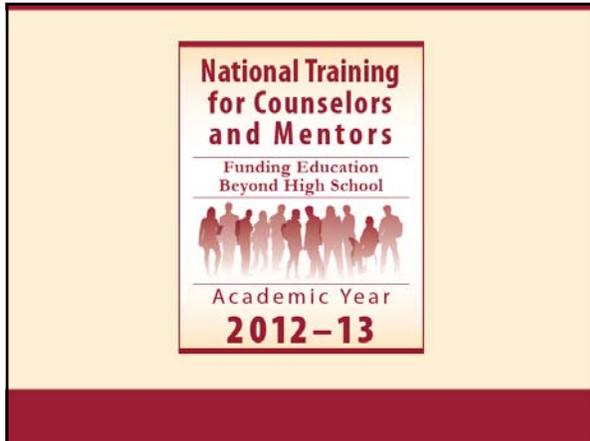
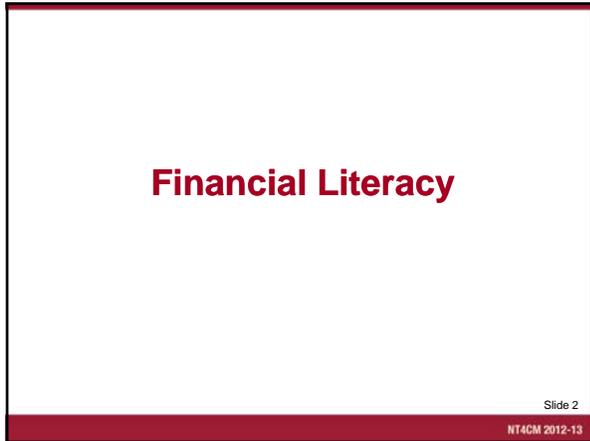
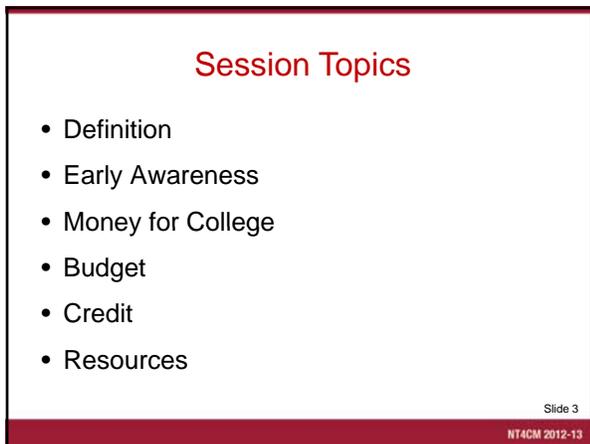


Financial Literacy







Financial Literacy

Definition

Financial literacy is the ability to understand money and how to manage it

- Enables individuals to make appropriate decisions regarding their finances

Slide 4

NT4CM 2012-13

Early Awareness

Students should:

- Start early when learning how to manage personal finances
- Educate themselves before making financial decisions
- Work consistently at making informed financial choices

Slide 5

NT4CM 2012-13

Money for College – Cost of Attendance (COA)

- Families have to plan early to meet the many costs associated with college
- COA includes:
 - Tuition and fees
 - Room and board (meals)
 - Books and supplies
 - Transportation
 - Personal expenses

Slide 6

NT4CM 2012-13

Financial Literacy

Money for College – Ways for Students and Families to Pay

- Federal student aid
- Other financial aid sources
- Savings
- Scholarships
- Loans

Slide 7

NT4CM 2012-13

Money for College – Federal Student Aid

- Money from the federal government for higher education
 - Grants, work-study, loans
- *FAFSA4caster* is an on-line tool that estimates a student's eligibility for a Federal Pell Grant

Slide 8

NT4CM 2012-13

Money for College – Federal Student Aid

Students apply for federal student aid by filling out the *Free Application for Federal Student Aid* (FAFSA) at www.fafsa.gov

Slide 9

NT4CM 2012-13

Financial Literacy

Money for College – Other Financial Aid Sources

- Colleges
- State higher education agencies
- Americorps
- Businesses and labor organizations
- Organizations, churches, and foundations
- U.S. Armed Forces
- Employers

Slide 10

NT4CM 2012-13

Money for College – Savings

- Education IRAs (Coverdell Education Savings Accounts)
- Prepaid tuition plans
- 529 college savings plans
- U.S. savings bonds

