



College, Money & Tuition:
A Financial Guide for Success

College, Money & Tuition: A Financial Guide for Success



This booklet is meant to provide general financial information; it is not meant to substitute for, or to supersede, professional or legal advice.

Note: The content areas in this material are believed to be current as of this printing, but, over time, legislative and regulatory changes, as well as new developments, may date this material.

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There is a lot to think about now: visiting and choosing a school, applying for admission, paying tuition, getting financial aid, and handling finances during college. It may seem overwhelming.



INTRODUCTION



So you and your family have decided college is right for you. That decision is the first and most important step in your success after high school.

There is a lot to think about now: visiting and choosing a school, applying for admission, paying tuition, getting financial aid, and handling finances during college. It may seem overwhelming.

That's why the LULAC National Educational Service Centers (LNESEC) and the National Endowment for Financial Education® (NEFE®) have joined forces—to help you through each part of the journey. The result is *College, Money & Tuition: A Financial Guide for Success*. We urge you to read this booklet, complete the worksheets and checklists, and keep it throughout your college years as a resource for financial stability.

CHOOSING A COLLEGE

Choosing the right school can be a big task, but not if you do it one step at a time. First, you and your family will want to decide how far away from home you are willing to be. While a community college or two-year vocational school may be closer to home and less costly, four-year colleges generally offer more extensive programs of study, may be farther away from your family, and can cost more. The reality is that college is a big choice and investment, but it's definitely worth it.



1
CHAPTER



The Occupational Outlook Handbook may be helpful in answering questions—find it at the library or online at www.bls.gov/oco.

QUICKTIP

There are steps you can take before choosing a college to help pay for tuition and other expenses down the road. The important thing is, you are on the right track already!

Your Goals for the Future

What do you want to do with your life? Where do you see yourself in five years? Where do you see yourself in 10 years? Use these pages to help organize your vision of your future. This will help you move forward in deciding which educational program or college is right for you.

LET'S START WITH WHERE YOU ARE. ANSWER THE FOLLOWING QUESTIONS:

- Y / N I have not finished high school.
- Y / N I completed high school or have my GED.
- Y / N I plan on going to college or a vocational school.
- Y / N I am in a dead-end job.
- Y / N I am unemployed now.
- Y / N I have a family to provide for.
- Y / N I am dissatisfied with my current job or career.

Where would you like to go from here? What job or career do you see yourself having in five years? For now, don't worry about how you'll get there. Make a list of any occupation that you think you might like to pursue. Don't limit yourself!

Envisioning a Timeline

How long will it take to reach your goal? Look at the list on the right to see the preparation that may be required for the occupation you desire. If your potential job isn't listed, talk to someone you know in that field or a guidance counselor at your school. The *Occupational Outlook Handbook* may be helpful in answering this question—find it at the library or online at www.bls.gov/oco.

Two-Year College (Trade, Vocational, or Associate's Degree)

Computer Technician	Automotive Technician
Surveyor	Administrative Assistant
Registered Nurse	Water and Wastewater Treatment Plant Operator
Dental Hygienist	Heating, Air Conditioning and Refrigeration Technician
Medical Lab Technician	Veterinary Technician Consultant
Commercial Artist	
Hotel/Restaurant Manager	
Engineering Technician	

Four-Year College (Bachelor's Degree)

Teacher	Dietician
Accountant	Copywriter
FBI Agent	Investment Banker
Engineer	Commercial Artist
Journalist	Social Worker
Computer System Analyst	Public Relations Specialist

More Than Four Years (Graduate Degree)

Lawyer	Religious Leader
Doctor	Dentist
Architect	Veterinarian
Scientist	Public Policy Analyst
University Professor	Zoologist
Economist	Management
Psychologist	

Source: Planning and Evaluation Service, U.S. Department of Education



INVESTIGATING THE CAREER OF YOUR CHOICE

Find out more about the career you want to pursue by visiting someone in that field. Here are some questions you may want to ask:

- > What education does this career require?
- > What are my chances of getting a career of my choice in the field?
- > What kind of pay and other benefits can I expect?
- > How many hours do you work in a typical week?
- > How does your career mesh with your family responsibilities?
- > What are the pluses and minuses of your job?
- > What changes or trends do you see in your field or industry?
- > What kind of stresses do people that work in this career experience?
- > What are the chances of advancement?
- > Besides education, what other experience do I need to enter this career?

MAKING YOUR GOALS A REALITY

Now, fill in the blanks below to begin making your goals a reality. Simply pinpointing and writing down goals can prove a huge step in making them happen.

I am interested in a career as a _____.

This career will require a _____
(vocational, trade, associate's, bachelor's, graduate) degree.

I estimate it will take me _____ years to complete my education.

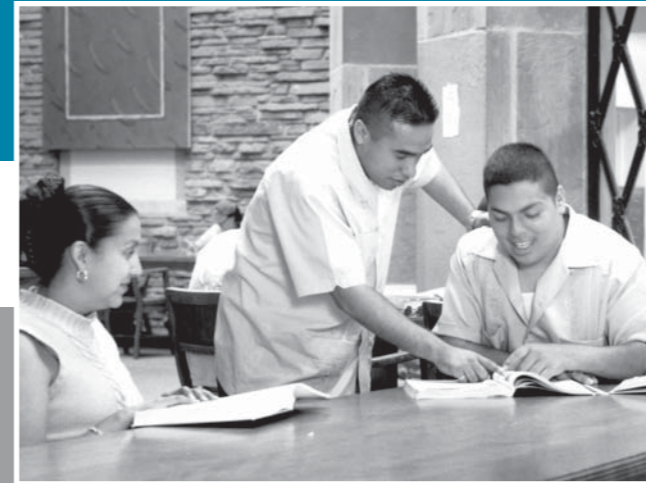
It will cost me _____ to complete my education.

Vocational and Trade Schools

If the career you've chosen involves specific experience or technical training, you may choose a vocational or trade school instead of a college. Some vocational and trade schools, however, are almost as expensive as college. It's important to learn as much as possible about any school's offerings with your goals in mind.

Remember to check out a vocational or trade school's credentials and job-placement success since these schools vary in quality and degree. Visit www.careeradvantage.org or www.allcareerschools.com to research education options for careers in business, health care, technology, and other exciting fields.

Find out more about the career you want to pursue by visiting someone in that field.



Counselor Corner

Organizations in your community exist to help you for free with these big decisions, so make use of their services.

Plan ahead and make appointments—these people are very busy helping lots of students like you! Here are some questions for you and your parents to ask of counselors and college representatives:

- How many years of post-high school education will it take me to land my dream career, which is _____?
- What organizations or tests can help me best prepare for college?
- What do I need to know about financial aid as a dependent/independent student? What do I need to know if I am legally emancipated from my parents?
- Does the school I am interested in attending offer any special financial assistance to Hispanic college-bound students?
- Is the school safe? Can I get a copy of the school's campus security report?
- Are class sizes small or large? Do students interact with the professors, or listen and take notes? Who are the professors in the courses I wish to take? What are their backgrounds and credentials? (If you are able to sit in on a class, be sure to take notes on your feelings about classroom atmosphere.)
- Is the school accredited, or considered official by national standards?
- What are the school's admissions policies?
- What is the school's job placement rate?
- What are the total costs of attendance including tuition, books, fees, room and board, and other expenses?
- What scholarships, grants, or loan programs does the school offer?
- What is the refund policy if I leave before completing my coursework?
- Are there students here who have similar backgrounds to mine? Does the school embrace cultural diversity? Are there on-campus programs that provide resources for Hispanic students? Write down specific observations about this.
- Do most students live on or off campus? Are students allowed to bring a car to school? Is there public transportation available for students who wish to commute daily?

Two-Year and Four-Year Colleges

Keep in mind that two-year community colleges are usually less expensive and more flexible in admissions than four-year colleges. A university may offer more advanced courses and more specific academic programs in a challenging environment. A college offers liberal arts studies at the undergraduate level, while a university includes undergraduate and graduate degree programs. You can always start at a two-year school then eventually transfer to a larger university. The sky's the limit!

