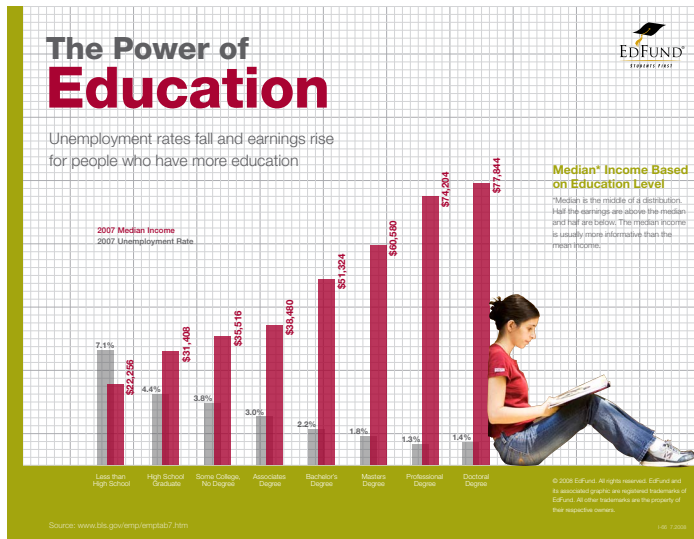


Financial Literacy Money IQ

Education is a good investment!

Education can increase your earnings but you must finish your degree. A college degree will get you \$10,000 to \$20,000 a year more than a high school diploma. A professional degree (accountant, engineer, lawyer, etc.) will earn you the most. Education is a good investment.



Note: your values are neither right nor wrong – just different. Choices you make now will affect whether your life later on reflects your values and goals.

Short-term:

- Education – what education is needed now to obtain your long-term goals? College does cost money but there are cost-saving actions you can take now to help achieve long-term goals.
- Live like a student now so you don't have to live like a student after you graduate.
- Search for Maximum Free \$ First – grants and scholarships
- Plan on working part-time during school year (and full-time during summer breaks) to help reduce college expenses.
 - Studies show students who work 10-20 hours per week while in school do better academically than students who do not work at all because they learn time management skills.
- Use student loans responsibly
 - Only borrow what you need – not necessarily the maximum offered
 - **Always** take out federal school loans first before private alternative loans
 - Do **not** use credit cards to finance educational expenses – including living expenses.

Where am I now and where do I want to be?

Set goals – work backwards from long-term to short-term

Long-term:

- Own a home
- Buy a car
- Have a family
- Children's College Tuition
- Travel
- Hobbies
- Retirement Plan
- Donate to favorite charity
- Career – How much money will you make? How much schooling will it take? More schooling = higher cost which should (but not always) = higher wage
 - Remember: not all careers pay the same
 - Example: Lawyer versus social worker
 - What are your values?
 - Make lots of \$\$ (higher extrinsic/less intrinsic return)
 - Social activism (lower extrinsic/higher intrinsic return)
 - Family
 - Work Close to Home
 - Combination of the above

Saving Money

- Reduce living expenses while in school – options:
 - Roommates
 - If possible, continue to live at home while attending college
 - Use public transportation
 - Buy older car so you do not have a car payment
- Make a budget.
 - A budget is not about self-deprivation – it IS about making choices.
 - A budget is a tool to get where you want to go.
 - A budget give you control – tells you where you are and predicts where you are going.
 - A budget is a mathematical confirmation of your financial situation. (Idaho State University – Financial Common Cents Presentation)
 - Budgeting Golden Rule: **Pay all bills on time!**
 - Most Important: **When money runs out stop spending!**