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L A F A Y E T T E *

**LIVING A LIFE OF VALUE:
YOUR MONEY, YOUR CAREER & YOUR FUTURE**

**BEST PRACTICES, CHALLENGES & STRATEGIES
TO OWN YOUR FINANCIAL FUTURE**

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A FEW CHALLENGES & GOALS TO START OWNING YOUR FINANCIAL FUTURE

1. For 3 months a year – once in the fall, once in the spring, once in the summer – track every penny you spend. Prepare a complete budget of your expenses to look in the mirror to determine what your spending habits and behaviors are.
 - Identify discretionary vs. non-discretionary cash flows.
 - Identify investments vs. expenses.
 - Identify personal vs. business expenses.
2. Open a Roth IRA (Individual Retirement Account) or a taxable brokerage account to begin investing for your future.
 - A Roth IRA – or any retirement plan – has some restrictions and is designed for the long-term, but comes with tax deferral and possibly tax avoidance options.
 - A taxable brokerage account has more flexibility, but does not have tax benefits.
 - When it comes to investing, TIME is your best friend. The earlier you begin investing, the sooner your investments begin working for you and your future.
 - There are dozens of investment platforms available, and the investing options are virtually identical across platforms, so which one you use is a personal decision. Robinhood and Fidelity are two of the most popular, but any will serve your purposes.
3. Begin building your personal – and possibly business – debt profile.
 - Check your credit score regularly and check your credit report annually. Make sure that the information in your account and affecting your debt profile is accurate.
 - Get at least 1 credit card as soon as possible. Think about having 2 or 3 credit cards. Only use them as you would use a debit card or cash...but the credit features (a) can give you rewards or benefits or cash, and (b) help your credit score.
 - Getting a credit card is easier while you are young...so begin as quickly as possible.
 - When looking at credit cards, they are all very similar. Which is best depends on you. But I would look at 3 things: (1) do not pay an annual fee, (2) lower interest rate (not just any introductory rates, but the regular rates), and (3) what reward benefits are being offered.
4. Most of you will have a formal or informal business at some point in your life. Getting that business legal and professional as soon as possible will make your life much easier and better.
 - You owe income tax on all income you earn, whether as an individual or as a business. But you only owe tax on NET business income, after expenses are deducted, which is nice.
 - Keep track of all personal and business expenses – and know which expenses you can claim as business expenses to reduce your overall taxable income. Yes, this is legal.
 - Go to <https://geauxbiz.sos.la.gov> to begin your business ownership journey. You can spend \$25 to reserve your company name or you can spend \$100 to \$200 to legally establish your business in the state. When asked which legal structure you want, if in doubt, choose LLC – or Limited Liability Company – as it has the best legal liability protection and flexibility.
 - Even if your 'business' is just a small side hustle, the sooner you make it legal and professional, the more flexibility and less legal liability you might have in the future. Do it.

Strategic planning...Complete the thought exercises on the following pages once a year, to think about your current and desired future financial goals and plans. This plan is the first – and most important step – towards turning your goals into a plan and into reality.

YOUR PERSONAL CHARACTERISTICS & SITUATION

Before you can begin thinking about your future, you need to know where you are today. Briefly identify the characteristics that define

Your Personal Characteristics & Situation

Age:

Family – Spouse? Partner? Children? Parents? Dog?

Other:

What is Your Degree Program?

When Do You Expect to Complete College (and Graduate School, if that's your plan)?

Your Future Career Path

Take a shot at articulating your professional expectations here. If you aren't feeling confident about some of your answers that's ok. Continuously refining educated guesses about yourself and your situation is what this kind of planning is all about.

What job do you expect to have 1 year after you complete college and/or graduate school?

What job do you want to have 5 years after you complete college and/or graduate school?

Where do you want to be living 5 years after you complete college and/or graduate school?

Where do you want to be living 15 years after you complete college and/or graduate school?

WHAT ARE YOUR VALUES?

Our values are those ideals that are most important to us. You should have already worked through the Values Sort Exercise at <https://www.think2perform.com/values#start>. Now let's dig a little deeper, and sort our values into "Personal" values and "Professional" values. We do this to think about the trade-offs we may make between short-term and long-term decisions.

