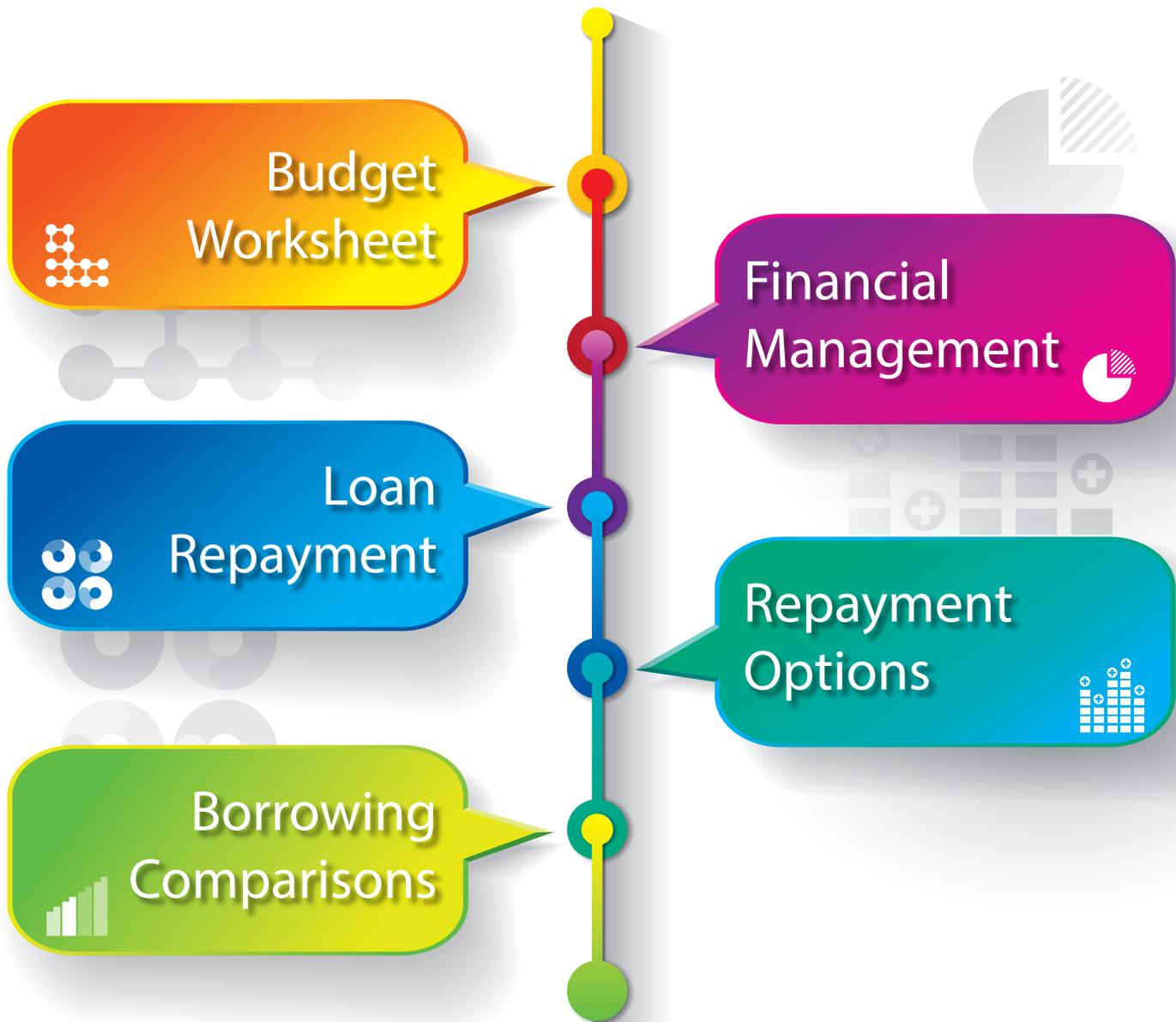


# DOLLARS AND SENSE

*Managing Your Finances and Student Loans*



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# DOLLARS AND \$ENSE

## *Quick Things to Know about Managing Your Finances*

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### KNOW YOUR MONEY

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- Review your current spending
- Create a budget based on your income while in college and after graduation
- Set financial goals
- Start saving for emergencies and financial goals. Start small and build
- Review your budget and expenses monthly

