

Be SMART about your money

Here's an A-Z guide to help you manage your money.

A AVOID CREDIT CARDS. It's easy to get a credit card and even easier to get into trouble. Be wary of low introductory rates that quickly jump higher. Read the fine print and look out for hidden fees. Consider a debit card instead—you'll still need to read the fine print. If you do use a credit card, pay your balance in full each month. But if you can't, try to pay more than just the minimum payment.

B BORROW WISELY. Calculate how much you can afford to repay by looking ahead at what your monthly loan payments and other expenses will be and what you can expect to earn after graduating. Start by going to www.edwise.org and www.studentdebthelp.org.

C CREATE A MONTHLY SPENDING PLAN AND STICK TO IT. If you don't already have one, take the first step—write down all your expenses in a notebook for two to four weeks to understand your spending habits and where your money is going. Figure out your income from all sources and then complete the budget worksheet on page 35.

D DON'T GRADUATE WITH STICKER SHOCK. Keep track of how much you borrow and how much you owe, including interest costs and fees. Don't underestimate the total payback of your loans.

E EMBRACE CHANGE. Go back to your spending plan every few months and ask yourself: Is it working? If not, is there anything you can do without—or can you earn more? Prioritize your spending.

F FIND FREE MONEY. File the FAFSA to apply for federal and state aid, and surf the Web for private scholarships. Look into scholarships offered by your local community service organizations.

G GET ORGANIZED. Set up separate files for your bank statements, household bills, insurance payments, college applications, financial aid papers, loan documents and correspondence with your college. Be sure to keep them in a safe place.

H HAVE REALISTIC CAREER EXPECTATIONS. Log on to www.bls.gov/oco for the requirements and entry-level salaries of hundreds of jobs in the federal *Occupational Outlook Handbook*, or go to www.edwise.org for take-home salaries.

I INQUIRE ABOUT STUDENT DISCOUNTS. It doesn't hurt to ask. For example, some banks offer free checking accounts or student discounts—be sure to read all the disclosures first.

J JUST BE THRIFTY. Pack a lunch, get a roommate, shop garage sales and thrift stores, buy used textbooks, take the bus, clip coupons, rent videos instead of going out to the movies, and shop around for the best cell phone, Internet access and car insurance rates. Pick up more tips by watching the videos at www.edfund.org (click on "Students & Parents," then select "Online Money Management Library" under "Managing Your Loan").

K KEEP COPIES (FRONT AND BACK) OF ANY CARDS OR IMPORTANT DOCUMENTS IN YOUR WALLET. If your wallet is lost or stolen, you'll be able to contact banks, credit card companies and others easily. Never keep your Social Security card in your wallet.

L LOOK AHEAD TO YOUR FIRST PAYCHECK. You'll find current pay information for more than 2,000 jobs at www.bls.gov/oco and www.edwise.org.

Excerpted with permission from the publication *2006-2007 Fund Your Future Workbook*, by the California Student Aid Commission and the EdFund.

To access the booklet in its entirety, go to www.csac.ca.gov or www.edfund.org.

This workbook is also available in Spanish. A national version will be available soon.

M MINIMIZE SOLICITATIONS. Log on to www.donotcall.gov or call toll free 888.382.1222 to register your telephone number on a “do not call” list for phone solicitations. Call toll free 888.5OPTOUT (888.567.8688) to opt out of preapproved credit card offers.

N NEVER GIVE YOUR PERSONAL INFORMATION TO ANYONE OVER THE PHONE OR INTERNET. Companies will never call or e-mail you for your personal identification, bank account information, Social Security number or student identification number.

O OPEN A SAVINGS ACCOUNT. No matter how little, set aside something every month. Even just \$20 a month will get you in the habit of saving and help build a cushion for a financial emergency.

P PAY AS YOU GO. Paying the interest that accrues each month on your student loan—or paying more than the minimum payments on your credit card or loan—could save you hundreds, even thousands, of dollars.

Q QUIT USING PLASTIC FOR COLLEGE! Let’s say you use your credit card to pay tuition your first semester, giving you a balance of \$1,400. If you pay \$28 each month, at an interest rate of 18 percent, it’ll take you nearly eight years to pay it off. Your final bill: \$2,607—\$1,207 in interest costs! The same \$1,400 in a federal loan would take you less than three years to repay and cost you at the most only about \$160 in interest at 8.25 percent and paying \$50 a month.

R READ THE RETURN POLICY INFORMATION BEFORE YOU BUY. Some stores only offer store credit instead of a cash or credit card refund.

S SHRED PRE-APPROVED CREDIT CARD APPLICATIONS and other financial papers before tossing them to help protect yourself against identity theft.

T TAKE ADVANTAGE OF FEDERAL TAX BREAKS. You may qualify for tax credits or deductions for qualified expenses. Go to www.irs.gov/pub/irs-pdf/p970.pdf to learn more.

U UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES—AND BENEFITS—AS A BORROWER. For example, many lenders offer lower interest rates for automatic payments from bank accounts or for making 48 consecutive on-time payments.

V VERIFY THE INFORMATION ON YOUR CREDIT REPORTS IS CORRECT AT LEAST ONCE A YEAR. Request your free credit report at www.annualcreditreport.com.

W WATCH FOR UNUSUAL ACTIVITY EACH MONTH ON YOUR BANK AND CREDIT CARD STATEMENTS. Also check your loan documents regularly.

X CROSS OFF ITEMS ON YOUR TO-DO LIST. Get into the habit of setting and accomplishing financial goals. Start with small ones, like cutting out an expensive habit.

Y YOUR IDENTITY IS YOURS—PROTECT IT! Identity theft affects 10 million people a year. You’ll find tips to protect you against identity theft at www.ed.gov/misused and www.phishinginfo.org, as well as www.csac.ca.gov (click on “Student Identity Theft”).

Z ZERO IN ON THE FASTEST GROWING JOBS IN THE NEXT 10 YEARS. According to the federal government, many will be in computer and health services. To learn more, go to www.bls.gov/emp.



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