



## Your Bottom Line

Your go-to resource for timely information about personal finance, college planning and student loan management



## Help Your High School Grad Find Financial Independence

You've dreamed of this from the moment you learned you would become a parent. In what seems like an instant, the time has come for your baby to head to college. Aside from wondering where the time went you begin to wonder, is she ready? Does she know everything she needs to know to successfully navigate being a young adult? Here are some topics worth talking about to ensure your student is ready for financial independence.

- **Needs and wants.** Since your child was small, you've taught him the difference between what he needs and waiting for what he wants. It's just as important now that he'll be handling much of his own money. Many young adults feel the need to maintain the lifestyle their parents gave them and keep up with their peers, leading many to enormous debt and financial trouble in their 20s. It's OK to want nice things; but it's important for them to understand that it takes time and hard work to reach that level of success. Exercising financial discipline develops their emotional intelligence when it comes to spending money.
- **Crafting a budget.** Creating a budget may not sound like a fun topic for your kiddo, but having more money will. A budget is simply a plan for spending her money. It's an empowering tool that lets her see at a glance where her money is going, no matter how much or how little she has. Help her to identify her income and evaluate expenses. Show her how to create categories for expenses and identify each as a fixed or variable expense. She can then create a spending plan using a variety of tools, such as an app, spreadsheet, or [OKMM's customizable budget calculator](#).
- **The importance of savings.** In hindsight, almost all of us would have begun saving much earlier than we did. Encouraging a savings habit is one of the most beneficial tools you can instill in your child. Teach him all the money saving tips you've learned over the years, such as automating savings by directly depositing part of his paycheck into a savings account(s). Show him how to fill out a W-4 by printing off a sample and going over how to adjust his withholdings. Also, encourage long term savings, even though retirement may be the furthest thought from his mind. Beginning early is crucial to maximizing any wealth-building advantages. To see the impact of saving early and often, check out [OKMM's saving chart](#).
- **Using credit responsibly.** Establishing a favorable credit history is a smart move; however, one major downfall for many college students and young adults

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Consumer Loan Terminology  
50/30/20 Budget



Q&A:  
OKCollegestart



Saving on Vacations  
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Student Loan Interest Rates  
On Our Mind



