

Questions and Complaints

One of the most frustrating parts of the billing process can be figuring out who to talk to and where to file your forms.

Institutions of higher learning are economic enterprises. Each college has an office responsible for business activities. Learn which department is responsible for answering your financial questions. Depending on a particular college, this unit may be called Business Services, Bursar's Office, Fiscal Services, or Billings and Collections.

The goal of these units is to help you understand and meet your financial obligations. Do not feel reluctant about asking questions and voicing concerns. If you never ask a question, you might miss an opportunity to save money or obtain additional financial aid.

When dealing with financial offices, follow these procedures:

- Keep copies of all bills, statements, and correspondence.
- When you talk to someone, record the person's name, the date you spoke, and what was said.
- Avoid approaching people in a confrontational manner.

Your anxieties will be high, especially at the beginning of your first semester. If you approach a problem in a calm manner and with the appropriate documentation, your problems will be received better and will likely be taken care of sooner.

You may have to deal with a student worker or someone who cannot address your concerns as specifically as you need. In these instances you must be persistent in finding someone who can give you a more appropriate response.

PLANNING AHEAD

A college education is a requirement for most professional careers. The question is no longer

whether a son or daughter should attend college, but where to attend and how much it will cost.

Attending college involves making a significant financial commitment. College costs continue to increase faster than inflation and many family incomes. Given the high costs of a college education, most students seek and receive some form of financial aid. Without financial aid, some students would not be able to attend college.

✓ **FACT:** The Chronicle of Higher Education reports that 74.4% of first-year students are concerned that they will not have enough money to complete their college education.

Despite the skyrocketing cost of a college education, enrollment at many colleges and universities continues to soar. With such a wide variety of financial aid available to incoming

students like you, the dream of a college education can become a reality.

Though it may sound like a cliché, **the only way to prepare for tomorrow is to plan for today.** For most graduating high school students, college represents their first chance at genuine independence. A vital component of this independence is financial responsibility, and if you learn to manage your money, you will have conquered one of life's most difficult challenges.

Fact

People with college degrees make a salary three times higher than those who have only received a high school diploma.

FOR CLASS OR GROUP DISCUSSION

- What are some benefits of maintaining a job while in college? What are some negative aspects?
- Does holding a job fit your needs? Explain.
- Are jobs available in your residence hall?
- What are some benefits of working where you live?
- What are some important budget items?
- Does the use of credit cards involve any special considerations for college students?
- What are some keys to dealing with college financial offices? What are some things to avoid? What part does patience play in these dealings?
- Do you know your EFC? What is it? Is it enough to cover your COA?
- Do you anticipate your family's EFC changing over the course of your college career? How might this affect you?
- What are some ways you have discovered to economize on college expenses?

ACTIVITIES

- Visit your student employment service and inquire about possible jobs.
- Visit your financial aid office and find out what types of aid are available to you.
- Fill out a budget plan sheet and determine the best way to meet your financial responsibilities.
- Discuss your budget plan with a financial aid counselor.

**JOURNAL ENTRIES:
MY THOUGHTS ON MONEY ISSUES**

1. Describe some unexpected expenses you may incur as a college student.

2. Is it important to have a written budget of your expected college expenses? Why or why not?

3. What should be the role of credit cards, cash, checks, money orders, or debit cards in your personal money management? List advantages and disadvantages of each.

4. How can your campus financial aid office be of assistance to you during college?

5. What are the advantages and disadvantages of working while in college?

6. How can your choices related to personal wellness, protection of personal property, registration, and other areas impact your personal budget?

7. Under what conditions, if any, is it advisable to loan money to friends?

8. What are the advantages and disadvantages of working on or off campus?

NOTES