If you are a resident of the state, tuition will usually be less expensive at an in-state public college or university than at an out-of-state school. Private schools are usually much more expensive than public schools, although financial aid can help make up the difference in cost.

Earn Life Skills and Money for School

If you don't feel mentally or financially prepared for college, check out alternative organizations for life skills or help with paying for college. Not only will the experience help you develop awareness and leadership skills, it also will look great on your resume and may help advance your career. Some organizations will even help you pay for school!

Peace Corps

The Peace Corps, established in 1960, is an organization that seeks world peace. Volunteers travel around the world on medical, technological, and environmental missions.

Some Peace Corps programs offer student loan deferment, academic credit, scholarships, tuition discounts, and financial aid for college or graduate school. The commitment is a minimum of two years and some positions include a stipend, or pay.

For information on the Peace Corps, call 1-800-424-8580 or go to www.peacecorps.gov.

AmeriCorps

AmeriCorps is an organization of volunteers that tackles issues in education, public safety, health care, and the environment in America.

Some AmeriCorps programs offer education incentives for college or payment of existing student loans. Other programs offer a stipend, or payment for service, after successful completion. You can serve 200 to 300 hours during a summer program or enroll full time for 1,700 hours over the course of one year.

For more on AmeriCorps, call 1-800-942-2677 or go to www.americorps.org.

Teach For America

Teach For America volunteers promote equality in school offerings across all nationalities and income backgrounds by teaching in select communities. If you are interested in going into education, social work, journalism, or law, Teach For America is a great way to get started.

College graduates with good grades are the most likely candidates for Teach for America, and the group of volunteers is quite diverse. You will be required to teach under the program for a minimum of two years and will be paid a salary by the school district where you teach.

To learn about Teach For America, call 1-800-832-1230 or go to www.teachforamerica.org.

ROTC

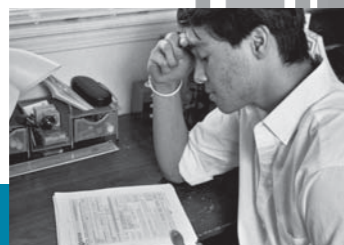
The Reserve Officers' Training Corps (ROTC) offers scholarships to some qualified college-bound or current college students. By accepting an ROTC scholarship, you agree to join a certain military branch for about four years after completing college.

The financial and personal benefits of an ROTC scholarship are significant. Typically, the full cost of your tuition and education fees will be covered, plus you'll get an allowance of about \$1,500 per year. Military service is also known for building strong character and excellent life skills.

Check with your on-campus ROTC office or visit the Web site of the military branch that interests you. See the Military Service section (next) for contact information.



If you don't feel mentally or financially prepared for college, check out alternative organizations for life skills or help with paying for college.



The military can be a great way to help find the right career for you and pay for college.

Military Service

The military can be a great way to help find the right career for you and pay for college. It also can prove to be a lifelong career in itself!

There are five branches of the military. The requirements to earn college credit differ with each branch. Find out more about each by visiting their Web sites:

Army	www.goarmy.com
Air Force	www.airforce.com
Navy	www.navy.com
Marine Corps	www.marines.com
Coast Guard	www.gocoastguard.com

Military service may offer:

- > A better chance of getting into the college of your choice
- > Tuition assistance or financial aid
- > College class credits
- > Forgiveness or reduction of student loans
- > The option to go into the National Guard or Reserves
- > Leadership experience

Once you have researched the military branch of your interest, look it up in your local phone book or on the Internet to find the recruiter nearest you. He or she will be able to answer any questions you and your family might have and begin the process of testing and interviewing for your entry into the military.



Alternate Paths to College

If you dropped out of high school, don't feel discouraged about your future. In some school districts, you can even re-enroll for free if you are younger than 21! You will need to earn your high school diploma or equivalency before applying for further education or professional experience.

You might consider finishing high school with night or weekend classes offered for adults in your community. This option is best for those who don't have too many classes left to take. Contact your local school district for details on this option.

If you are eager to get on with college and have a strong work ethic, you may opt for co-enrollment. In this environment, you will take classes that will count for college and high school credit at the same time.





High school equivalency can be earned through a General Educational Development (GED) course. This is a condensed high school program that involves periodic testing. At the completion of the course, you will get documentation that is equal to a high school diploma.

You might also check out home schooling and online options for finishing your degree.

If you are eager to get on with college and have a strong work ethic, you may opt for co-enrollment. In this environment, you will take classes that will count for college and high school credit at the same time. Check with the admissions office of the college of your choice to see if they offer this program.

Adult Learning

Adult learning centers can provide services to help you return and complete your education, and classes you need to take your GED exam. Most centers offer a variety of times for instruction such as day and night classes that may more easily fit into your schedule.

Many centers for adult learning provide onsite child-care services so you can attend class without that concern. Travel to and from the center may also be subsidized if you use public transportation. Centers sometimes even provide English as a Second Language classes for adults.

To find out what is available in your area, contact your local school district or state education agency.

CLEP Tests

College-Level Examination Program (CLEP) tests are advanced placement tests that students can take to prepare for college. A high score on a CLEP test may earn you college class credits or put you on the fast track in your degree program. Plus, CLEP tests are free for military personnel!

Getting Ahead



The following resources aim to assist Hispanic students who are headed to college:

ASPIRA

Opportunities for education and leadership development for Latino youth
www.aspira.org
1-202-835-3600

The Congressional Hispanic Caucus Institute

Promotes leadership in the Hispanic community
www.chci.org
1-800-EXCEL-DC
(1-800-392-3532)

The Falu Foundation Scholarship

Scholarships for Latinos interested in careers in technology
www.falufoundation.org
1-212-828-6699

Hispanic Association of Colleges & Universities

Access to college opportunities for Hispanic students
www.hacu.net
1-210-692-3805

Hispanic Scholarship Fund

Scholarships for Latino students
www.hsf.net
1-877-HSF-INFO
(1-877-473-4636)

LULAC National Educational Service Centers

Committed to the education of Hispanics and other minorities
www.lnesc.org
1-202-835-9646

National Association of Latino Fraternal Organizations

Greek letter organizations for Latinos
www.nalfo.org

PAYING FOR COLLEGE

Yearly tuition may seem awfully steep to you at first, and four years' worth of tuition may really blow your mind. College is a big expense, but one that will pay off in the long run. It's a major investment in yourself and your future. It's worth figuring out a way to finance your education!



2
CHAPTER



Apply for a loan through the government since the interest rates and borrowing terms are far more reasonable.

QUICKTIP

Financial aid can help you pay for college. There are three general types:

1. Scholarships and grants
2. Work-study programs
3. Loans

Most financial aid does not cover the cost of room and board, so plan accordingly for those added expenses.

Government Financial Aid

A large percentage of students get financial aid through federal and state governments. To qualify for this money, you need to complete the Free Application for Federal Student Aid (FAFSA) form. Pick one up at your school's guidance or career planning center, your college's financial aid office, by contacting 1-800-4FED-AID (1-800-433-3243), or at www.fafsa.ed.gov. Complete your FAFSA online if possible—it's easier and faster!

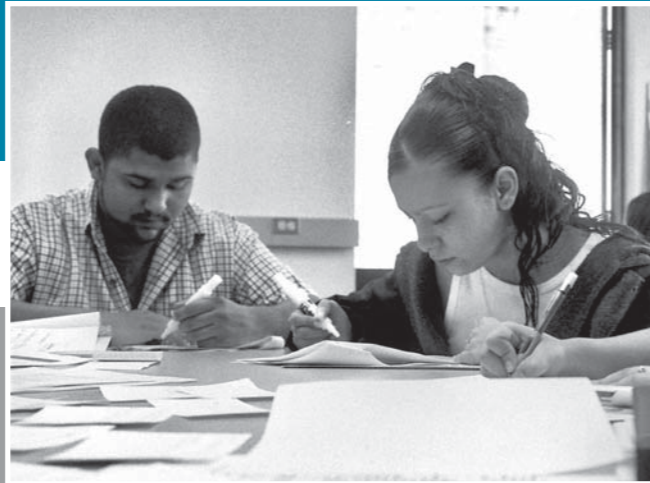
Student Loans

If, after you apply for the FAFSA, you realize that you need more assistance, you may consider taking out a student loan. This may not be the ideal way to pay for college, since you do have to pay the money back. However, loans can be a necessary part of college funding, and a big help in reducing the burden of college expenses for your family.