The list below provides some popular values. Feel free to define your own values are not in this table.

Circle as many of the following values as you feel you believe in, are important to you, help define who you are or connect with what you want to define your future.

Order	Fame	Faith	Pleasure	Decisiveness
Wealth	Power	Achievement	Spirituality	Flexibility
Honesty	Leadership	Competition	Philanthropy	Friendship
Freedom	Ethics	Money	Autonomy	Meaningful Work
Relationships	Cooperation	Excellence	Safety	Religion
Community	Competence	Creativity	Adventure	Family
Integrity	Recognition	Happiness	Play	Status
Stability	Health	Fairness	Diversity	Privacy
Challenges	Change	Service	Environment	Helping Others
Independence	Security	Excitement	Loyalty	Education

WHAT STANDS OUT TO YOU IN THE LIST ABOVE?

WHAT THEMES DO YOU NOTICE?

IS ANYTHING MISSING FROM THE LIST ABOVE?

WHAT ARE YOUR VALUES?

Now, let's make things a little more difficult. Instead of simply circling ALL of the values that you feel connected with, let's narrow it down. And let's narrow it down across two dimensions: your personal life and your expected, future professional life.

On the left, think of who you are and who you will always be. These values define you.

On the right, think of what you want in a career, in a professional life or in your future.

What Are Your Top 5 Personal Values?

1. _____

2. _____

3. _____

4. _____

5. _____

What Are Your Top 5 Professional Values?

1. _____

2. _____

3. _____

4. _____

5. _____

Use this space below for whatever notes you want to write down to help you think and plan more effectively.

WHAT ARE YOUR GOALS?

Our values and personal characteristics define where we are today. Our goals define where we want to be in the future. Most of us have distinctly different personal and professional goals – and those goals will change and evolve over time. Think about your goals, what your personal and professional goals are.

What Are Your Top 5 Personal Goals for the Next 3 Years?

1. _____
2. _____
3. _____
4. _____
5. _____

What Are Your Top 5 Personal Goals for the Next 10 Years?

1. _____
2. _____
3. _____
4. _____
5. _____

What Are Your Top 5 Professional Goals for the Next 3 Years?

1. _____

2. _____

3. _____

4. _____

5. _____

What Are Your Top 5 Professional Goals for the Next 10 Years?

1. _____

2. _____

3. _____

4. _____

5. _____

What Does Retirement Look Like to You?

For most of us, retirement eventually becomes a major part of our future planning. Of course, it's probably a long way away for you and you have an entire life to live before you retire. But thinking about what retirement looks like to you – and what you want your retirement to be – can help you think about how you live that life and what career options you pursue.

Take a few minutes to think about your future retirement; this is merely a thought-exercise to begin visioning what you will need to do have the retirement that you want.

At what age will you retire?

What family will you have?

How will you stay busy in retirement?

What excites you most about retirement?

Where will you live?

How will you pay for retirement?

What else will be a part of your future retirement?

What Are Your Top 5 Financial Goals for the Next 5 Years?

1. _____
2. _____
3. _____
4. _____
5. _____

7 Financial Goals Every Student Should Pursue

Managing your money is difficult while you're in school – mostly because you have limited income. But that's exactly why you're in college – to increase your income. And once that happens, you will have the opportunity to take control of your financial situation, to own your financial future and to build your own financial independence. The 7 actions below can help get you started.

