



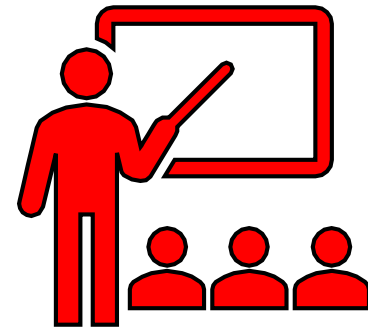
OFFICE OF STUDENT FINANCIAL SERVICES
FINANCIAL LITERACY GUIDANCE

Financial Literacy Guidance

Choosing how to pay for college is often one of the first major financial decisions that young adults make.

Financial Literacy education can provide an understanding of how to manage personal finances, establish goals, and form a plan to reach them.

Developing skills necessary to make informed financial decisions will increase your financial wellness.





Key Concepts



Information in this presentation provide key concepts that student loan borrowers should understand, good financial habits for students to practice, tools and resources available to help communicate these concepts.



Budgeting



The basics of budgeting are to form good financial habits and develop an awareness of spending.

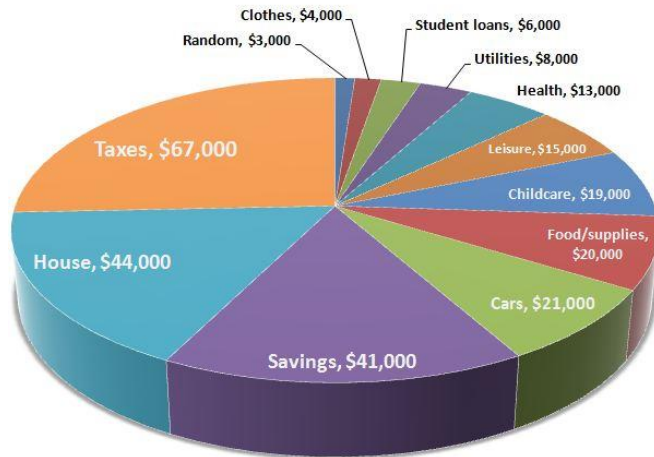
Studentaid.gov hosts a budgeting video that can be useful when helping students in the early stages of this process.

Why Budget?

Budgeting is important because

- It helps student meet their expenses and create plans to reach their financial goals;
- it reduces students' anxiety levels regarding financial and academic matters;
- it improves students' understanding of their school's Cost of Attendance (COA); and
- it identifies where funds should be going versus where they are actually spent;
- it helps demonstrates the importance of maintaining a balance between earnings and spending.

What does a family with \$250,000 earned income spend?

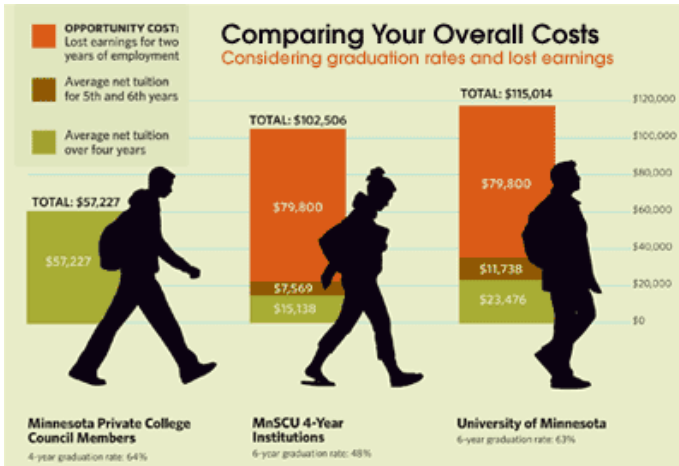


Cost of Attendance

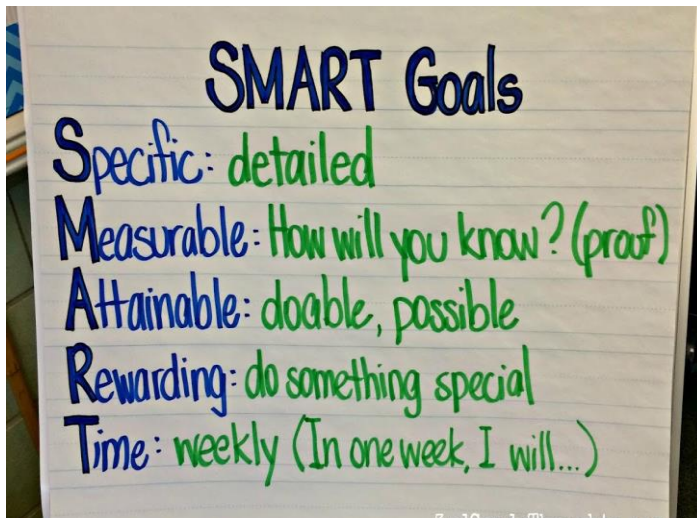
Cost of Attendance (COA) plays a large role in forming students' budgets.