It may be scary to borrow tens of thousands of dollars to pay for college, but loans are a realistic part of this process—and are well worth it! Many people successfully use loans as part of their way to pay for college, and pay them off without any problems. There are plenty of loans available to choose from. Although banks and financial institutions offer loans, your best bet is to apply for a loan through the government since the interest rates and borrowing terms are more reasonable.

Understand that a student loan *must always* be repaid. You may have a short grace period, such as six months, before payments are due, but once that period is up, you will be responsible for regular payments. If you don't repay your loan, it will cause you problems and hurt your credit record. A poor credit record will make it difficult—even impossible—to get a loan in the future to buy a car or house. It can even make it hard to rent an apartment or get a job. Be sure to make loan payments on time, every time!

Completing a FAFSA



Keep the following points in mind when completing the FAFSA form:

-> **READ THE INSTRUCTIONS CAREFULLY.**

Terms such as “household” or “parent” have a specific meaning when it comes to financial aid. Read the instructions to make sure you answer all the questions correctly.

-> **APPLY EARLY.**

Apply for financial aid as soon as you can after January 1 of the year you will be attending college. The earlier you start your search, the better your chances of finding the money you need.

-> **SUBMIT YOUR FAFSA FORM IMMEDIATELY.**

You do not have to file your tax return before you submit your FAFSA form, although filing your tax return first will make the process easier. You can always update the FAFSA later if the income on your tax return is different from what you projected.

-> **APPLY ONLINE IF POSSIBLE.**

Fill out and submit your FAFSA at www.fafsa.ed.gov for the fastest way to apply. Plus, your application will be reviewed before it is submitted, which reduces the likelihood of errors that will affect your eligibility.

-> **KEEP YOUR PAPERWORK.**

Save everything you used to complete your FAFSA, including tax records, copies of forms, and records of passwords if you applied online.

-> **RESUBMIT ANNUALLY.**

Remember to update and submit your FAFSA every year you are in school.

About four weeks after you send in your FAFSA form, you will receive a Student Aid Report (SAR). Go over it and make sure all the information is correct. Talk with your school’s financial aid office if you notice any errors.

A complete and accurate SAR should list your Expected Family Contribution (EFC). This is the amount you or your family will be expected to pay toward the total cost of your education. The school you plan to attend will also get a copy of your EFC and will prepare a financial aid packet for you.

Generally, your financial aid will be paid directly to the school you will attend. It may cover tuition, fees, and room and board. Any remaining aid is paid to you for additional expenses.

Types of Loans

You can get a loan through the government or a private lender. It’s best to start with federal assistance since the interest rates on these loans are among the lowest, and in some cases payments are deferred until you complete school. The three main federal loans are:

- > Federal Perkins Loan
- > Federal Stafford Loan
- > Federal Direct Loan

Though these are called federal loans, the money actually comes from a bank. The government just subsidizes or guarantees it. You have to repay federal loans when you stop going to school—regardless of whether you finish your degree program.

With a federal loan, the government doesn’t charge interest during the time you are in school plus a six-month period afterward. Then, once you begin paying on your federal loan, you will pay lower interest than on private loans.

You also might look into the Unsubsidized Stafford Loan and the Unsubsidized Direct Loan, although these will cost you interest while you’re in school.

Check out The Puerto Rico Federal Affairs Administration at www.prfaa.com or 1-202-778-0710 for resources on special financial assistance for Hispanic and minority students.

Private loans are another way to get assistance, even if they have higher interest rates than government loans. Keep in mind that if you borrow from more than one source—say you get a Federal Stafford Loan, an



Unsubsidized Stafford Loan, and a private loan—you will be held accountable for separate loan payments.

You may be able to get private loans from banks or credit unions, life insurance policies, friends, or relatives.

Loan Forgiveness Options

Under special circumstances, the federal government may allow you to repay only part of the loan. If you have a Federal Perkins Loan and teach in a federally designated low-income area, you will not have to repay the loan if you stay in that job for at least five years. If you leave the job before that time, you may not have to pay the loan in full. Check with your college’s financial aid office to see how to qualify for this break.

The armed forces offer a Student Loan Repayment Program to help enlisted personnel repay Perkins, Stafford, or Federal Direct loans. The amount of money you qualify for depends on the length of your military service and occupation. Not all military jobs make you eligible for the loan repayment program. Contact a recruiter for details, but before you sign anything, be sure to fully understand the requirements of the agreement, and discuss this with your family.

With a federal loan, the government doesn’t charge interest during the time you are in school plus a six-month period afterward.

Work-study programs typically offer flexible on-campus jobs that help students cover the costs of college.



Work-Study

Work-study programs typically offer flexible on-campus jobs that help students cover the costs of college. Working may make you appreciate your college education more, and may provide additional learning opportunities. Work-study experience also looks good on a resume once you complete your education.

It may prove difficult to juggle work and school responsibilities, and may take up social time. However, work-study jobs will likely be better than jobs in the community since:

- > Work-study jobs are often on campus, so you won't spend extra time traveling to work.
- > You'll invest 10 to 15 hours per week in a work-study job—that's a lot less time than a regular part-time job might require.
- > Your work-study supervisor will likely be more flexible with your school schedule.
- > You may not have to pay Social Security taxes on work-study wages.
- > The experience will look great on a resume!

Scholarships and Grants

Scholarships and grants are the ideal way to pay for college since you don't have to pay them back. Scholarships are awarded based on merit, and grants are awarded based on need. It takes a lot of time and effort to locate scholarships and grants. You may qualify for certain grant and scholarship opportunities if you are Hispanic or the first generation in your family to attend college. Once you find the ones that fit your needs and profile, it will take a lot of time and effort to apply. The process may lead you to free money, though!



Search for scholarships and grants through the Internet, a local library, or your college's financial aid office.

Check out these resources for scholarships and grants:

COLLEGE BOARD

www.collegeboard.com
1-212-713-8000

EDUPASS (FOR INTERNATIONAL STUDENTS)

www.edupass.org

FASTWEB

www.fastweb.monster.com
1-800-FASTWEB (1-800-327-8932)

GATES MILLENNIUM SCHOLARS

www.gmsp.org
1-877-690-4677

HISPANIC SCHOLARSHIP FUND

www.hsf.net
1-877-HSF-INFO (1-877-473-4636)

LULAC NATIONAL EDUCATIONAL SERVICE CENTERS

www.lnesc.org
1-202-835-9646

SALLIE MAE

www.salliemae.com
1-888-2-SALLIE (1-888-272-5543)

SCHOLARSHIP RESOURCE NETWORK EXPRESS

www.srnexpress.com
1-518-580-1022



Educational Talent Search

LNESC's signature program, Educational Talent Search (ETS), is influencing Hispanic education by working to remove the barriers to success faced by disadvantaged students. Educational Talent Search provides resources and services for low-income students, to better prepare them for schooling at the college level and beyond. LNESC targets students from the sixth to twelfth grade, providing help in these areas:

AT THE MIDDLE SCHOOL LEVEL

- > Academic enrichment
- > Career and college exploration
- > Community service opportunities
- > And more!

AT THE HIGH SCHOOL LEVEL

- > College preparation
- > Mentoring
- > Tutoring
- > PSAT, ACT, and SAT preparation
- > College selection
- > Finding financial aid

- > Applying for scholarships
- > Career planning
- > And more!

LNESC operates programs in numerous areas across the country, as well as in Puerto Rico. For more information on Educational Talent Search, contact LNESC by visiting www.lnesc.org or calling 1-202-835-9646.

Avoid Scholarship Scams

Thousands of Americans are conned out of millions of dollars each year while searching for scholarships, according to the National Association of Student Financial Aid Administrators. Consider these guidelines:

- > Never pay a fee for scholarship money or application information.
- > Never give out your credit card or bank account numbers.
- > Don't fall for "guarantees" of scholarships or other claims.

The truth is that real scholarships never charge fees and the application information is available to everyone.

