

Dollar\$ and \$ense

A Guide to Help You Manage
Your Personal Finances Through
College and Beyond



**SPARTANBURG
COMMUNITY
COLLEGE**

www.sccsc.edu

About This Brochure

Knowing how to manage your money will help you prepare to meet your goals and have enough money to make them a reality. By learning how to take control of your money, your money will not take control of you.

This brochure is designed to provide basic knowledge and terminology about personal finances that will help you become financially independent and self-reliant through college and beyond.

Start Saving and Budgeting

Developing a budget and savings plan will help you weather rough times and meet your goals.

Set Goals

- Examples of **short-term goals**:
 - Money to cover the down payment on a new car
 - Money to buy bedroom furniture
- Examples of **medium-term goals**:
 - Money to pay for a home down payment
 - Money for home improvement
 - Money for future college expenses
- Examples of **long-term goals**:
 - Saving money for retirement

Determine Your Income

- Figure your **available income** - the amount of your take-home or net pay, not your salary or gross pay
- Do not include overtime pay. You should not rely on overtime pay as regular income.

Determine Your Expenses

- Know where your money is going.
- Fixed expenses such as rent, auto or student loan payments are easy to determine.
- Flexible expenses such as food, clothing and entertainment vary from month to month.
- Be sure to include expenses such as taxes or insurance that are billed quarterly, semi-annually or annually.

Create Your Budget

- Think of your budget as a spending plan.
- Your budget should meet your needs first and then the wants that you can afford second.
- Your expenses should be less than or equal to your total income.

Pay Yourself First

- Saving is an important part of protecting yourself financially.
- Save as much as you can every month.
- Even a small amount will make a big difference if you save consistently.
- A great goal is to establish an emergency savings fund large enough to cover three to six months of your living expenses.

Managing Credit & Debt

To buy a home, get a loan, deal with emergencies, make online purchases or do almost any kind of traveling, you must have access to credit.

Over the course of your life, managing credit wisely can be one of the most important factors in achieving your goals.

Know What Your Credit Score Means

Your credit score is the product of a complicated formula made up of several different elements that provides a measure of your credit worthiness. The higher your credit score, the less risk you present to a lender and the more likely a lender will let you borrow larger amounts at better interest rates.

The most commonly used credit scores are those provided by Fair Isaac Corporation. They are called FICO scores. A FICO score can range from 300 to 850.

Understand Your Credit Report (History)

- **Know whether you have a credit report.**

If you have ever applied for a credit card, student loan, auto loan or mortgage, you have a credit report.

- **Understand who looks at your credit report.**

Your credit report may be looked at by potential creditors, landlords, employers and insurance underwriters.

- **Know what these entities are asking.**

They want to know how promptly you pay your bills; how many credit cards you have; the total amount of credit extended to you and how much you owe on your accounts.

- **Be aware of the consequences of credit mistakes.**

Any negative information on your credit report such as late payments, bankruptcies and too much debt can impact your ability to get credit, a new job, advance in your current job or rent/buy a home.

- **Know what is on your credit report.**

There is personal identifying information, credit account information, public record information, inquiries and your credit score on your credit report.

- **Know what is not on your credit report.**

Checking or savings account information, medical history, race, gender, religion, national origin, political preference or criminal record are not on your credit report.

- **Be aware of how long information stays on your credit report.**

Positive information stays indefinitely. Inquiries stay six months to two years. Most negative information stays seven years. Some bankruptcies stay 10 years.

- **Check your credit report.**

Review your credit report at least once a year to make sure the information is accurate.

Federal Stafford Student Loans

You must repay your federal student loan. **Before you take out a loan, make sure you fully understand your options and responsibilities.**

You should explore and use scholarships, grants, work-study, part-time jobs and family contributions first to finance your education and use student loans only if necessary.

Prevent Default

You are responsible for repaying your student loan even if you do not graduate, have trouble finding a job after graduation or just didn't like the college you attended. ***If you do not make payments on your federal loans according to the terms of your promissory note and do not make special arrangements with your lender, your loan will be in default.*** Defaulting on your loan has serious consequences.

To avoid defaulting on your loan:

- Don't borrow more than you need or more than you expect to be able to repay. Develop a sound and realistic financial plan, including **a realistic idea of how much money you will earn after graduation.**
- Make your loan payments on time and notify your lender when you move or change your address.
- Know who your lender is and how to contact them.
- Contact your lender immediately if you have problems repaying. The lender can provide you with options, including *deferment* and *forbearance*.
"Deferment" means that your lender has allowed you to postpone your monthly payment for a limited period of time. For an unsubsidized Stafford Loan, the interest still accrues during the deferment period.
"Forbearance" means that your lender has allowed you to postpone or reduce your monthly payment for a limited period of time or has extended your repayment period. You are charged interest during forbearance. Forbearance is usually granted at the discretion of the lender to borrowers ineligible for deferment.
- Keep a record on your loan. Make copies of all letters, canceled checks and any forms you sign.

Know Your Responsibilities

- You must repay the loan with interest.
- Complete exit loan counseling.
- Stay in touch with the lender about address, telephone number, school status, etc.
- Make monthly payments on time.

Know the Consequences of Late Payments or Default

- Denial of further financial aid.
- Defaults are reported to national credit bureaus which will impair your ability to get additional credit.
- Federal and state income tax refunds will be withheld.
- Wages may be garnished.
- May have to pay collection fees.
- Professional licenses and certifications may be revoked.
- You may be sued.