**ONE MONTH EVERY SEMESTER:
TRACK EVERY PENNY THAT YOU SPEND
& TRACK EVERY PENNY THAT YOU EARN**

**IN THE NEXT 3 MONTHS:
IDENTIFY WAYS TO DECREASE YOUR
DISCRETIONARY SPENDING BY 25%**

**IN THE NEXT 6 MONTHS:
MAKE A PLAN TO
MANAGE – AND PAY OFF
– YOUR DEBT**

**IN THE NEXT 12 MONTHS,
OPEN AN IRA OR ROTH
IRA**

**IN THE NEXT 6-12
MONTHS:
OPEN MULTIPLE SAVINGS
ACCOUNTS, 1 FOR EACH
GOAL**

**WITHIN 2 YEARS OF GRADUATION:
HAVE AN “EMERGENCY FUND”
ACCOUNT, WITH 3-6 MONTHS OF NON-
DISCRETIONARY EXPENSES**

**WITHIN 3 YEARS OF GRADUATION:
ELIMINATE ALL OF YOUR BAD DEBT.**

YOUR PROFESSIONAL SWOT ANALYSIS

A SWOT Analysis identifies Strengths, Weaknesses, Opportunities and Threats. Businesses frequently use these in their strategic planning work. Personal or Professional SWOT Analyses can be a power tool to help you think about your future – what you can control and what may be more difficult to control. In the boxes below, try to list 3-5 items that apply to you for each category.

Your Professional Strengths	Your Professional Weaknesses
Opportunities for Your Professional Future	Threats to Your Professional Future

YOUR FIRST POST-COLLEGE JOB PRIORITIES & PREFERENCES

You probably came to college for many different reasons. One of those reasons is probably “to get a great job.” As you think about that great job, what does it look like? When you begin applying for jobs, interviewing for jobs, negotiating for jobs or starting your own business, you will have to make a number of decisions. Some of these decisions will be directly aligned with your values and goals. Some of these decisions may involve trade-offs...because it may take a while for you to find “the perfect job.”

Think about the 10 most likely features of your first post-college and/or graduate school job – salary, location, flexibility, opportunity, flexibility, culture... – and identify how important each feature is to you.

- | | |
|-------------------|--------------------|
| 1. _____
_____ | 6. _____
_____ |
| 2. _____
_____ | 7. _____
_____ |
| 3. _____
_____ | 8. _____
_____ |
| 4. _____
_____ | 9. _____
_____ |
| 5. _____
_____ | 10. _____
_____ |

Are there any other deal-killers, must-haves or other key factors to consider for your next job?

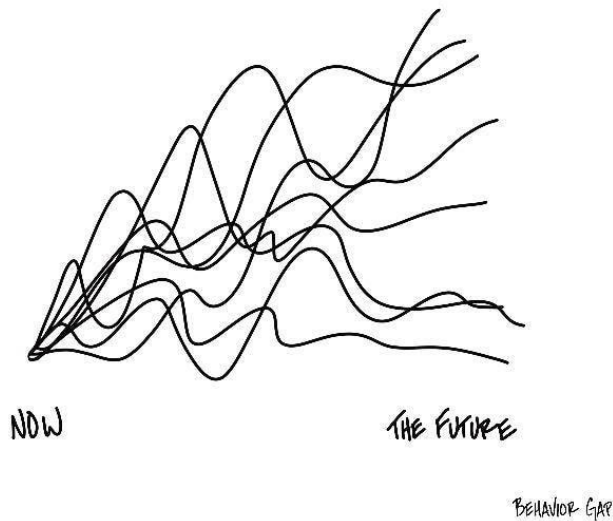
Let's Revisit Your Future Career Path

Take a shot at articulating your professional expectations here. If you aren't feeling confident about some of your answers that's ok. Continuously refining educated guesses about yourself and your situation is what this kind of planning is all about.

What job do you expect to have 1 year after you complete college and/or graduate school?

What job do you want to have 5 years after you complete college and/or graduate school?

Where do you want to be living 5 years after you complete college and/or graduate school?



Where do you want to be living 15 years after you complete college and/or graduate school?

A GOAL WITHOUT A PLAN IS JUST A DREAM. MAKE A PLAN TO ACHIEVE YOUR GOALS.

WHAT IS YOUR IDEAL PLAN B??

We all have a Plan A. That's the dream, that's the goal.

But Plan A doesn't always work out for us. So let's think about your second-best future life.

What are 5 criteria for your Plan B, second-best future professional life?

Think of these as both "must-haves" and "things-you-can-control."

Think of this Plan B as a plan that you can see yourself creating and enjoying.

1. _____

2. _____

3. _____

4. _____

5. _____

WHAT ARE YOUR FUTURE CAREER & PROFESSIONAL PLANS?