Federal Grants

You may be eligible for a Federal PELL Grant. This need-based award may provide \$100 to \$4,000 each year you attend school. The Federal Supplemental Educational Opportunity Grant (SEOG) is another option. It can offer \$500 to \$1,000 per year. You must complete and submit a FAFSA form to be considered for these grants. Find more information at www.ed.gov.

GEAR UP

GEAR UP stands for Gaining Early Awareness and Readiness for Undergraduate Programs. Congress founded the program in 1998 to prepare low-income students for education beyond high school. GEAR UP serves students from grades seven through 12, providing:

- > Support
- > Tutoring
- > Counseling
- > Cultural activities
- > Career planning
- > And more!

GEAR UP is a great way to gain the experience you need to be successful after high school and make friends who share your ambition and drive!

For more information on GEAR UP, visit their Web site, located at www.ed.gov/programs/gearup. To find contact information for your state representative, first go to the Web site, then click "contacts" near the middle of the screen.

You can also reach GEAR UP through the following contact information:

GEAR UP
Office of Postsecondary Education
U.S. Department of Education
1990 K Street, N.W.
Washington, DC 20006

Main Telephone: 1-202-502-7676



LNESC sponsors Educational Talent Search (ETS), which offers low-income students resources to better prepare them for schooling at the college level and beyond.

Even if you are legally emancipated from your parents, they may still be held responsible for helping you pay for college.

Upward Bound

Upward Bound seeks to help students at targeted schools improve their academic skills, motivation, and success. The program offers targeted tutoring in math, science, English, and Spanish throughout the school year in addition to these and other services:

- > Mentoring
- > Counseling
- > Cultural activities
- > PSAT, ACT, and SAT preparation
- > College preparation
- > Finding financial aid
- > Career planning
- > Financial planning

Upward Bound also offers summer workshops for additional experience before college.

Students who are eligible to participate in Upward Bound include those with low-income families in which neither parent holds a bachelor's degree, and low-income, first-generation military veterans.

For more information on Upward Bound, contact LNEsc by visiting www.lnesc.org or calling 1-202-835-9646.



Financial Aid for Special Circumstances

Here are some special circumstances and what they might mean for federal financial aid eligibility:

Dependent vs. Independent Students

If both you and your parents supply financial information on and sign the aid forms, you are considered a dependent student. If only you provide that information, you are likely an independent student.

Independent students include those who are single or married but supporting themselves, orphans, wards of the court, or those supporting their own dependents/children. Schools may examine your living situation to decide your status.

For clarification, talk with your guidance counselor or the admissions office of the college to which you are applying.

Emancipated Students

Even if you are legally emancipated from your parents, they may still be held responsible for helping you pay for college. Talk with your guidance counselor or the college's admissions office.

Eligible Non-Citizens

You are eligible for federal financial aid if you are a permanent U.S. resident with a valid green card, or have been granted asylum.

Undocumented Students

At this time, federal legislation has been introduced, but not passed, to allow America's estimated 65,000 annual undocumented high school graduates to apply for federal financial aid. For now you are ineligible for federal aid, even if you have lived in the United States for years.

Some colleges will admit undocumented students at out-of-state tuition rates. Eight states—California, Illinois, Kansas, Oklahoma, New York, Texas, Utah, and Washington—now admit undocumented students at in-state tuition rates as long as they meet eligibility requirements.

Some private funding sources offer college assistance. Check with the U.S. Citizenship and Immigration Services at 1-800-375-5283 or www.uscis.gov, or The National Network for Immigrant and Refugee Rights at 1-510-465-1984.

Undocumented students may also apply for private scholarships by contacting:

FASTWEB

www.fastweb.monster.com
1-800-FASTWEB (1-800-327-8932)

HISPANIC SCHOLARSHIP FUND

www.hsf.net
1-877-473-4636

MEXICAN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND (MALDEF)

www.maldef.org
1-202-293-2828



PERSONAL FINANCES

The way you manage your personal finances while in college can make or break your future financial stability. Paying for college in addition to financing incidentals—such as food, clothes, health and renter’s insurance, and entertainment—are hefty responsibilities. With the right planning and good self-control, you can manage your money for financial success during and after completing school!



When you pay your bills on time and repay your loans as promised, you establish good credit history.

QUICKTIP

Credit History

When you pay your bills on time and repay your loans as promised, you establish good credit history. The companies Experian, Equifax, and TransUnion track your debt and payment habits. They provide this information to businesses in the form of a credit report when you apply for a loan, job, or apartment.

Each year, you can get one free credit report from these companies. Visit www.annualcreditreport.com or call 1-877-322-8228 to order your free annual report. You can also look on the companies' Web sites for more information.

- www.experian.com
- www.equifax.com
- www.transunion.com

The report also may provide a single number that is your credit rating. The better your credit rating, the more likely you are to maintain financial stability in the future. It is a good idea to check your credit report annually. Check for and report any mistakes to clean up your credit history.

There are four basic things you can do to build good credit:

1. Pay basic expenses such as rent and utilities on time.
2. Make loan payments on time.
3. Apply only for the credit you need.
4. Do not bounce checks.

Credit Cards

Credit card companies bombard college students with offers. Just because a mailing or flyer says you can get thousands of dollars in a credit line—plus a free gift—doesn't mean it's worth it.

Many college students rack up serious debt by responding to these offers. They spend the first years of their life out of college struggling to pay off high-interest cards. Some people with even full-time jobs can't pay off their credit cards. That's no way to start out!

HERE'S AN EXAMPLE THAT ILLUSTRATES THE DANGER OF CREDIT CARDS:

Let's say you end up with a \$2,200 credit card balance, and you can afford to make only the minimum monthly payment. Here's what might happen (if you don't charge anything more on the card):

The Danger of Credit Cards	
Credit Card Balance	\$2,200
Interest Rate Charged	18%
Minimum Monthly Payment	\$40
Years to Pay Off Balance	Nearly 9 years
Total Cost to Pay Off Balance	\$4,680
<i>(original balance of \$2,200 plus \$2,163 in interest)</i>	

See how easy it is to get mired in credit card debt?

A loan is an amount of money that a bank or financial institution lends you to pay for something specific such as a car.

Avoid using credit cards for regular purchases since they make it easy to overspend. If you have a credit card or decide to get one, use it wisely and carefully to help build a positive credit history.

If you really need a credit card, get only one and pay the whole balance off every month. Ask your bank for a card with no annual fee and a low interest rate, or keep your eye out for advertisements and mailings for this type of card. Use the card only for real emergency purchases. Never get a cash advance on a credit card since interest on these transactions can begin from the time you make the withdrawal.

Store Cards

Store charge cards are easy to get and may offer 10 to 20 percent off an initial purchase. The more you use your card, the more special deals and coupons the store will offer you. It sounds great! It's particularly enticing if you work at the store and get added employee discounts. However, before you know it, you can rack up hundreds of dollars in purchases that exceed the amount you make working.

Store cards usually have much higher interest rates than credit cards—sometimes up to 25 percent. Let's say you buy a jacket, shirt, and pair of pants for \$100 on a store card, and don't pay off the balance for three months.

Purchase amount	\$100
Interest charged	\$75 (<i>\$25 for three months</i>)
Total cost	\$175



You may end up paying almost twice the amount! The better bet is to save up for items that you want, and buy things with the money you already have. Avoid store cards—this will simplify your finances and your life.

Loans

A loan is an amount of money that a bank or financial institution lends you to pay for something specific such as a car. You are responsible for paying back the money you borrowed plus interest, or a percentage of the loan amount charged for using their money.

When you get a loan, you usually get a payment booklet to help you keep track of paying the correct amount on time. Make loan payments on time to earn a good credit history. If you fall behind on payments, the creditor can repossess, or take from you, the item the loan covered. You wouldn't want to lose your car that way!

Before you take out a loan, make sure it's realistic for you to pay it back. If you have a summer job, be sure to save for the winter months when your income drops.

You may be asked to have a co-signer on a loan. That means a parent or guardian will have to sign with you. In signing, they agree to pay the loan if you stop making payments. It is important in this case that you make payments so your co-signer is not held responsible for your mistakes.