Money Tasks for your  
20s, 30s, 40s, & 50s  
Borrow Smart



Inspiring  
TED Talks

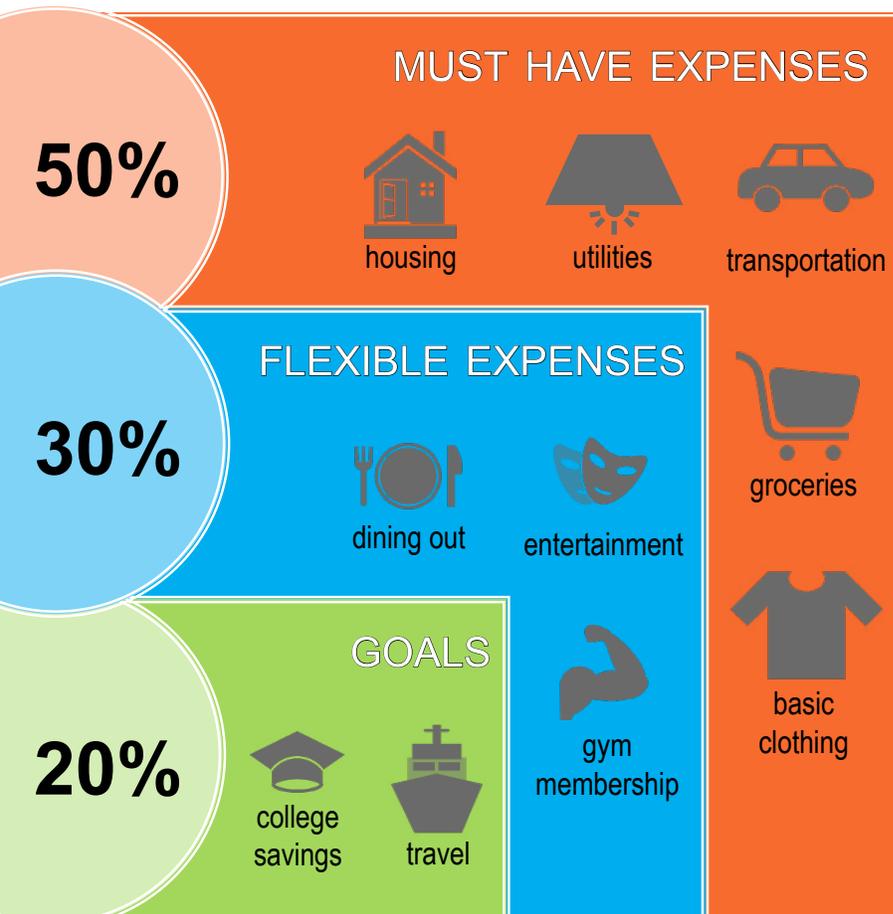


Partner News  
and Events

is they don't understand how credit works until they've already damaged their credit. Ensure your child understands that any money borrowed will have to be paid back later, with interest. Maintaining a solid credit rating and payment history will ensure the ability not only to obtain credit in the future, but to qualify for a lower interest rate. Late payments, breached contracts for rental, cellphone and utility services, and even overdue library books can negatively impact your child's credit rating.

- **Managing student loans.** Encourage your student to pay special attention when borrowing money to pay for college. Students should accept scholarships and grants first and limit borrowing to only the amount that is absolutely needed. To learn more about managing financial aid, see the Borrow Smart from the Start article on page 6.

## THE 50/30/20 SPENDING PLAN



Divide your spending plan into three categories to easily balance your budget and prioritize your needs and wants. Aim to dedicate 50 percent of your resources to necessities, 30 percent to day-to-day expenses, and 20 percent to your financial goals.

Spending plans are as unique as the user, so don't give up if this method doesn't work for you. Keep experimenting until you find the plan that fits your needs.

# Consumer Loan Terminology

There are many terms consumers should know when borrowing from a financial institution. Here's a short list of loan lingo that may help when applying for a loan.

- **Accrued interest.** The interest accumulated on the principal (or base) amount of a loan.
- **Credit history.** A borrower's established history of managing credit. This is used to determine credit worthiness and is generally reflected on credit reports and through credit scores.
- **Debt consolidation.** The process of combining one or more loans into a single new loan.
- **Default.** Failure to repay a loan according to the legal agreement between a lender and borrower.
- **Interest capitalization.** The addition of unpaid interest to the principal balance on a loan.
- **Consumer loan.** A loan granted by a financial institution for a variety of reasons, such as household improvements, large purchases, or medical expenses. Once approved, funds are distributed in a lump sum that can be repaid in fixed installment payments or as a single payment.
- **Prime rate.** The index system most used by U.S. commercial lenders to determine interest rates for short- and medium-term loans.
- **Truth in Lending Act (TILA).** A federal law created to inform consumers of the rights, terms, and protections between a borrower and their lender.



# OKcollegestart.org

Chelsea Hunt, Student Portal Coordinator  
Oklahoma College Assistance Program (OCAP)

Student Portal Coordinator, Chelsea Hunt, answers questions about OKcollegestart.org.

## *What is OKcollegestart.org?*

[OKcollegestart.org](http://OKcollegestart.org) is the official source for planning a college education in Oklahoma. The website provides free resources to help students and parents plan, apply, and pay for education and training beyond high school. Users can search by keywords and receive personalized results to compare colleges. All user registrations come with a free email address that can be used to communicate with counselors and colleges.

## *How can students find national and local scholarships?*

Paying for college, or any postsecondary education, is an investment. Through OKcollegestart.org, students can start their search by either:

- Filling out a Scholarship Profile to find matching scholarships
- Browsing a list of scholarships by category
- Searching the scholarship database by keyword

To help students stay on top of new scholarships, they can sign up to receive monthly alerts. It's quick and easy.