Use this space for whatever notes you want to write down to help you think and plan more effectively.

A GOAL WITHOUT A PLAN IS JUST A DREAM. MAKE A PLAN TO ACHIEVE YOUR GOALS.

YOUR PERSONAL & PROFESSIONAL VISION BOARD

You may have heard of *Vision Boards* in slightly different contexts – a lot of people create them to help visualize and prioritize different life goals.

That's exactly what we're doing here: we're applying this visualization and prioritization to the intersection of your education goals, your professional goals, your family goals and your personal goals.

Today's session has focused on your professional goals. But it's impossible for anyone to focus on their professional goals without also thinking about personal, family and education goals.

So try to think about how all of these connect through the following questions – and then begin to build your *Personal & Professional Vision Board* in the tiles on the following page. We encourage you to continue this exercise on your own to make this *Vision Board* as creative and relevant as you need.

- What are your priorities to complete college and/or school?
- What do you hope to do immediately following college and/or graduate school?
- What job(s) do you hope to have after college and/or graduate school?
- How are you going to go about finishing college and/or graduate school?
- How are you going to go about getting your next job?
- What are the top 5-10 criteria you want in that next job?
- What are your professional goals for the next 5-10 years?
- What are your personal, family and other goals for the next 5-10 years?
- Fast-forward to the year 2040. What experiences, accomplishments, values and other priorities will help you live your best life?
- What are the values – both personal and professional – that will be the foundation for all of your future decisions, experiences and accomplishments?
- Who is your team? Who is going to be responsible for helping you achieve your goals and live your best personal and professional life? Family, advisors, friends...who else?

A GOAL WITHOUT A PLAN IS JUST A DREAM. MAKE A PLAN TO ACHIEVE YOUR GOALS.

REVISITING YOUR VALUES

After going through this entire mental exercise, thinking about your goals and dreams, your needs and wants, your retirement and your future professional lives...

How does all this connect back to the values you identified at the beginning of this exercise?

Go back and review your values from the beginning.

What are your Top 5 overall values now?

1. _____
2. _____
3. _____
4. _____
5. _____

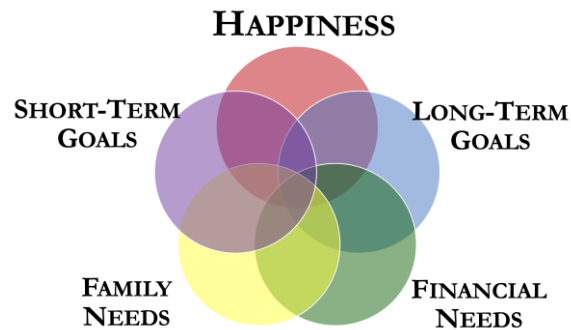
PLANNING FOR POST-COLLEGE LIFE:

ALIGNING VALUES, VISION, AND ACTIONS FOR THE FUTURE (AND FROM THE START)

Use this space for whatever notes you want to write down to help you think and plan more effectively.

PERSONAL FINANCIAL PLANNING

Some Best Practices & Challenges to Own Your Financial Future



TOP 15 PERSONAL FINANCE TIPS FOR ALL COLLEGE STUDENTS

Budgeting: 5 activities to take better control of your income and expenses

1. For 2 or 3 months a year, track every penny that you spend and that you earn. Analyze your behavior, judge yourself and make sure your actions align with your values and goals.
2. For 1 week a month, commit to not spending a penny dining out. No coffee, no fast food, nothing. Try it.
3. Analyze your insurance policies at least once a year. You can easily save yourself hundreds of dollars a year.
4. Cancel at least 2 subscriptions by the end of the year. You don't use them all – get rid of these tiny money pits.
5. Set financial goals. Set goals for the next 6 months, for the next 2 years and for the next 5 years. Once you identify your financial and personal goals, it's much easier to make a plan to achieve these goals.

Debt Management: 2 reasons to prioritize good debt vs. bad debt

6. Banks and lenders are extremely profitable – because we pay them interest. And then we pay them interest on our interest. It's your choice: give them your money or invest it in yourself.
7. Identify all of your outstanding debt and rank it from worst (most costly) to best (least costly). Make a plan to eliminate your worst debt as soon as possible.