Best Borrowing Practices

When it comes to loans, whether it's credit cards or student loans, be sure to handle repayment properly.

- > Keep all documents—this is critical. You need to know what types of loans you have, who the lenders are, and how to request a deferment should that become necessary. Keep all your loan information in one place. You'll refer back to it again and again.
- > If you move, notify your school and lender in writing. Your lender needs your current address, otherwise you could miss payments and that will reflect badly on your credit report.
- > Remember to see if you qualify for a student loan interest deduction on your income taxes. (That deduction starts phasing out once your annual income hits \$50,000.)
- > Pay off loans quickly. Try not to defer your loans or request a forbearance unless it's absolutely necessary. And pay as much as you can every month. The sooner you pay off your student loans, the sooner you can start saving and investing more for other goals.
- > Keep in mind that student loans often have lower interest rates. When repaying loans, give those with the highest interest rates more priority.



If you really need a credit card, get only one and pay the whole balance off every month. Use the card only for real emergency purchases.

Banking

Call or visit several banks near your college and use the questions below to decide which one is right for you. Find out if you are eligible for a credit union since they may offer more benefits and services than a bank. Check with the admissions office at your college for bank or credit union references.

In looking for a bank or credit union, be sure to ask:

1. Where is it located? Is there a branch or ATM on or near campus or where I live?
2. Are there special accounts or deals for college students?
3. Are there monthly service charges? If so, how much are they? Will they be automatically deducted?
4. Will I be paid interest on the balance in my accounts? How much?
5. Will I be charged a fee each time I use an ATM? If so, how much?

Savings Accounts

The years you spend in college are the time to get in the habit of saving. First, set up a savings account at the bank or credit union you choose. Then pay yourself first. That means putting money away in your savings account *before* you pay bills or spend on extras. Decide on an amount that works for you. Take your savings from a monthly allowance or pay from work—but save the same amount every month. Before long, you won't even miss it! The rule of thumb is to have enough saved for three months of expenses in case of an emergency.

Time is on Your Side

The younger you start saving, the better. This is due to **compound interest**.

When your money is working for you, it grows in value (or compounds).

Compounding, or compound interest, is the practice of earning interest on interest. This is one of the most powerful lessons in personal finance: to make your money work for *you*.

Think about this example: Joy starts investing at age 22. Each year she stashes \$1,000 into a retirement account. Then after 10 years, she stops. Her brother, Ron, doesn't start putting money into retirement until he is 32. He invests \$1,000 a year for 33 years. Who do you think will have more money for retirement?

Check this out!	Joy's Retirement	Ron's Retirement
Interest rate	7%	7%
Number of years contributions were made	10 years (age 22 to age 32)	33 years (age 32 to age 65)
Amount contributed	\$1,000 per year for 10 years = \$10,000	\$1,000 per year for 33 years = \$33,000
Value of retirement at age 65	\$128,839	\$118,933

What's the deal? Compound interest! Even though Joy only invested for 10 years, she started earlier and her money had more time to grow. This is why it pays to invest early. Do you see now how time is on your side?



Checking Accounts

It's a good idea to have a checking account, and it costs less than buying money orders. Plus, checks are safer than cash—particularly in the mail. If you opt to get them, your canceled checks will serve as records of payments made. Use this chart to help compare different banks, checking account features, and costs.

CHECKING ACCOUNT FEATURE	BANK A (NAME)	BANK B (NAME)	CREDIT UNION (NAME)
Monthly fee			
Cost of 200 checks			
Monthly cost of online banking			
Minimum balance to avoid fees			
Fee for falling below minimum balance			
Bounced check fee			
Fee for check copy (if canceled checks aren't returned)			
Teller fee			
Account reconciliation fee			
Interest rate for high balances			
ATM card fee			
Overdraft protection charge			
The bank or credit union that I will use for my checking account is: _____			



Always keep your checkbook balanced to the penny. Every time you write a check, make a withdrawal or deposit, or pay a fee, record the amount in your check register and subtract the balance.

Using a Checking Account

Once you find a bank, ask about the checking account options available and other details, such as the cost of new checks, how to order checks, fees to avoid, and overdraft protection. From there, your checking account is your responsibility!

If you bounce a check, or write it for more money than you have in your account, the bank may charge you a steep fee for your mistake. Bounced checks also may hurt your credit history. If other banks are notified about your check-bouncing habits, you may be refused banking services from them in the future.

Balance your checkbook and keep good records of your finances by taking these simple steps:

- > **Ask your bank or credit union for a check register.** Most registers provided by financial institutions have a sample page toward the front to show you how to best track every withdrawal and deposit you make.
- > **Always keep your checkbook balanced to the penny.** Every time you write a check, make a withdrawal or deposit, or pay a fee, record the amount in your check register and subtract the balance.
- > **Don't rely on your ATM balance.** If you wrote checks that haven't gone through the bank yet, the balance may appear higher than it really is.
- > **Compare your monthly checking account statement to the balance in your checkbook,** and remember to subtract the difference of outstanding payments. Call the bank promptly with any questions.

The Check Clearing for the 21st Century Act (Check 21) went into effect October 28, 2004 to allow banks to cash checks more quickly. Visit www.federalreserve.gov to find more information on this new law. Never write a check for more than you have in your account—it's a gamble you'll likely lose!

Most banks and credit unions will offer you a bankcard, otherwise known as a debit or ATM card, when you open an account. Every time you use it, the amount spent is immediately deducted from your checking account.



Some people use pawnshops for quick money, but the amount you'll get for your possession usually is only a fraction of its value.

Bankcards

Most banks and credit unions will offer you a bankcard, otherwise known as a debit or ATM card, when you open an account. The card looks like a credit card but is completely different in the way it should be used. Every time you use it, the amount spent is immediately deducted from your checking account.

Bankcards have their risks and rewards. Vendors rarely ask for identification when purchasers use their bankcards, which may pose a problem if it is stolen. Be sure to keep your bankcard in a secure place! You may have to pay a fee if you have to cancel it with a thief's charges on it.

The upside is that you will not accumulate a balance with a bankcard like you would with a credit card, but the downside is that you run the risk of overdrawing your account if you don't track your purchases. It may be a good idea to use a bankcard for a year or more before getting your first credit card. Establish good spending habits early, and you'll be better off in the long run.

Payday Loans and Other Short-Term Fixes

Payday loans and check-cashing stores appear to offer short-term fixes for money problems, when in fact they can add to your financial woes. Other pitfalls to watch out for are pawnshops, title loans, and rent-to-own stores.



A **check-cashing store** cashes checks for a fee. In general, the fee is around \$4 for each \$100. This may not sound like much, but as a college student, you can't afford to waste a single dollar. Plus, many banks offer free checking accounts that will cash checks for no charge!

Many check-cashing stores will also make "**payday loans**," though usually only to people who work full-time or students who work part-time or have another source of income. With a payday loan, you write the store a check, they give you the amount you requested minus a \$20 to \$30 fee, and they agree to cash your check at a later date.

You may end up paying 450 to 650 percent in fees and interest charges on a payday loan! Besides, it is never a good idea to write a check for an amount you don't have readily available in your account.

A free checking account at a bank or credit union is a better option. You might also check with your financial aid office about low-cost, short-term loans for necessary expenses.

Pawnshops and Title Loans

Some people use pawnshops for quick money, but the amount of money you'll get for your possession usually is only a fraction of the item's value.

Pawnshops may make loans based on car titles. These loans are very risky and may cause you to lose your car.

Say you have a car worth \$5,000 and you decide to get a title loan from a pawnshop. They may loan you \$1,000 in exchange for the car title. Remember—the title serves as your certificate of ownership. Handing over the title is almost as risky as handing your car keys to a stranger!

Let's say you agree to pay the loan back in six months. With interest, this is about what your loan will look like in that amount of time:

Loan Interest Amounts		
Loan amount	\$1,000	<i>Pawnshop keeps the title, worth \$5,000.</i>
Interest charged	\$600	<i>Based on 10% for six months.</i>
Total Cost	\$1,600	<i>That's almost \$270 per month!</i>

If you fall behind on your payments, you'll face even more charges. The pawnshop could even have your car repossessed *and* charge you a fee for it. If your car is stored on their lot, you'll be charged a fee for that. Failure to pay all these fees may result in the pawnshop selling your car.

