Cash at College
Spending, Saving & Student Loans
Share What You Learn

HASHTAG

#UIIMoney
Banking
Polling Question

Which of the following financial tools do you currently use?

A) Checks  B) Cash  C) Credit Card  D) Debit Card
Keeping Money Safe

2 Types of Financial Institutions

Banks
- Insured by the Federal Deposit Insurance Corporation
- Insured up to at least $250,000 per individual on the account

Credit Unions
- Insured by the National Credit Union Association

#UIMoney on Twitter
Tools to Use

- Checking Accounts
- Saving Accounts
- ATM, Debit or Combo Cards
- Online Websites or Phone Apps

#UiMoney on Twitter
Checking Account vs. Savings Account

Easy access to money in checking accounts by checks, ATMs or debit card

Earn interest with savings accounts

Use your savings account to put money aside for long term goals or emergencies

Use your checking account for daily transactions
Plastic Cards

Debit

- Money from account now
- Low costs to get cash
- Less legal protections
- Avoid connecting to savings

Credit

- Pay bill later
- High costs to get cash
- Federal law = better protection
- Makes overspending easy

#UIMoney on Twitter
Keep Track of Your Balance

Watch for fees and unauthorized charges on your account!
Keep Your Financial Information Secure

- Don’t share passwords, pins, etc with friends or roommates
- When banking or making purchases online, look for https:// or the lock symbol to be sure the site is secure
- If you receive an email from what looks like your financial institution, beware. Financial institutions will NOT ask you to click on a link to verify information

#UIMoney on Twitter
Mobile Security

- Both smart phone browsers and financial institutions provide security.
- Keep apps updated.
- Check your account frequently and report problems quickly.
- Password protect phone and/or app.
- Read the fine print—what type of data will be accessed?
Identity Theft

Monitor accounts carefully and frequently.

Let banks & credit unions know when you travel.

Contact your financial institution IMMEDIATELY if you notice anything odd.
Choosing a Financial Institution
Questions to Ask

Access to ATMs near your home or college?

Online or Brick and Mortar?

Convenient Locations?

Overdraft Protection?

Cost of Services?

Mobile Banking?

Shop around. Comparison chart at Financial Wellness website, http://web.extension.illinois.edu/financialwellness/resources.cfm

#UIMoney on Twitter
Establishing Your Roots: Getting Started with Financial Services

Put Your Finances on Easy Street

Watch our recorded webinar now to learn how to maximize different financial products & services to accomplish your goals...

go.uillinois.edu/GetSavvy_EstablishingYourRoots
Planned Spending
(aka Budgeting)
Polling Question

Is Pizza a Need or a Want?
A need is something that if you went without it, it could jeopardize your health, safety or livelihood.
Income > Expenses
Understanding Your Income

- Student Loans are considered a source of income now, but keep in mind you will need to repay them.
- A job will increase your income, but keep in mind how unexpected expenses can affect your budget.
- Make sure to set money aside for emergencies and sudden expenses.
Keep Track of Your Spending

Envelope Budgeting

Spreadsheets

Paper & Pencil

App Example
goodbudget.com

Making it on a College Budget
goo.gl/kHhL92

Old School Example
check register
Mental Accounting
Educational Expenses

Expenses

– Tuition & Fees
– Room & Board
(Rent, Utilities & Food)
– Books & Supplies
– Travel
– Emergencies
– Recreation & Fun
Living Expenses
UNEXPECTED EXPENSES
For Many International Students

- Receiving Phone Calls & Texts
- Telephone Bills
- Water
- Insurance
- Tips
- Internet
- Taxes
- Health Care
- Reception of Wire Transfers
Make a List Before You Shop

Use technology to help make shopping lists!

App Examples:
evernote
food.com
better christmas list
notes apps

There are both free & for-purchase apps.

Groceries
Christmas
Home
Beauty Supplies

#UIMoney on Twitter
Credit
Your Credit History

Credit bureaus collect information about your credit use

Other businesses use this information

Interest rates on loans

Whether to rent or give you a Job

Insurance rates

Equifax

Experian

TransUnion
Polling Question

Which card is safer to use?

A  Debit  OR  B  Credit

#UIMoney on Twitter
Shopping for a Credit Card

Do You....... 
- Pay balances in full most months (convenience user)
- Carry a balance (a revolver)
- Go over the limit
- Pay late

Pay Attention to.....
- Annual fees
- Interest rate (APR)
- Over the limit fees, default terms, online options to track balances
- Late payment fees, default terms, online options to pay
Under 21: Harder to get a Card

Must have a co-signer or prove capacity to repay

CAUTION: Some credit card companies are accepting scholarships and student loans as proof of capacity to repay
Pay More Than Required

<table>
<thead>
<tr>
<th>New balance</th>
<th>$3,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum payment due</td>
<td>$90.00</td>
</tr>
<tr>
<td>Payment due date</td>
<td>4/20/12</td>
</tr>
</tbody>
</table>