Saving: 2 strategies related to saving more

8. Build an emergency fund with enough savings to cover 3-6 months of discretionary expenses. As artists, your income may be unpredictable at times; having this cushion can help you get from paycheck to paycheck.
9. As soon as you get any income, whether it's a recurring paycheck or a one-time gig, move at least 10% of the money into a dedicated savings account.

Investing: 3 reasons why it's the key to creating wealth

10. Compound growth – growth on growth – lets your money make money for you. Start using it early.
11. If you start investing a little in your 20s, once compound growth kicks in your money will go to work for you.
12. It's fun. And getting personally engaged in investing – whether that's in stocks or real estate ownership – gives you a personal connection to building wealth.

Taxes: 2 things to get better prepared for April 15

13. Get rid of your tax refund. It's your money, talk to HR and reduce your withholding so you get your money sooner and don't have to wait for a tax refund to get your money back.
14. Spend 1 hour reviewing tax policy to find 5-8 key deductions and credits that specifically apply to you and can save you hundreds or thousands in tax payments. We all have different situations that we can benefit from.

Retirement: 1 thing you can do tomorrow

15. Open an Individual Retirement Account (IRA) or Roth IRA and begin putting money aside for future-you. IRAs combine the benefits of investing and tax planning and will make your future much more comfortable.

A GOAL WITHOUT A PLAN IS JUST A DREAM. MAKE A PLAN TO ACHIEVE YOUR GOALS.

How Much Will You Have By Saving or Investing Annually for 20 Years?					What is the Full, True Cost of Using a Credit Card				
Interest Rate on Savings or Rate of Return on Investments	Savings or Investment Amount per Year				Assume You Pay Off Your Credit Card in: 10 years				
	\$1,000	\$3,000	\$5,000	\$10,000	Annual Interest Rate that the Bank Charges You	Amount You Put on Your Credit Card			
						\$100	\$1,000	\$5,000	\$10,000
1%	\$22,019	\$66,057	\$110,095	\$220,190	10%	\$159	\$1,586	\$7,929	\$15,858
4%	\$29,778	\$89,334	\$148,890	\$297,781	11%	\$165	\$1,653	\$8,265	\$16,530
5%	\$33,066	\$99,198	\$165,330	\$330,660	12%	\$172	\$1,722	\$8,608	\$17,217
6%	\$36,786	\$110,357	\$183,928	\$367,856	13%	\$179	\$1,792	\$8,959	\$17,917
7%	\$40,995	\$122,986	\$204,977	\$409,955	14%	\$186	\$1,863	\$9,316	\$18,632
8%	\$45,762	\$137,286	\$228,810	\$457,620	15%	\$194	\$1,936	\$9,680	\$19,360
9%	\$51,160	\$153,480	\$255,801	\$511,601	16%	\$201	\$2,010	\$10,051	\$20,102
10%	\$57,275	\$171,825	\$286,375	\$572,750	17%	\$209	\$2,086	\$10,428	\$20,856
11%	\$64,203	\$192,608	\$321,014	\$642,028	18%	\$216	\$2,162	\$10,811	\$21,622
12%	\$72,052	\$216,157	\$360,262	\$720,524	19%	\$224	\$2,240	\$11,200	\$22,401
15%	\$102,444	\$307,331	\$512,218	\$1,024,436	20%	\$232	\$2,319	\$11,595	\$23,191

The Moral: See point (10) above. Compound interest (investment growth) can be the key to creating wealth by earning passive income. However, if you have credit card debt, the bank is the one getting that compound interest – and you are the one paying it. Investing can create wealth, putting impulse purchases on your credit card can destroy your wealth.