### MANAGE YOUR CREDIT

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- Request your credit reports and scores from the three credit bureaus at least once per year
- Review each credit report for errors and report them immediately to the credit bureaus
- Avoid applying for credit often; only apply for credit when you need it
- Avoid using the maximum available credit
- Pay more than the minimum monthly payment to avoid additional interest
- Paying bills on time and in full can help you build and keep a great credit history

### MINIMIZE YOUR DEBT AND STUDENT LOANS

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- Decrease your debt by only borrowing what you need
- Know your loan status. Review National Student Loan Data Service (NSLDS) annually for your student loan balance and loan servicer information
- Contact your loan servicer to discuss your loan repayment options

### PREPARE FOR YOUR FUTURE

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- Don't forget student loan payments start **6 months** after graduation
- Look for ways to increase your income and decrease spending
- Research careers and starting salaries

### DON'T FORGET THESE ADDITIONAL TIPS

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- Keep all logins and passwords confidential
- Shred receipts and documents when they are no longer needed
- Be aware of websites, emails and phone calls that may try to gain access to your information
- Report suspected cases of identity theft to the police and the credit bureaus immediately

### FINANCIAL RESOURCES

**NSLDS**  
[www.nsls.ed.gov](http://www.nsls.ed.gov)

**US Census Professions & Income**  
[www.census.gov](http://www.census.gov)

**Annual Credit Reports**  
[www.annualcreditreport.com](http://www.annualcreditreport.com)

# SALARY VS. STUDENT LOAN BORROWING

## AVERAGE SALARY BY DISCIPLINE - BACHELOR'S DEGREE

Broad Category	2015 Average Salary*	How much can you afford to borrow?***
Engineering	\$62,998	\$36,495
Computer Science	\$61,287	\$35,504
Math & Sciences	\$56,171	\$32,540
Business	\$51,508	\$29,839
Agriculture & Natural Resources	\$51,220	\$29,672
Healthcare	\$50,839	\$29,451
Communications	\$49,395	\$28,615
Social Science	\$49,047	\$28,413
Humanities	\$45,042	\$26,093

\*Source: National Association of Colleges and Employers (NACE) Salary Survey January 2015 - <http://www.nacweb.org/uploaded-Files/Content/static-assets/downloads/executive-summary/2015-january-salary-survey-executive-summary.pdf>

\*\*Source: Debt/Salary Wizard - <https://mappingyourfuture.org/paying/debtwizard/>

## LOAN REPAYMENT ESTIMATOR

4.29% INTEREST

5.84% INTEREST

6.84% INTEREST

Balance at Repayment	4.29% INTEREST			5.84% INTEREST			6.84% INTEREST		
	Payment	Month	Interest	Payment	Month	Interest	Payment	Month	Interest
\$1,000	\$50	21	\$39	\$50	21	\$55	\$50	21	\$65
2,000	50	43	165	50	45	232	50	47	286
6,000	62	120	1,390	67	120	1,936	69	120	2,300
10,000	103	120	2,315	110	120	3,226	115	120	3,834
20,000	205	120	4,631	220	120	6,452	231	120	7,669
30,000	308	120	6,946	331	120	9,679	346	120	11,503
40,000	411	120	9,262	441	120	12,905	461	120	15,337
50,000	513	120	11,577	551	120	16,131	576	120	19,171
80,000	821	120	18,523	882	120	25,810	922	120	30,674
110,000	1,129	120	25,470	1,212	120	35,489	1,268	120	42,177