The message is clear: Find another option for a loan!





Rent-to-Own Stores

Rent-to-own stores are marketed to make you believe that with simple weekly rental payments, you can eventually own fancy merchandise to furnish your living space. The expense of this can be outrageous, though.

Let's say you want to buy a TV that costs \$400 at your local department store. You don't have that much cash, so you get the TV at a rent-to-own store instead. You get the TV you want for \$15.95 a week and you'll own it in 78 weeks.

It may sound like a great deal, but here's what the TV would actually cost:

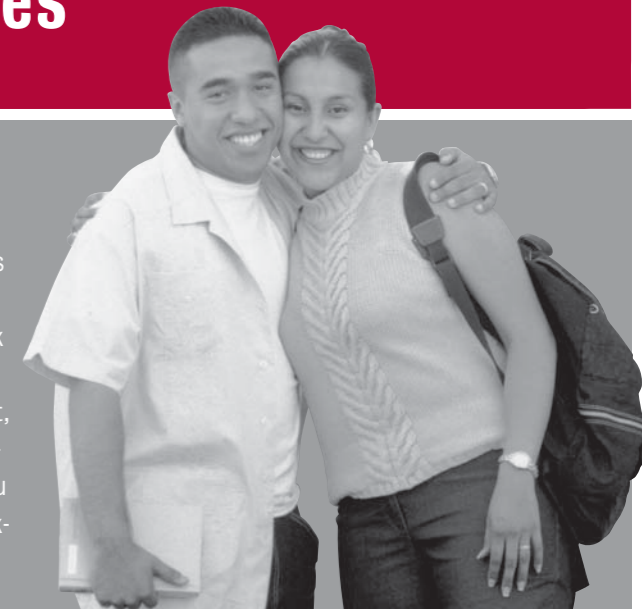
Rent-to-Own TV cost example		
Weekly rental	\$15.95 for 78 weeks	\$1,244.10
5% sales tax	\$0.80 for 78 weeks	\$62.40
Delivery fee	\$10.00 (once)	\$10.00
Total cost		\$1,316.50

Your \$400 TV could cost you \$1,316.50! That's three times the department store's price! A better option would be to buy a used TV or save the proposed weekly rental fee and sales tax amount for six months to buy a similar model.

It's important to track where your money goes—even small amounts on snacks, magazines, and little treats.

Payday loans and check-cashing stores appear to offer short-term fixes for money problems when in fact they can add to your financial woes. Other pitfalls to watch out for are pawnshops, title loans, and rent-to-own stores.

Money Challenges



As a college student, you will need to make every dollar stretch as far as possible.

It's important to track where your money goes—even small amounts on snacks, magazines, and little treats. Keep a monthly spending diary for the most accurate records. This could be a small notebook or pad of paper that you carry with you at all times. You might even use a chart like the one below. As you write down every dollar spent, you'll be amazed at how quickly your money is spent. These "spending leaks" add up quickly! Once you identify your spending leaks, you can plug them. That might mean quitting a costly habit such as smoking or just making better buying choices.

ITEM	INDIVIDUAL COST	MONTHLY COST	ANNUAL COST
Soda from vending machines	\$1	\$30	\$360
New clothes			
Phone/cellphone/Internet			
Snacks/convenience store purchases			
Eating out			
Cigarettes			
Magazines/books (not textbooks)			
Movies/concerts/sporting events			
Videos/DVDs/video games			
CDs/music downloads			
Gifts			
Other			

Remember that our nation's first great leaders were also our first great scholars. — John F. Kennedy



Spending Leaks

Identifying where your money goes can help you to keep more of it for important things such as college. For example, instead of buying a soda every day from the vending machine at \$1.00, you could buy a 12-pack on sale at the grocery store for about \$4.00. Instead of paying \$1.00 per can, you pay just \$0.33 for each soda. That will save you about \$20 per month or \$240 per year.

You might also consider these money-saving ideas:

- > Every time you make a purchase ask yourself, "Do I really need this?"
- > Ask about student discounts at movies, restaurants, and stores.
- > Compare prices on campus and at local shops for the best deals.
- > Buy textbooks used, or look for discounts at reputable online stores.
- > Save for purchases rather than using credit cards or loans.

- > Cut out costly bad habits.
- > Shop sales and off-season bargains for items you truly need.
- > Carpool or use public transportation.
- > Go to dollar theaters or rent movies—borrow them from your library if possible.
- > Give homemade gifts.

Remember that a lot of college students have money challenges. Don't panic if you get into a bind. Check in with the financial aid office with questions, concerns, and opportunities for part-time work in the area. That's what they're there for!



GUIDANCE FOR PARENTS

Your child is off to college, which may mean a great deal of change and responsibility for your family. This section is intended to help you understand your child's college education and related costs.



The Hispanic population in the United States is growing, which means that Hispanics are becoming a major influence on American culture, economics, and political policies. Your child's college education can help position him or her to affect all of these areas. A college education can also open vast career opportunities for your child.

A college education does require an investment of time, effort, and money. Here is what tuition typically costs yearly:

Four-year private institutions	\$20,082
Four-year public institutions	\$5,132
Two-year public institutions	\$2,076

(Source: The College Board)

In addition to tuition, you and your child will need to arrange to pay for other expenses such as room and board, fees, books, supplies, and any extras he or she might need. Before you panic, know that there are billions of dollars in financial aid available in many

CONSEJOS PARA LOS PADRES

Su hijo está entrando a la universidad. Esto puede ser la causa de un gran cambio y muchas responsabilidades nuevas para su familia. Esta sección intenta ayudarle a entender el proceso de la educación universitaria en los EEUU, y también los costos relacionados.



La población Hispana de los EEUU está creciendo, lo cual significa que los Hispanos están aumentando su influencia en la cultura, la economía, y la política norteamericana. La educación universitaria de su hijo puede ayudarle a participar activamente en este desarrollo. Además, una educación universitaria abrirá muchas oportunidades de carrera para su hijo.

Una Educación universitaria requiere una gran inversión de tiempo, de esfuerzo, y también de dinero.

Típicamente, las universidades en los EEUU tienen una cuota anual como los siguientes:

Instituciones Privadas de 4 años	\$20,082.00/año
Instituciones Publicas de 4 años	\$5,132.00/año
Instituciones Publicas de 2 años	\$2,076.00/año

Aparte del precio de la universidad, usted y su hijo necesitarán prepararse a pagar otros costos relacionados como alojamiento, impuestos, libros, otros materiales

Una Educación universitaria requiere una gran inversión de tiempo, de esfuerzo, y también de dinero.



different forms, and many students get part or all of their tuition and fees paid through grants and scholarships. Plus, there are plenty of alternatives for paying for those other expenses.

The most important type of help you can offer is your encouragement. You may also opt to help pay for college, co-sign loans, offer an allowance, and assist with money challenges.

Creative Financing

Paying for college doesn't have to put you in the hole! Talk to a local financial advisor about the following options to creatively finance your child's education:

The Hope Scholarship

The Hope Scholarship is a tax credit of up to \$1,500 that is subtracted from your annual taxes owed, not from your taxable income. You must file a federal return and owe taxes to be eligible for the credit, and you can claim it for up to two tax years in the first years of post-secondary education. The amount you will be eligible to receive depends on your income, total amount of tuition and fees, and total amount of scholarship funds.

Lifetime Learning Credit

The Lifetime Learning Credit provides you with a 20 percent tax credit for the first \$5,000 of tuition and fees through 2002, and for the first \$10,000 after that. The amount you will be eligible to receive depends on your family income, tuition and fee amounts, and the amount of grants or scholarships that were received. Best of all, you may be able to claim a Hope Scholarship tax credit and Lifetime Learning Credit at the same time.