10 CHALLENGES & ACTIVITIES FOR YOUR FINANCIAL WELLNESS

- For one month every semester, track every penny that you spend, knowing what you spend and why.
 - Bonus: Keep a “Financial Journal” for each month to really understand your values and behavior.
- Every Sunday, make a plan for the money that you can spend in the coming week. And stick to that plan.
- Whenever you get a paycheck, immediately transfer \$20 into a savings account.
 - Option: If you have credit card debt, use that \$20 to pay down your debt first. Then save.
- Open an investment account (through Robinhood, Fidelity, Schwab or other). Begin investing when you can.
 - Option: Open an Individual Retirement Account as soon as possible. Invest a little when you can.
- Check your credit score. If it's less than 650, make a plan to improve it.
- Go an entire month without going out to eat. Or a week. Or a day. Do what you can to improve your behavior.
- Cancel at least 2 subscriptions this year.
- Know what you are paying for auto insurance. And then contact 3 companies and ask to pay less. It works.
- Set 5 financial goals for the next 12 months. Then set 5 financial goals for the next 3 years and the next 5 years.
- Create your personal biography. Write the life you want to live. And then make a plan to begin living that life.

Personal Finance is...personal.
It's about you and not about anyone else.
You have to make it about you and your goals.

There is no judgment in personal finance.
There is no ego in personal finance.
There is no shame in personal finance.
It's about you and not about anyone else.

10 TIPS TO THINK LIKE AN ENTREPRENEUR

- Cash is Queen. Cash drives decisions. Treat your cash flow as if it's precious.
- Save as much as you can. Your cash flow might be unpredictable. You never know how long your cash flow is going to last. Hope for the best and prepared for the worst.
- Separate your personal and business activities. Get business bank accounts and credit cards.
- Track every dollar you spend and every dollar you earn...both for your own goals and for tax planning.
- Set up an Individual Retirement Account as soon as possible. Invest a little when you can – and watch it grow.
- Think about the type of legal entity you run. Sole proprietorships and partnerships are the default – but creating an LLC or corporation might protect you from liability.
- Learn what tax issues are important to you. You have many obligations and responsibilities to pay taxes from your income; but there are also many opportunities to reduce your tax burden as an entrepreneur. Learning a little can save you a lot.
- Be clear about your mission. What are you trying to achieve through your work? Make a plan that clearly communicates your mission to both yourself and to others.
- Develop your team. Who can help you achieve your mission? What advisors can make your life easier.
- Create your personal biography. People want to know who you are and how you can make their life better.

A GOAL WITHOUT A PLAN IS JUST A DREAM. MAKE A PLAN TO ACHIEVE YOUR GOALS.

BUDGETING & BUDGET MANAGEMENT:

AS A STUDENT, YOU MAY HAVE LIMITED INCOME DUE TO THE AMOUNT OF TIME YOU HAVE TO WORK, RELATIVE TO THE AMOUNT OF TIME REQUIRED TO COMPLETE YOUR DEGREE. SOMETIMES THE BEST WAY TO IMPROVE YOUR BUDGET SITUATION AS A STUDENT IS TO REDUCE YOUR EXPENSES.

WHAT ARE 5 THINGS YOU CAN DO THIS SEMESTER TO IMPROVE YOUR BUDGET SITUATION? THERE ARE SOME SUGGESTIONS ON THE BACKSIDE, BUT PLEASE FEEL FREE TO COME UP WITH YOUR OWN IDEAS.

- 1.
- 2.
- 3.
- 4.
- 5.

WHAT KEEPS YOU FROM ACHIEVING YOUR BUDGET & FINANCIAL GOALS?



A GOAL WITHOUT A PLAN IS JUST A DREAM. MAKE A PLAN TO ACHIEVE YOUR GOALS.