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a $35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

<table>
<thead>
<tr>
<th>If you make no additional charges using this card and each month you pay. . .</th>
<th>You will pay off the balance shown on this statement in about. . .</th>
<th>And you will end up paying an estimated total of. . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only the minimum payment</td>
<td>11 years</td>
<td>$4,745</td>
</tr>
<tr>
<td>$103</td>
<td>3 years</td>
<td>$3,712 (Savings = $1,033)</td>
</tr>
</tbody>
</table>
Staying on Good Terms: Credit & Debt

Debt doesn’t have to be scary

Watch our recorded webinar now to see credit myths debunked & learn ways to tackle your debt

go.uillinois.edu/GetSavvy_EstablishingYourRoots
Financing Your College Degree
Process of Financing College

**Prepare**
- Research!
- Understand your resources

**Apply**
- FAFSA or Free Application for Federal Student Aid

**Receive**
- Your school will tell you how much you qualify for on the Award Letter

**Repay**
- studentaid.ed.gov has info on repaying federal student loans

https://studentaid.ed.gov & campus financial aid office

#UIMoney on Twitter
When do you need to complete the FAFSA?
The Free Application for Federal Student Aid (FAFSA) must be completed every year. You can complete it as early as October 1st for the following academic year to be eligible for first come, first serve aid.
Federal student loans (Stafford Direct Loans & PLUS loans for parents) are considered a form of financial aid, but have to be repaid by the borrower.
• Interest does not accrue on the loan while you are in school (at least half-time) or during any deferment periods.
• The government “subsidizes” the interest during these times.

• Interest accrues from the time the loan is disbursed to the school
• You are responsible for paying the interest.
• You can choose to pay it while you are in school or let it accrue interest.
Polling Question

Which of the following is true?

a. Loans have to be paid back.
b. Scholarships have to be paid back.
c. Grants require receipts for purchases.
d. All loans require you to have a minimum GPA.
Get Savvy
Grow Your Green Stuff

This month’s webinar presented as part of Money Smart Week:

April 21
Love Your Loan

Got student loans?
We can help you learn about repayment options.

Watch it Today
go.uillinois.edu/getsavvy_loveyourloan
Maximizing Your Time On Campus
“the benefits of both a bachelor’s degree and an associate’s degree still tend to outweigh the costs, with both degrees earning a return of about 15 percent over the past decade”


NET ROI FOR DEGREES VARY
(Earnings) – (Total Cost of Education) = NET ROI

http://www.payscale.com/college-roi/
Earnings and unemployment rates by educational attainment

Unemployment rate in 2014 (%)

- Doctoral degree: 2.1%
- Professional degree: 1.9%
- Master’s degree: 2.8%
- Bachelor’s degree: 3.5%
- Associate’s degree: 4.5%
- Some college, no degree: 6.0%
- High school diploma: 6.0%
- Less than a high school diploma: 9.0%

All workers: 5%

Median weekly earnings in 2014 ($)

- Doctoral degree: $1,591
- Professional degree: $1,639
- Master’s degree: $1,326
- Bachelor’s degree: $1,101
- Associate’s degree: $792
- Some college, no degree: $741
- High school diploma: $668
- Less than a high school diploma: $488

All workers: $839

Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.
Maximize Your Education’s ROI

Reduce Education Costs
- borrow less
- search for scholarships
- work part-time
- live at home or with roommates

Increase Your Potential
- network
- use Career Services
- join a club or volunteer
- use services your fees pay for
Limit Time To Degree

Finish your degree in 4 years to avoid additional costs of tuition and the loss of income that comes from needing to stay in school.

<table>
<thead>
<tr>
<th>Time to Degree</th>
<th>Additional Year</th>
<th>Potential Loss of Earnings</th>
<th>Increased Opportunity Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 YEARS</td>
<td>N/A</td>
<td>N/A</td>
<td>$0</td>
</tr>
<tr>
<td>5 YEARS</td>
<td>$16,804</td>
<td>$35,000</td>
<td>$51,804</td>
</tr>
<tr>
<td>6 YEARS</td>
<td>$33,608</td>
<td>$70,000</td>
<td>$103,608</td>
</tr>
</tbody>
</table>

Completing your degree is much better than not graduating, but don’t stretch it out unnecessarily.
Financial Literacy Badges Program

Want to participate in University of Illinois financial education events and programs while also earning badges that you can display on social media sites? Participate in the Financial Literacy Badges Program!

Cash at College Quiz:
go.uillinois.edu/CashAtCollegeQuiz

Learn more about the the Financial Literacy Badges Program by visiting:
badges.illinois.edu/usfsco/financialliteracyprogram

Launch of the Financial Literacy Badges program is supported through the Financial Literacy Counts Grant from HigherOne.
Stay in Contact with Us!

studentmoney.uillinois.edu
Questions?