# FEDERAL STUDENT LOANS REPAYMENT PLAN OPTIONS

	Loan Program	Eligibility	Payments	Term	Longevity	Additional Information
Standard	Direct Loans and FFELP (Federal Family Education Loan Program)	Default repayment plan	Minimum \$50 monthly	10 years (up to 30 years with some consolidations)	Maintain plan for life of repayment unless another plan is chosen	Automatic default plan if another plan is not chosen. Shortest repayment term, paying the least amount of interest
Graduated	Direct Loans and FFELP	Borrower must request plan	Low payments that increase every 2 years	10 years (up to 30 years with some consolidations)	Maintain plan for life of repayment unless another plan is chosen	Largest payment will not be more than three times smallest payment
Extended Fixed	Most Direct Loans and FFELP	More than \$30,000 in loan debt	Fixed payments throughout repayment	Up to 25 years	Maintain plan for life of repayment unless another plan is chosen	Allows for lower payment, pay more interest than standard plan
Extended Graduated	Most Direct Loans and FFELP	More than \$30,000 in loan debt	Low payments that increase over time	Up to 25 years	Maintain plan for life of repayment unless another plan is chosen	Only available for loans disbursed on or after October 7, 1998
Pay As You Earn	Most Direct Loans	Must qualify for reduced payment based on income, family size and federal loan debt	Payments based upon adjusted gross income, family size and residence	Up to 20 years	Payments determined annually (documentation required)	Loan forgiveness after 20 years with 240 qualifying monthly payments
Income-Based Repayment (IBR)	Most Direct Loans and FFELP	Must qualify for reduced payment based on income, family size and federal loan debt	Payments based upon adjusted gross income, family size and residence. Capped at 15% (10%-new borrowers) of income	25 years (20 years for new borrowers)	Payments determined annually (documentation required)	Generally gives a lower monthly payment. Any remaining balance after 25 years is forgiven
Income-Contingent Repayment (ICR)	Most Direct Loans	Must qualify for reduced payment based on income, family size and federal loan debt	Payments based upon a percentage of discretionary income or a 12 year plan (percentage factor) whichever is less	25 years	Payments determined annually (documentation required)	Any remaining balance after 25 years is forgiven
Income Sensitive Repayment	FFELP Only	Based on gross monthly income	Payments may be lowered through forbearance options	5 years, then defaults to Standard or Graduated Plan	Payments determined annually (documentation required)	More expensive option, repay principal at a slower rate

Contact your student loan servicer(s) to discuss options for repaying your student loans. Loan consolidation combines various federal loans into one which allows the borrower to have a single payment and may result in an overall lower payment.

# BUDGET WORKSHEET FOR COLLEGE STUDENTS

Budgeting is having a realistic view of how much money you have, where you spend, and how best to allocate your money and credit. Use the budget worksheet below to begin a financially healthy lifestyle.

Category	Sample Budget	Sample Actual	Monthly Budget	Monthly Actual
<b>INCOME</b>				
Employment Income	\$850	\$725		
Parental Support	500	550		
Financial Aid Refund/Reimbursement	800	500		
Miscellaneous	0	0		
<b>INCOME SUBTOTAL</b>	<b>2,150</b>	<b>1,775</b>		
<b>EXPENSES</b>				
Rent or Mortgage	\$680	\$600		
Utilities	250	150		
Telephone	100	100		
Groceries	160	180		
Car Payment/ Gas/Transportation	200	250		
Car Insurance	50	50		
Student Loan Payments	0	50		
Entertainment	300	225		
Eating Out/Vending	50	70		
Miscellaneous Expenses	100	100		
<b>EXPENSES SUBTOTAL</b>	<b>1,890</b>	<b>1,775</b>		
<b>NET INCOME (INCOME LESS EXPENSES)</b>	<b>260</b>	<b>0</b>		
<b>SAVINGS</b>				
End of the Month Balance	\$260	\$0		

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# MANAGING YOUR STATE STUDENT LOANS

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If you have received a loan through the Georgia Student Finance Authority (GSFA), such as a Student Access Loan (SAL) or service cancelable loan, you can manage your account through [www.pathways2gsfa.org](http://www.pathways2gsfa.org).

- Check your loan status
- Make payments
- Request service cancellation
- Request loan discharge
- Request forbearance
- Request deferment
- Update your contact information

## OTHER RESOURCES

**GAfutures**

[www.GAfutures.org](http://www.GAfutures.org)

**LiFe\$ense**

[www.lifesense411.org](http://www.lifesense411.org)

2082 East Exchange Place - Tucker, GA 30084

800.505.4732(GSFC)

[www.gsfc.org](http://www.gsfc.org)

[sas@gsfc.org](mailto:sas@gsfc.org)

*Default Management Services funded by the Georgia Higher Education Assistance Corporation.*