Coverdale Education Savings Accounts

Coverdale Education Savings Accounts are a good option if you have a young college-bound child and not enough extra money for savings. You can invest up to \$2000 per year per student, and earnings are tax free if they are used for higher education or elementary or secondary school expenses. Contributors must have earnings within a certain bracket. They are considered assets and may affect financial aid.

educativos, y todo lo que su hijo necesitará. Antes de que se asuste, usted debe saber que hay billones de dólares de becas disponibles en muchas formas, y muchos estudiantes usan esas becas, concesiones, o préstamos para pagar una parte o la totalidad de los gastos educativos. También, hay varias alternativas con las cuales puede pagar esos gastos adicionales.

La ayuda mas importante que le puede ofrecer a su hijo es el apoyo. Es posible también que escojas a ayudar con los gastos educativos, ser un aval del préstamo, dar a su hijo una mensualidad, o ayudar en otras maneras con los retos de dinero.

Financiamiento Creativo

Es posible pagar por una educación universitaria sin caer en la bancarrota. Discuta las siguientes opciones con un consejero de finanzas para crear un plan de financiero creativo para la educación de su hijo.

The Hope Scholarship (La Beca de la Esperanza)

"The Hope Scholarship" es un crédito de impuestos de hasta \$1500.00 – restado de los impuestos gravados, no del sueldo sujeto a impuestos. Hay que presentar su declaración de renta al gobierno federal y deber impuestos para obtener el crédito, y puede declararlo

durante los dos primeros años de la educación post-secundaria. La cantidad del crédito depende de sus ingresos, el precio total de la universidad, y otras becas que tengan.

Lifetime Learning Credit (El Crédito de Aprender de la Vida)

El "Lifetime Learning Credit" le provee a usted un crédito de impuestos del 20% hasta \$10,000.00 de los gastos educativos. La cantidad que puede recibir depende de sus ingresos, el precio total de la universidad, y las otras becas que tengan. Se puede declarar El Hope Scholarship y el Lifetime Learning Credit simultáneamente.

Coverdale Education Savings Accounts (Cuentas de Ahorros Educativas de Coverdale)

El sistema de cuentas educativas de Coverdale es una buena opción si tiene un joven en rumbo a la universidad y no hay suficiente dinero para ahorrar. Se puede invertir hasta \$2000.00 cada año por cada estudiante. No hay impuestos en los ingresos de la cuenta, pero el dinero solo se puede usar para gastos educativos. Los participantes tienen que ser de un nivel específico de ingreso para calificar. También, estas se consideran propiedades financieras, y pueden afectar el nivel de auxilio financiero que recibirán del gobierno y de la universidad.

A college education does require an investment of time, effort, and money.





You may be asked to be a co-signer on a loan if that is how your son or daughter will fund college. That means you will have to sign loan paperwork with your child.

Parent Loan for Undergraduate Students

The Parent Loan for Undergraduate Students (PLUS) is a low-interest, government-provided loan for parents of undergraduate, dependent students. The loan covers the entire cost of your student's education aside from other financial aid. Your child's school may request that you complete a FAFSA to use a PLUS loan.

Paying for College

Saving money to help pay for your child's college education can help make his or her goal a reality. It's never too early to save, nor is it ever too late. There are various savings plans, such as the state-administered 529 plans and prepaid college tuition plans that allow parents to save funds on a tax-deferred or tax-exempt basis. For more information on these plans, visit www.saveforcollege.com or call 1-800-400-9113. Any savings can put you one step ahead!

Be sure to check with your employer to see if they offer grants and scholarships for employees' children. For more information through Sallie Mae on helping your child pay for college, go to www.salliemae.com/parent_answer or call 1-888-2-SALLIE (1-888-272-5543).

Co-signing Loans

You may be asked to be a co-signer on a loan if that is how your son or daughter will fund college. That means you will have to sign loan paperwork with your child. In signing, you agree to pay the loan if your child stops making payments. If necessary, remind your child to make payments on time so you won't be held responsible for his or her mistakes, or request duplicate statements so you can track payments with your child.

If both you and your child supply information on financial aid forms, your son or daughter will be considered a dependent student. This means you share the responsibility of making sure loans are paid in full within the agreed timeframe.

Even if your child is legally emancipated, you may still be held responsible for helping him or her pay for your college. Talk with your child's guidance counselor or the college's admissions office for more information.

Parent Loan for Undergraduate Students (El Préstamo a Padres para Estudiantes Universitarios)

El préstamo para padres conocido como el "PLUS," es un préstamo de bajo interés, proveído por el gobierno para los padres de estudiantes universitarios dependientes. El préstamo cubre el precio entero de la educación de su hijo, aparte de otras formas de auxilio financiero. Es probable que la universidad de su hijo requiera que hagan una "FAFSA" (La Aplicación Gratis por Auxilio Federal de Estudiantes) para calificar para un préstamo "PLUS."

Pagar por La Universidad

Ahorrar dinero para pagar la educación de su hijo puede ayudarle a realizar su meta de una educación universitaria. Nunca es demasiado temprano para empezar a ahorrar dinero, ni nunca es demasiado tarde. Hay muchas opciones y varios planes de ahorrar, como los "planes 529," que son administrados por el gobierno del estado, y también, los planes en los cuales se puede pagar adelantado para la universidad, para ahorrar dinero sin pagar impuestos. Si necesita usted mas información, visite a la pagina del Internet www.saveforcollege.com, o llame al 1-800-400-9113. ¡Cualquier ahorro puede ayudarle adelantar un paso!

Asegúrese de comprobar con su empleador a ver si ofrece concesiones o becas a los hijos dependientes de empleados. Para encontrar mas información para ayudar a su hijo a pagar la educación universitaria, visita a la pagina del Internet www.salliemae.com/parent_answer, o llama al 1-888-2-SALLIE (1-888-272-5543).

Ser un Aval de un Préstamo

A usted se le puede pedir ser un aval de un préstamo si su hijo va a financiar su educación así. Significa que usted tendrá que firmar todos los formularios del préstamo con su hijo. A firmar, usted compromete a pagar el préstamo si su hijo deja de hacer los pagos por cualquier razón. Si es necesario, recuérdelo a su hijo que haga los pagos a tiempo para que no le hagan a usted responsable de sus errores. Usted también puede pedir extractos duplicados del préstamo, para que pueda mantenerse al tanto de los pagos junto con su hijo.

Si usted y su hijo proveen juntos su información en los formularios del auxilio financiero, su hijo se considerará un estudiante dependiente. Significa que usted compartirá la responsabilidad de asegurar que los préstamos sean pagados completamente, dentro del tiempo convenido.

Incluso si su hijo está emancipado legalmente, usted podría ser considerado responsable a ayudarle a su hijo a pagar sus gastos educativos. Hable con el consejero de su hijo o con la oficina de admisiones de la universidad para obtener más información.



A usted se le puede pedir ser un aval de un préstamo si su hijo va a financiar su educación así. Significa que usted tendrá que firmar todos los formularios del préstamo con su hijo.

The most important type of help you can offer is your encouragement. You may also opt to help pay for college, co-sign loans, offer an allowance, and assist with money challenges.



La ayuda mas importante que le puede ofrecer a su hijo es el apoyo. Es posible también que escojas a ayudar con los gastos educativos, ser un aval del préstamo, dar a su hijo una mensualidad, o ayudar en otras maneras con los desafíos de dinero.



You may elect to give your child a monthly allowance for extras while he or she is in college.

The FAFSA Form

The government uses the Free Application for Federal Student Aid, or FAFSA, to compute the amount of money your family and your child can contribute to college tuition and how much financial aid your child will need. It's confidential and lists your family income, assets, and expenses, as well as those of your child. When your child submits the FAFSA form, help him or her assemble these important records and papers. This needs to be done every academic year.

- > Proof of financial need (tax return statements)
- > High school diploma or GED certificate
- > Valid Social Security number
- > Proof of citizenship

Student Allowances

You may elect to give your child a monthly allowance for extras while he or she is in college. This includes things such as food, clothes, entertainment, books, and room and board costs. Once your family agrees on a set amount, stick to it to help your child establish financial stability.

Helping with Money Challenges

College brings a huge learning curve—not only in the classroom, but also in personal finances. It is not abnormal for college students to get into money binds from time to time. Carefully go over Chapter 3 of this manual with your child. Share your own money challenges—and solutions. If your child calls from college with concerns about money, he or she will need emotional support from you.



