

Smart Money Tips

1

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 and lender. Keep them in a safe place.

2

Create a monthly spending plan and stick to it. First, you'll need to know your income and expenses. To figure out your expenses, write down all your purchases every day for at least two weeks to understand where your money is going. Also, look at your bank or credit card statements at the end of the month. You'll get a good idea of the number of coffees you bought, how many times you ate out, any clothes, shoes, books or other items you bought, and your regular household expenses, such as rent, utilities and food.

3

Shop around for textbooks. Research new and used textbooks online. Compare ISBNs (every book has its own International Standard Book Number, located on the copyright page) to make sure you get the right edition. Also, ask if your college has a book rental or buyback program.

4

Avoid using credit cards. It can be easy to get a credit card and even easier to get into trouble. Shop around and be wary of low introductory rates that quickly jump higher. Look out for hidden fees. Consider a debit card instead, but you'll still need to read the fine print. If you have a credit card, pay your balance in full each month. If you can't, try to pay more than just the minimum payment.

5

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

6

Know how much you need. Your expenses during college amount to more than just tuition and fees. Find out the current costs of nearly every college in the country by exploring the College Navigator Web site at <http://collegenavigator.ed.gov> and the College Board's Web site at www.collegeboard.com.

7

Plan to transfer! What can two years and 60 semester units of transferable community-college credit do for you? If you meet the GPA and admissions requirements, you can transfer to a four-year college knowing that you have saved thousands of dollars in tuition and fees. Every California Community College has an agreement with at least one UC or CSU campus making transferring easier if you meet the requirements. Some also have transfer agreements with independent or out-of-state colleges. Register with your community college's transfer center—it's important to know the courses you need so you can meet the admissions requirements and take full advantage of your financial aid options. You can also visit www.assist.org to learn more about transfer opportunities.



Save Your Credit Card for Emergencies

Thinking about using your credit card to pay for college? Think again. Let's say you use your credit card to pay tuition one semester, giving you a balance of \$1,400. If you make only the minimum payment of \$56 each month (and continue to pay 4 percent of your outstanding balance as now required) at an interest rate of 18 percent, you'll end up paying \$756 in interest—that's more than half the original amount you charged! The same \$1,400 in a federal student loan would cost you at most about \$129 in interest, paying \$50 a month at 6.8 percent. That's a savings of \$627!