MOVE TO A BETTER BANK ACCOUNT

GIVE UP YOUR TELEVISION

GIVE UP A SUBSCRIPTION

SIGN UP FOR FREE CUSTOMER LOYALTY PROGRAMS

ALWAYS MAKE A SHOPPING LIST

STOP EATING OUT

SHOP AT A THRIFT STORE

SHOP AT A YARD SALE

STOP BUYING NEW VIDEO GAMES

CUT YOUR COFFEE PURCHASES IN HALF

DRINK MORE WATER

AVOID CONVENIENCE STORES

AVOID FAST FOOD

AVOID ALCOHOL

QUIT SMOKING

BUY FOOD AND STAPLES IN BULK

MAKE A GIFT FOR FRIEND OR FAMILY MEMBER

NO ONLINE PURCHASES

CANCEL UNUSED MEMBERSHIPS

SHARE YOUR DREAMS WITH A CLOSE FRIEND

SHOP FOR NEW CAR INSURANCE

SPEND YOUR FREE TIME VOLUNTEERING

AVOID THE MALL

ONLY WALK TO PLACES WITHIN 1 MILE

CANCEL MAGAZINE SUBSCRIPTIONS

EAT BREAKFAST

EAT LEFTOVERS

BRING YOUR LUNCH TO WORK OR SCHOOL

ONLY GO TO FREE ENTERTAINMENT EVENTS

TAKE PUBLIC TRANSPORTATION

CARPOOL

PACK FOOD FOR ROAD TRIPS

ELIMINATE CELL PHONE SERVICES

ELIMINATE CABLE SERVICES

SPEND 10 HOURS A WEEK AT THE LIBRARY

LEARN ABOUT EMPLOYEE OFFERS AT WORK

ONLY DRIVE WITHIN 3 MPH OF THE SPEED LIMIT

DRIVE A DIFFERENT ROUTE TO WORK

EAT LESS MEAT

USE COUPONS

EXERCISE MORE

PAY ALL BILLS ONLINE

One Rule About BUDGETING

Budgeting is philosophically very easy but practically very difficult because there is just one basic rule that applies to Budgeting:

Spend less than you earn.

- Of course, this is much easier said than done...Especially for students with limited income and fixed expenses.
- If you spend more than you earn, you have to make up the difference somehow - student loans, credit cards, savings.
- And this borrowing will set your goals back when it comes time to repay this borrowing. You are borrowing from your future.



How Do You Succeed at Budgeting

- Be intentional. Know what you're spending. Know what your income is.
- Look in the mirror. Analyze yourself.
 - This can be painful. You may see some habits you do not like. But recognizing those habits is the first step to correcting them.
- Think both short-term and long-term.
 - At its core, budgeting is about balancing monthly income and expenses.
 - But, be sure to connect your income and expenses to your long-term goals.
- When I was in college, my priority was my degree. I ate more Top Ramen than any human should ever eat (including every night for a month, as part of a bet). To me, this was a choice and a habit that was critical to fulfilling my goal - my degree.



STUDENTS LOANS & FINANCIAL – FINANCING YOUR EDUCATION & BEYOND

Financial Aid & Student Loans can be one of the greatest tools to help you invest in your education.

- But never think of that money as “free money.” Always have a plan to repay what you borrow.

There are several different types of student loans. Know the key differences.

- Federal student loans are loans provided by the federal government, to help you invest in yourself as a public good. This means you will probably have a lower interest rate to pay. And most of these are subsidized – that’s good.
- Private student loans are provided by private companies so they can increase profits.

The average student loan borrower graduates with \$30,000 of debt. Current interest rates are about 5% for federal, subsidized loans (and much higher for private loans).

- With a 5% interest rate, if you repay that \$30,000 over 10 years, you will incur \$8,850 of interest charges, making your total repayments equal to \$38,850.
- With a 5% interest rate, if you repay that \$30,000 over 30 years, you will incur \$28,550 of interest charges, making your total repayments equal to \$58,550.
- If you have a private loan with a 10% interest rate and you repay a \$30,000 over 30 years, you will incur \$95,500 of interest charges, making your total repayments equal to \$65,500.

As with most debt, the sooner you repay it the less you will pay in interest. Thatfa’s good.

