



Print this off – share it with your kids and grandkids

I work with a lot of people who have a lot of student loan debt. Here they are – just out of school, ready to begin a new life, and before they even get out of the graduation gate – they find that they are in debt \$50,000 to \$100,000 in Student Loans (SL). The people who have these SL would like for me to share with you and your kids, the following things.

1st – Do not use your SL to pay for everyday living. Get a part time job and pay cash for as much of it as you can. You may rent the cheapest apartment you can find, but if you pay for it with SL money, by the time you get interest and possibly fees or late charges on those amounts 5 years later – in reality you have just paid the Waldorf Historia rental rates for all those college years. If you are graduating in May, get a summer job and maybe even a part time job to shovel back as much money as you can into savings so that you can pay for as much of your college as possible. PRE look for a job, don't wait until August and 1000 other kids are all applying for the same job.

2nd – Pre plan yourself a budget with the dollar amounts that you know you will have to pay. Rent, groceries, utilities, gas for car & money back for those speed bumps, like a flat tire, parking tickets, etc. As many known numbers as you can come up with through phone calls and internet searches. Most likely your part time job will be minimum wage or a little over, and in the food industry as a waiter or waitress you can plan on making about \$2.13 an hour plus tips, which a percentage has to go to the host and bartender, and the government is going to want their 30% at tax time.

3rd – SL are up to sometimes \$6500 for your first year of attendance, and it usually goes up from there. You will receive award letters from the school and it will tell you what you qualify for. It doesn't mean that you have to take it all...don't just sign it and return it, because that indicates you want all the aid listed on the letter. Everything you do with your SL will directly affect your finances for years after you graduate.

Subsidized Loan vs. Un-Subsidized Loan

Subsidized Student Loan– government pays the interest until you get out of school. 6 % Interest –At the end of 4 years - the day you graduate you will owe \$ 51,000 and then your interest will begin to accumulate on \$51,000.

UN -Subsidized Student Loan – Interest capitalizes from day one of loan

Year			Amt. Borrowed			6% Interest	Total
1			\$6000			360	\$6360
2	\$6360	+	\$10000	=	\$16360	\$981.60	\$17341.60
3	\$17341.60	+	\$15000	=	\$32341.60	1940.50	\$34282.10
4	\$34282.10	+	\$20000	=	\$54282.10	\$3256.93	\$57,539.02

Thanks to Robert Goodman – Renaissance Financial of Leawood, Ks



Only borrow what you NEED. If you can work and pay for part of your yearly expenses and cut your loan amount in half, do it. Don't make this one of the most expensive "vacations" you ever take. Don't borrow to live while in school, because after you get out of school and want to begin your new life. You have thousands of dollars in unsecured debt and you will not be able to buy a house or get a loan with that much unsecured debt, especially in today's world

These are the best investing years of your life - - with interest and compounding you can become a millionaire or multi millionaire just from these years

You're in a Good Solid College Course – And one day it becomes the "Forget It" Class. Your thought processes are - the teacher doesn't understand me, I'm tired, I had to work last night, didn't get my homework done, too hard, etc. If you quit, you still have to pay for the credit hours with interest, wasted future Life Hours, a bad choice for today that will affect you for years after you blew it off.

Are you taking that that pud 3 credit hour class instead of a NEEDED class, and you have 8 semesters of doing that, which means that you 32 Credit hours at \$73 an hour, which is \$2,336 of non essential classes that you know are going to owe 6% interest on for years after the fact.

You are going to have to have time to study; this is one of the biggest investments you will ever make, invest it wisely. Be the CEO of ME Inc from the time you begin your education.

And after you graduate beware of **The Spending Creep** -As your annual income climbs from raises, promotions, and smart investing, don't start spending for luxuries until you're sure that you're staying ahead of inflation. It's better to use those income increases as an excuse to save more. Save to build a solid financial foundation.

All of my people with existing student loans, that they now have to pay back, have many regrets of how they spent their money. Make your very first business venture, getting your college education and keeping your money in check as best you can.

Motorcycle Mary