Slide 11

NT4CM 2012-13

Money for College – Scholarships

- Federal sources
 - www.students.gov
- Private sources
 - Foundations
 - Organizations
 - Businesses and employers

Slide 12

NT4CM 2012-13

Financial Literacy

Money for College – Loans

- Home equity loans
- Private loans

Slide 13

NT4CM 2012-13

Money for College – Financial Literacy Tips

Students and families should:

- Pay attention to state and federal aid deadlines and school deadlines
- Know what aid is available; for loans, know their rights and responsibilities
- Avoid financial aid fraud
- Develop money-saving strategies
- Compare college costs and aid packages

Slide 14

NT4CM 2012-13

Budget

Budget is a forecast or prediction of cash sources and expenses recorded on a daily, weekly, monthly, or yearly tracking tool

- Helps identify potential financial problems in time to change spending habits

Slide 15

NT4CM 2012-13

Financial Literacy

Budgeting

- Set important goals and review them on a routine basis
- Organize expenses, student loan papers, and other important documents
- Establish a realistic budget by figuring out spending patterns
- File financial records

Slide 16

NT4CM 2012-13

Budgeting

Budgeting tips for families:

- Clip coupons or visit websites that offer coupons on-line
- Buy generic brands of products
- Discontinue premium cable channels
 - Purchase the monthly basic plan
- Make majority of cell phone calls during off peak hours
- Take lunch to school or work

Slide 17

NT4CM 2012-13

Credit

Provision of money, goods, or services with the expectation of future payment

Slide 18

NT4CM 2012-13

Financial Literacy

Credit

Steps for students to build good credit:

- Set a realistic budget and stick to it
- Use credit wisely
- Make monthly payments for bills on time every month
- Pay balance in full to avoid interest charges

Slide 19

NT4CM 2012-13

Credit

Steps to good credit: (continued)

- Use credit card only in case of emergencies
- Review credit report once a year to check its accuracy

Slide 20

NT4CM 2012-13

Credit – Credit Report

Credit report

- Report of risk level, which tells financial lender how likely an individual will repay a loan and make timely, monthly payments

Slide 21

NT4CM 2012-13

Financial Literacy

Credit – Credit Report

Reasons students should review their credit report:

- Know what others (landlords, banks, potential employers) are finding out by viewing their credit report
- Note their credit score

Slide 22

NT4CM 2012-13

Credit – Credit Score

- Credit Score
 - Score creditors use to evaluate a person's potential to repay debt
- FICO score (most widely known score) can range from 300-850
 - Best Score = 750-850

Slide 23

NT4CM 2012-13

Credit – Identity Theft

Identity theft occurs when an imposter uses personal identifying information to obtain credit

Slide 24

NT4CM 2012-13

Financial Literacy

Credit – Identity Theft

Ways students can protect against identity theft:

- Leave important documents at home
- Keep documents with personal information in a safe place and shred them when no longer needed
- Avoid giving Social Security and account numbers over the phone unless they initiated the call
- Protect (personal identification numbers) PINs and computer passwords by using random combinations of letters and numbers

Slide 25

NT4CM 2012-13

Resources

- Federal Student Aid (www.FederalStudentAid.ed.gov) or 1-800-4-FED-AID
- MyMoney.gov (www.mymoney.gov) or 1-888-Money
- Federal Trade Commission's Consumer Protection (www.ftc.gov)
- FDIC Consumer News (www.fdic.gov)

Slide 26

NT4CM 2012-13

Resources

- The Bad Credit Hotel (www.controlyourcredit.gov)
- Navigating Your Financial Future (www.navigatingyourfuture.org)
- Institute for Financial Literacy (www.financiallit.org)
- College Savings Plan Network (www.collegesavings.org)

Slide 27

NT4CM 2012-13

Financial Literacy

Questions



Slide 28
NT4CM 2012-13

BROUGHT TO YOU BY:



COE
COUNCIL ON OPPORTUNITY IN EDUCATION

NACAC
National Association for
College Admission Counseling
Creating the way to higher education

AMERICAN
SCHOOL
COUNSELOR
ASSOCIATION
Building Excellence. Advancing Equity. Inspiring Leaders

NATIONAL COLLEGE ACCESS NETWORK