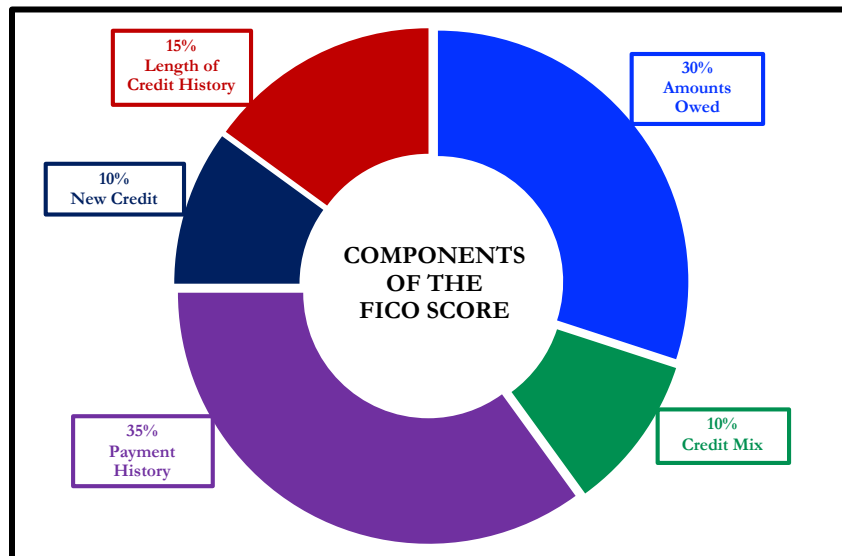
- But student loan debt is one of the better types of debt you can have; it can help your credit score, some of the interest you pay is tax-deductible and there are flexible repayment options.

Federal student loan borrowers have many options as to how to repay their loans.

- Income Contingent and Pay As You Earn repayment plans tie your future payments to your future earnings.
 - If you make regular payments for 25 years, your remaining balance may be forgiven.
- If you choose a career in Public Service or Education, you may be eligible for Public Service Loan Forgiveness; if you make regular payments and stay in a service career for 10 years, your remaining balance may be forgiven.
- For all other borrowers, who do not have income-based plans or public service careers, you will have to repay your debt eventually.

Student Loan debt is one of the best kinds of debt you can have – but it is still debt. Be careful.

- Do not let your dream of a college degree or a better career cloud the fact that borrowing can be very expensive. Do not let student loan debt become an anchor on your future.



Your credit score is – and will be – one of the most important numbers in your financial life. The higher your credit score, the lower your debt payments will be. As a student, your score might be lower than you want it. That will change as you get older, as you get a job and as your financial life becomes more complex and sophisticated.

Until then, focus on making payments on time and keeping your balances as low as possible, check your credit report annually and track your score regularly. And then your credit score will take care of itself over time.

HOW TO SUCCEED IN COLLEGE: YOUR EDUCATION, YOUR MONEY & YOUR FUTURE

Treat college like a job: Do not treat it like a side-hustle or as something extra

- At work, you know what you have to do to succeed, to get a raise, to avoid getting fired. Identify the same factors that will determine what you need to do to achieve your college goals.

Treat college like the most important thing in your life.

- We know that, in reality, your college work may be the 3rd or 4th priority in your life. But remember that you are being graded and evaluated against thousands of other students who only have one priority.

Time management is often the most difficult aspect of college; create a system to track all of your assignments, to plan ahead, to complete everything on time.

- For most classes, your syllabus will have specific due dates for all major assignments. You should be able to plan out your entire term within the first 1 or 2 weeks.
- Identify the most important dates in each term, then make a plan to get to complete everything

Make sure you complete every single assignment – yes, every single one.

- At the end of the term, when instructors are determining grades, one question they will ask is “did the student do everything in their power?” The answer to this question may determine whether you pass or fail.

Connect with your faculty early in the term: visit office hours, chat before or after class, send an email.

- Some faculty will be robots who do not care about your situation – or the class size or format may make it difficult to do so. But most faculty will be humans who do care about your situation and circumstances.
- It is always better to connect with your faculty before an issue arises than after. Let them help you.

Recognize that you are not alone in this experience.

- Lean on your family and friends to help with both school and non-school issues.
- Connect with other students through clubs, organizations, group projects and other means.
- Many other students will be in a similar situation to you – or have already been through it – and you can learn a lot from them. The University is like a small city, with amazing people and resources – use them all.

Focus on both the forest and the trees. Always keep the big picture in mind and know why you're here.

- Do not let relatively small hurdles and setbacks prevent you from achieving your goals.
- Take care of your personal and mental health first. All other success will follow.



A GOAL WITHOUT A PLAN IS JUST A DREAM. MAKE A PLAN TO ACHIEVE YOUR GOALS.