Protecting Your Identity

Keep Your Information Safe

- Shred financial documents and paperwork with personal information.
- Protect your social security number. Don't carry your card in your wallet or write your number on a check.
- Don't give out personal information on the phone, through the mail or over the Internet unless you know who you are dealing with.
- Never click on links sent in unsolicited e-mail messages.
- Use firewalls, anti-spyware and anti-virus software to protect your home computer.
- Don't use obvious passwords like your birth date, your mother's maiden name or the last four digits of your social security number.
- Keep your personal information in a secure place at home especially if you have roommates, employ outside help or are having work done in your home.

The Signs of Identity Theft

- Not receiving bills or other mail you normally get.
- Receiving credit cards you didn't apply for.
- Being denied credit for no reason.
- Getting calls or letters about things you did not buy.
- Being served court papers or arrest warrants for things that do not involve you.

What To Do If You Are A Victim

- Report the crime to the police immediately.
- Immediately contact your credit card issuers.
 1. Get replacement cards with new account numbers.
 2. Ask that old accounts be processed as "account closed at consumer's request."
- Place a fraud alert on your credit report.
 1. Alert all three credit reporting bureaus.
 2. Add a victim's statement so that creditors must contact you to verify future credit applications.
- Correct any inaccurate information.
- File a complaint with the Federal Trade Commission Consumer Response Center at www.ftccomplaintassistant.gov

How to Check Your Credit Status

Knowing your credit history is the first critical step in managing credit wisely. You are legally entitled to one free report every year from all three credit reporting agencies.

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| Free Report | www.annualcreditreport.com |
| Experian | www.experian.com |
| TransUnion | www.transunion.com |
| Equifax | www.equifax.com |

How to Be Successful in College

In today's society having a college education is one of the most important investments you can make. The skills you learn in college can give you the training you need to broaden your career choices, earn more money and make better life decisions.

A good education can make it easier to handle difficult economic times and give you the skills you need to better provide for yourself and your family.

Having good study skills will help you in all areas of life, not just college. Study skills include time management, research skills, analytical skills, reading, writing and verbal communication. Well-developed study skills will help you become more confident, effective and productive both personally and professionally.

Develop a Plan to Graduate

- See an admissions counselor and choose a program of study early then set realistic goals for being accepted into the program and for graduating from it.
- Understand the curriculum—don't rely on other students for academic advice.
- Understand enrollment status—at least 12 credit hours per term is full-time.
- Don't waste time—time is money.
- See your academic advisor—chart your program, include transitional (refresher) and prerequisite classes and consider when the courses you need will be offered to ensure that you graduate on schedule.
- Keep life simple—over-committing socially and financially will take a toll on you, both mentally and physically.

Make Satisfactory Academic Progress (SAP)

If you apply for and/or receive financial aid, the college's financial aid office will monitor your progress to ensure that you make satisfactory progress towards the completion of your program in a reasonable period of time.

- Know the financial aid policy and that it is in addition to the policy for academic probation and academic suspension.
- You must earn at least 67 percent of the cumulative credit hours attempted. Courses with grades "F" (Failure), "W" (Withdrawn), "WF" (Withdrawn Failing) and "I" (Incomplete) are not considered completed courses.
- You may only receive aid for 1.5 times the published length of your program of study. For example, a student enrolled in a 60 credit hour program is eligible for financial aid until 90 credit hours are attempted ($60 \times 1.5 = 90$).
- Learn how to study for and take tests.
- Seek help from your instructors.

Cope with the Demands of Student Life

- Manage your time wisely.
- Reduce or learn to cope with stress.
- Seek help from a variety of on-campus resources.

Tips for Success

Get Organized

- Create a filing system to keep track of financial paperwork and other important documents.

Don't Bounce Checks

- Your bank will charge you a fee and your credit history will be hurt.

Understand Your Financial Aid

- Your financial aid package is very important. Make sure you know what you have to do to ensure you continue to receive your financial aid award.

Apply for Financial Aid Every Year

- Financial aid applications should be completed each year between January and May for the upcoming academic year.

Watch Out For Scholarship Scams

- You should never have to pay a fee to find scholarship money.

Use Loans as a Last Resort

- Even though loans are an investment in your future, they also mean that you are putting yourself into debt.

Make School Your Primary Job

- College is demanding and it can take time to adjust to the challenges of your college workload.

Take Time to Prepare For Your Career

- Attend on-campus interviews and career fairs.
- Use the resources available at the career center.
- Get your resume ready.
- Research the salary ranges of careers you are interested in pursuing.

Use Campus Computers Instead of Buying Your Own

- Save your assignments and class work on a flash-drive so that you will always have access to your work.

Resist Peer Pressure

- Don't spend money that you do not have.

Take Advantage of Student Discounts

- Going to the movies, riding the bus or even ordering pizza might cost less if you show your student ID.

Get Into the Savings Habit

- Save a set amount of money every month into a separate savings account. Over time, this account will grow.

Additional Resources

Compass of Carolina
www.compassofcarolina.org

Jump\$tart Coalition
www.jumpstart.org

Mapping Your Future
www.mappingyourfuture.org/money

U.S. Financial Literacy and Education Commission
www.mymoney.gov

America Saves
www.americasaves.org



Financial Aid Office
Post Office Box 4386
Spartanburg, South Carolina 29305
(864) 592-4810 or toll free 1-888-591-3810

www.sccsc.edu/financialaid

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