## *What about internships? Can students apply for them directly through OKcollegestart.org?*

When you visit OKcollegestart.org, you can find internships on the Career Planning tab under "Get a Job." Once you select a link for either local or national job banks, you're then taken to an external website where you can search and apply directly for the internship or job of your choice.

## *Does OKcollegestart.org offer any help with resumes?*

Yes. OKcollegestart.org has a Resume Builder tool. Users who create a free account, will learn general tips, resume formats, how to write an effective introductory objective and much more. Once your resume is complete, you can print it or save (add) it to your portfolio.

## *Can OKcollegestart.org help high school students plan for higher education and future employment?*

Absolutely! OKcollegestart.org's Your Plan of Study feature allows students to plan their middle and high school courses to meet college and career pathway requirements. This feature is only accessible once a student creates a free account. The individualized academic plan can be completed by both students and educators. Students would first choose a recommended program of study, then choose graduation

requirements to follow, and then they can edit their plan of study.

## *Can counselors send transcripts to multiple schools? What about out of state schools?*

Yes. When students use OKcollegestart.org, they can request that their counselor send their transcripts to up to eight different postsecondary institutions at once, which saves time and effort.

## *Do you have resources for ESL (English as a second language) individuals?*

Our website, OKcollegestart.org, offers access to Google Translate. This feature allows for all content (except graphics) on all pages of our website to be translated in 100+ languages. When text is translated on the screen, users can hover over the text to see the original text in English. Users can even click on "Contribute a better translation" and provide alternative translations.

## *With all of these resources on the site, can users save this information for later access?*

Yes. We provide our users with a lifelong portfolio to help with future career transitions. Click the "Add to Portfolio" or "Save to Your Portfolio" buttons on any completed assessment, activity or scholarship search. Once your information is saved you can review and update it anytime.

# Simple Strategies for Saving Money on Vacation

1. **Buy daily deals in advance.** Social shopping sites offer a wide variety of discounts on things like amusement park tickets, spa treatments and gourmet meals. Once you determine your vacation destination, visit [Groupon.com](http://Groupon.com) and/or [LivingSocial.com](http://LivingSocial.com) to see what deals are available during your stay. Why pay full-price when great opportunities can be had at discounted rates?
2. **Browse websites for discounts.** Often, tourist attractions offer discount tickets if you purchase them in advance online. Pair advanced ticket pricing with partner discount offers for an even better deal. For example, local sightseeing tours often print discount coupons for area restaurants and attractions on the back of their ticket stubs.
3. **Seek alternative lodging.** If you can enjoy a little rest and relaxation without someone making the bed for you or bringing you fresh towels, skip the hotel and consider booking a room, condo or house through rental services like [Airbnb](http://Airbnb), [HomeAway.com](http://HomeAway.com) or [VRBO.com](http://VRBO.com). These online marketplaces allow people to lease or rent their home on a short-term basis, which is perfect for customers seeking a quick getaway.
4. **Pack your meals and snacks.** Dining out and buying snacks can easily blow through your vacation budget. When possible, choose hotels that offer a mini fridge and microwave, and visit a local grocery store to stock up on easy meal and snack options. When visiting zoos, water parks or amusement parks, check the venue's website to see if bringing in your own food and drinks is allowed.
5. **Maximize your memberships.** If you have a membership to your local zoo or museum, check to see if it provides any travel perks like discounts at partnering zoos, aquariums or museums in another state. Also, if you're a student or member of the armed forces, travel with your ID to take advantage of student and military discounts.

## Protect Your Tech

We've all increased our dependency on our home computers, where we keep private and personal records with confidence they're safe. However, the latest ransomware attack that swept through dozens of countries has left us wondering what we can do to protect our electronic files.