A Final Thought

The League of United Latin American Citizens and the National Endowment for Financial Education know that you want what's best for your child. You want your son or daughter to dream bigger and go farther than you ever imagined. We hope you and your child will use the information in this manual to help make a college education a possibility. The advancement of any one of us is the advancement of all of us.

El Formulario “FAFSA” (Free Application for Federal Student Aid) (La Aplicación Gratis por Auxilio Federal de Estudiantes)

El gobierno utiliza la “FAFSA” para computar la cantidad de dinero que su familia y su hijo pueden contribuir a los gastos de una educación universitaria, y luego para computar la cantidad de auxilio financiero que su hijo necesitará. Es confidencial, y enumera los ingresos, propiedades, y gastos de su familia así como los de su hijo. Cuando su hijo someta la “FAFSA,” ayúdele a reunir los siguientes papeles y formularios importantes. Hay que hacerlo cada año, generalmente en la primavera.

- > Prueba de necesidad financiera – declaración de impuestos
- > Diploma de la escuela superior o certificado GED
- > Numero valido de Seguridad Social
- > Prueba de ciudadanía

Pensiones al Estudiante

Usted puede elegir a dar a su hijo una concesión mensual para sus gastos adicionales mientras está en la universidad. Estos incluyen alimentos, ropa, entretenimiento, libros, y alojamiento. Cuando su familia acuerde de la cantidad, manténgala constante para ayudar a su hijo a establecer una estabilidad económica.

Ayudar con los Desafíos del Dinero

El entrar a la universidad es difícil – no solamente en las aulas con los profesores, pero también en las finanzas personales. No es raro que los estudiantes universitarios tengan problemas de dinero de vez en cuando. Repase cuidadosamente el capítulo tres de este libro con su hijo. Comparte con él los desafíos de dinero que usted ha tenido, y las soluciones que encontró. Si su hijo llama de la universidad con preocupaciones de dinero, necesitará su apoyo emocional.

Un Pensamiento Final

La “LULAC” (La Liga de Ciudadanos Latinoamericanos Unidos) y La Dotación Nacional de la Educación Financiera saben que usted desea lo mejor para su hijo. Usted quiere que su hijo sueñe cosas más grandes y vaya más lejos de lo que jamás imaginaba. Esperamos que usted y su hijo utilicen la información en este libro para ayudarles a realizar el sueño de una educación universitaria. El logro de aún uno de nosotros es el logro de todos.

Usted puede elegir a dar a su hijo una concesión mensual para sus gastos adicionales mientras está en la universidad.



Generally, scholarships and fellowships are reserved for students with special qualifications, such as academic, athletic or artistic talent.

— WWW.FINAID.ORG

FINANCIAL AID INFORMATION PAGE (WWW.FINAID.ORG):

A complete guide to financial aid, including information on resources and online calculators to help determine education costs.

FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA) ON THE WEB (WWW.FAFSA.ED.GOV):

Apply online or download the application form required for receiving federal financial aid. This site offers complete information on the process.

HOBSON'S COLLEGE VIEW (WWW.COLLEGEVIEW.COM):

A robust site with all kinds of information about college selection and college financial planning. The site also has a scholarship search feature.

NELLIE MAE (WWW.NELLIEMAE.ORG):

Nellie Mae provides student loans and financial management information for students.

SALLIE MAE (WWW.SALLIEMAE.COM):

Sallie Mae is the top provider of education funding in the United States. The organization began as a government-sponsored enterprise to provide federally guaranteed student loans, but will become a private organization in 2006. This site offers information on every aspect of financing school, including complete resources for parents and guardians.

U.S. DEPARTMENT OF EDUCATION (WWW.ED.GOV):

Don't miss this comprehensive site on loans, scholarships, federal education assistance, important application forms, and more.

Financial Literacy

THE BOND MARKET FOUNDATION (WWW.TOMORROWSMONEY.ORG):

This is a step-by-step financial planning guide. A Spanish language site is also available.

JUMP\$TART COALITION FOR PERSONAL FINANCIAL LITERACY (WWW.JUMPSTART.ORG):

Check out the Clearinghouse, a database of personal finance resources available from a variety of education providers such as government, business, and nonprofit organizations.

MYMONEY.GOV (WWW.MYMONEY.GOV):

The Federal Government's Web site dedicated to helping Americans understand more about their money.

NEFE HIGH SCHOOL CAMPUS (WWW.NEFE.ORG/HSFPPORTAL):

This site from the National Endowment for Financial Education offers all kinds of financial planning information for teens.

PRACTICALMONEYSKILLS.COM (WWW.PRACTICALMONEYSKILLS.COM):

This Web site is designed to help educators, parents, and students practice better money management for life.

Credit-Related Web Sites

WWW.BANKRATE.COM:

Provides tools and information that can help consumers make the best financial decisions.

WWW.DEBTADVICE.ORG:

Do you have a credit problem? This site is part of the National Foundation for Credit Counseling. They can help you dig out of debt.

WWW.EQUIFAX.COM:

This site offers complete information on credit reports and credit management.

WWW.EXPERIAN.COM:

This site also offers information on credit reports and credit management.

WWW.FTC.GOV/FTC/CONSUMER.HTM:

The credit reporting industry is regulated by the Fair Credit Reporting Act, which is administered by the Federal Trade Commission.

WWW.NFCC.ORG:

National Foundation for Credit Counseling is a national nonprofit credit counseling network.

WWW.TRANSUNION.COM:

This site also offers information on credit reports and credit management.



What are credit scores and how are they calculated? Credit scores are fluid numbers that change as the elements in your credit report change.

— WWW.EXPERIAN.COM



College Financing Alternatives

These organizations offer college grants and loan forgiveness programs for people who work for these organizations to help others.

- > **AmeriCorps:** www.americorps.org
- > **Federal Student Aid:** www.studentaid.ed.gov (click Repaying)
- > **Nursing Education Loan Repayment Program:** www.bhpr.hrsa.gov/nursing/loanrepay.htm
- > **Peace Corps:** www.peacecorps.com
- > **Teach for America:** www.teachforamerica.com
- > **Vista:** www.friendsofvista.org

Other Options

Another option for funding your education and starting a career is the military. Check out these sites:

- > **U.S. Air Force:** www.airforce.com
- > **U.S. Army:** www.goarmy.com
- > **U.S. Coast Guard:** www.gocoastguard.com
- > **U.S. Marines:** www.marines.com
- > **U.S. Navy:** www.navy.com
- > **National Guard Association of the United States:** www.ngaus.org

Alternative Sources for College Credit

These programs can either help you “test out” of certain college credits or validate training you have already received for possible college credit.

- > **Advanced Placement (AP):** <http://apcentral.collegeboard.com>
- > **American Council on Education Military Programs:** www.acenet.edu
- > **CLEP:** www.collegeboard.com
- > **DSST Program:** www.getcollegedcredit.com
- > **National PONSI:** www.nationalponsi.org

From exclusive colleges and universities to tech training and first-hand experience, you'll be able to enhance your education throughout your career.

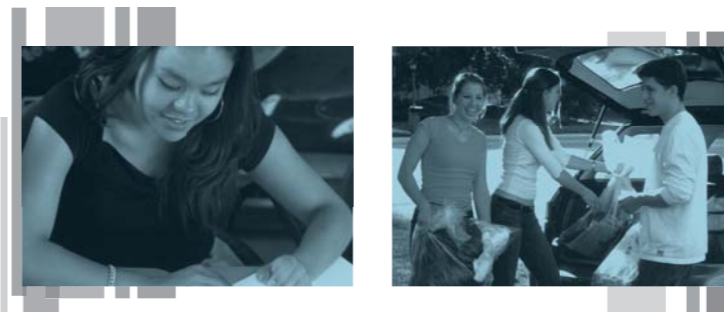
— WWW.AIRFORCE.COM

The whole object of education is... to develop the mind. The mind should be a thing that works.

— Sherwood Anderson



Lined area for taking notes.



Lined area for taking notes.

ACKNOWLEDGMENTS



We hope you and your child will use the information in this manual to help make a college education a possibility. The advancement of any one of us is the advancement of all of us.

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