Here are some examples of the COA:

- Tuition
- Non-tuition-related fees
- Textbooks
- Supplies
- Housing
- Transportation
- Miscellaneous



Setting Goals



Academic Goals

- Graduating on time
- Getting good grades while in school
- Obtaining degree or certification

Financial Goals

- Short-term savings goal
- Long-term savings goal

Personal Goals

- Establishing a Career
- Choosing a place of residence

Borrowing



**Borrowing
Fundamentals**

**Borrower
Responsibilities and
Options**

Federal Loans

Private Loans

Borrowing Fundamentals



- Most students use federal loans to help finance their education and some may turn to private loans.
- Taking out a loan is an important financial decision that can affect a student for years to come.
- Before taking out a loan, students should be encouraged to use all available grants and scholarships and work study since they normally do not have to be paid back.
- If these options are not enough to cover tuition and other educational related expenses, students should consider the William D. Ford Federal Direct Loan Program.



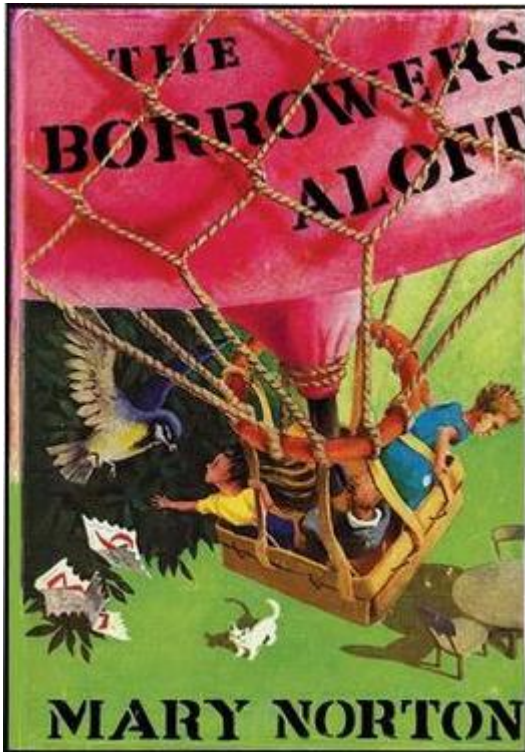
Federal Loans

William D. Ford Federal Direct Loan Programs



- **Direct Subsidized Loans**
- **Direct Unsubsidized Loans**
- **Direct Plus Loans**
- **Direct Consolidation Loans**

Borrower Responsibilities and Options



- Whether one select a federal or private loan, students should be aware of the details of their loan (s), as well as their responsibilities and option as a borrower.

Some things to consider:

- Do I have to accept the full loan amount that is offered?
- When does the repayment period begin?
- Does interest accrue while the student is enrolled?
- How long is the repayment period?

Repayment



Understanding
Repayment



Federal Direct Loan
Repayment Options



Public Service Loan
Forgiveness

Understanding Repayment



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- Educating borrowers about their responsibilities and options will help to decrease default and delinquency rates.
- Students should be encouraged to explore their repayment plan options, including income-based repayment plans.
- Find the information you need to manage repayment process at Studentaid.gov.
- A repayment estimator can be located at StudentAid.gov/repayment-estimator.
- StudentLoans.gov.myDirectLoan/financialAwarenessCounseling.action?execution=e1s1.



Repayment Options

- **Standard Repayment Plan**
 - **Graduated Repayment Plan**
 - **Extended Repayment Plan**
 - **Income-Driven Repayment Plans (Income-based) Repayment, Pay as You Earn Repayment, and Income-Contingent Repayment Plan**
- For more information about federal loan repayment plans, visit [StudentAid.gov/plans](https://studentaid.gov/plans).

Repayment Tips



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Establishing contact with their loan servicer (s) prior to beginning repayment will help to avoid misunderstandings about the repayment amount and schedule.

Borrowers experiencing difficulty meeting their repayment obligations may have options, including loan consolidation, changing repayment plans, deferment, or forbearance.

Students should contact their lender servicers with any questions regarding repayment at StudentAid.gov/servicer.



Tips for working
with our students

Resources



Resources for
Students



Social Media

Tips for working with students

- Financial Coaching
- Train the Trainer
- Peer-to-Peer Counseling





Resources for Students



StudentAid.gov



StudentAid.gov/resources



College Navigator



College Scorecard






Net Price Calculator



Financial Awareness Counseling Tool (FACT)



Social Media

-  [/FederalStudentAid](#)
-  [/FAFSA](#)
-  [/FederalStudentAid](#)

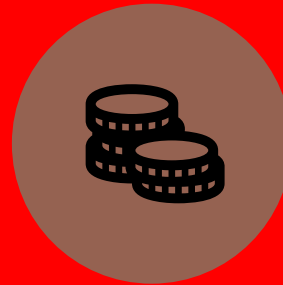
Other Resources



FDIC MONEY SMART



MY MONEY.GOV



CONSUMER FINANCIAL
PROTECTION BUREAU



U.S. DEPARTMENT OF
AGRICULTURE'S
COOPERATIVE EXTENSION

Questions & Answers



Contacts



Federal Student Aid Information Center (FSAIC)

E-mail: studentaid@ed.gov

Toll-free number: 1-800-4-FED-AID

TTY (for the hearing impaired): 1-800-730-8913

or

Polk State College

Office of Student Financial Services

financialaid@polk.edu

Phone: 863-297-1004