These attacks, now known as the WannaCry ransomware attack, focused on a vulnerability recently discovered in Windows machines. Microsoft had already put out a software upgrade that would have corrected this vulnerability, but unfortunately, many people don't update their machines routinely. Any computer that hadn't been fully updated could be exploited by hackers, and this time around, ransomware was the malware of choice. Ransomware is a kind of malware in which an attacker prevents access to a user's files and threatens to publish or delete them unless the user pays a ransom. In the case of WannaCry, the attackers generally requested the ransom be paid in the cryptocurrency bitcoin, which makes it easier for the recipient of the payment to mask his or her identity.

A few simple steps can help you prevent attacks on your technology:

- Keep your computer updated.
- Install software that protects you from viruses and malware.
- Regularly backup all of the files on your computer to an external hard drive or online cloud storage service.

If you're targeted and don't have backups, experts generally advise against paying the ransom since there is a good chance you won't be able to recover your files anyway - and you may be reinforcing and perpetuating the bad conduct.



## Student Loan Interest Rates Scheduled to Rise

Students who borrow federal student loans to pay for their education will experience a price increase in the coming academic year.

Federal undergraduate loan interest rates will increase from 3.76 percent to 4.45 percent, while federal loan rates for graduate students will increase from 5.31 percent to 6 percent. Rates on federal PLUS loans will increase to 7 percent for both graduate and professional students and parents of dependent undergraduates. These rate increases will affect student loans disbursed between July 1, 2017, and June 30, 2018.

Since student loans must be repaid with interest, it's best to exhaust other financial aid options before borrowing money to pay for school. Follow these guidelines for maximizing your financial aid opportunities each year.

- Complete the [Free Application for Federal Student Aid \(FAFSA\)](#) as soon as possible after Oct. 1 of your senior year of high school and every year you need aid to meet school and state deadlines.
- Apply for grants and scholarships throughout your college career. For tips and resources on finding free money, check out your school's financial aid office and browse UCanGo2's [Scholarship Success Guide](#).
- Use any family savings available to you or consider getting a part-time job to help pay school expenses.
- If you must borrow to pay for school, explore all your borrowing options to find the loan that best meets your need. Federal student loans typically have and better repayment options than private loans.
- Borrow only what you need to pay school expenses and keep your student debt as low as possible.

To learn more about managing financial aid and borrowing wisely, visit [ReadySetRepay.org](#).

## On Our MIND



What's on the mind of OCAP staff? This month, OKMM outreach specialist Ava Doyle talks about disaster-proofing your finances.

One of OKMM's lessons is titled "Disaster-Proofing Your Finances." The goal is to incorporate an emergency preparedness plan into your financial strategy. I've taught this topic to many audiences, especially during tornado season. Unfortunately, when I found myself facing a crisis, I learned I hadn't "disaster-proofed" my own finances enough.

I experienced two unfortunate events within a week of each other. First, I suffered a house fire. I wasn't in the house at the time, but I lost 90 percent of my belongings and my cat ran away to escape the blaze. Only one week later, thieves stole any salvageable belongings. These experiences devastated me and required expending more time, energy, and money than I was prepared for.

Disasters aren't limited to weather or crime-related events. They can include a divorce, death of a loved one, job loss, medical issues and other circumstances. These are the lessons I learned.

- **Save more money.** This is not a new concept; however, this advice is rarely put to practice. Unfortunately, it only takes one emergency to remind us why saving regularly and increasing your savings over time is important. Saving even a small amount of money makes a big difference when covering the cost of a storage unit, a car repair, or a night in a hotel.
- **Make a plan.** A disaster is chaotic. Having a plan gave me a sense of control and clarity. Planning allows you to research resources in advance and craft a strategy to follow during the recovery process.
- **Accept help, but know your needs.** Communicating what I needed, rather than allowing people to assume, gave me dignity and pride. Friends offered to take me out to dinner shortly after the incident, but I declined their offer so I could focus on my recovery. When others wanted to donate items, I was able to tell them what I needed and gladly accepted their donations once I settled into my new place.
- **Practice self-care.** Disasters are stressful. Practicing self-care allows you to maintain balance. Finding ways to invest in yourself can help you better handle your situation and boost your mental and emotional health.

I was reunited with my cat and we're now settled into our new place. We have a new routine and he's back to being as happy and playful as he was before the fire. I'm eternally grateful to the people who helped me through a very tough time *and* for the wisdom I've gained.

# MONEY TASKS

## 20s

- ✓ Track your expenses so you know where every dollar is going.
- ✓ Create a budget, also known as a spending plan, that works for you.
- ✓ Keep debt low by limiting borrowing and maximizing your student loan repayment options.
- ✓ Establish an emergency fund of at least \$1,000 for unexpected expenses. Also, save for large purchases instead of using credit.
- ✓ Begin investing in your retirement by taking advantage of your company's matching program, and consider contributing to a Roth IRA or other retirement tool.
- ✓ Protect yourself and your money by limiting personal information on social media and keeping personal documents safe by shredding unnecessary documents or eliminating junk mail.
- ✓ Explore health, life, car and other property insurance plans.
- ✓ Routinely review your credit score and credit report.
- ✓ Learn about personal income taxes and how your circumstances impact how much you pay.

## 30s

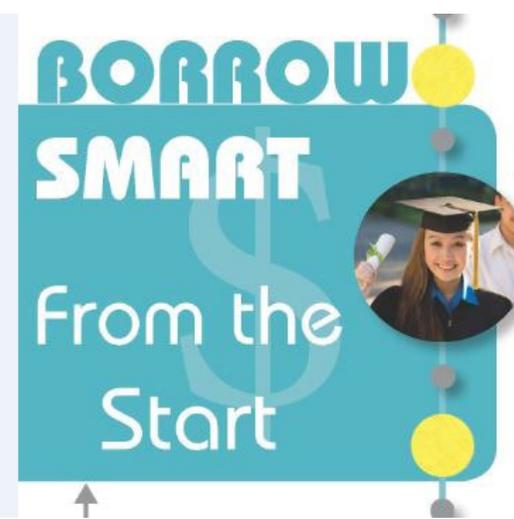
- ✓ Pay down debt and maintain a healthy relationship with credit.
- ✓ Increase your emergency savings to cover 6 – 12 months' worth of living expenses.
- ✓ Increase your retirement contributions.
- ✓ Consider diversifying your investments; consider working with a certified financial planner.
- ✓ Re-evaluate your insurance plans as you accumulate more assets.
- ✓ Establish a will or trust.
- ✓ If you have children, begin saving for their college education.

## 40s

- ✓ Eliminate all major debt.
- ✓ Maximize your retirement contributions.
- ✓ If you have older parents, begin planning for their long-term care.
- ✓ Update any insurance plans, beneficiaries or your will, as needed.

## 50s

- ✓ Plan your post-retirement budget and adjust your retirement contributions accordingly.
- ✓ Review your investments; evaluate your risk tolerance and make adjustments accordingly.
- ✓ Consider downsizing, if appropriate, to fit your post-retirement plans.
- ✓ Begin planning your own long-term care.
- ✓ Review your estate plan.



Are there student loan repayment options for borrowers when they cannot make their payments? Is there any hope for borrowers who've defaulted on their student loans? Can a student loan borrower make interest-only payments while enrolled in school or during the grace period?

The answers to these questions and more can be found in our student loan management brochure, [Borrow Smart from the Start](#), which is designed to help potential and current student loan borrowers understand the borrowing process and financial aid options to ensure wise borrowing and successful loan repayment.

The brochure explores a variety of topics, including filling out the [Free Application for Federal Student Aid \(FAFSA\)](#), financial management strategies, student loan terminology and information about other resources to support repayment success. This includes website links and/or phone numbers to the [Federal Direct Loan Program](#), the [National Student Loan Data System \(NSLDS\)](#), the [Oklahoma Wage Network](#), and OCAP's [Ready Set Repay](#) program.

# Quick Fix: 12 Minute Money Lessons

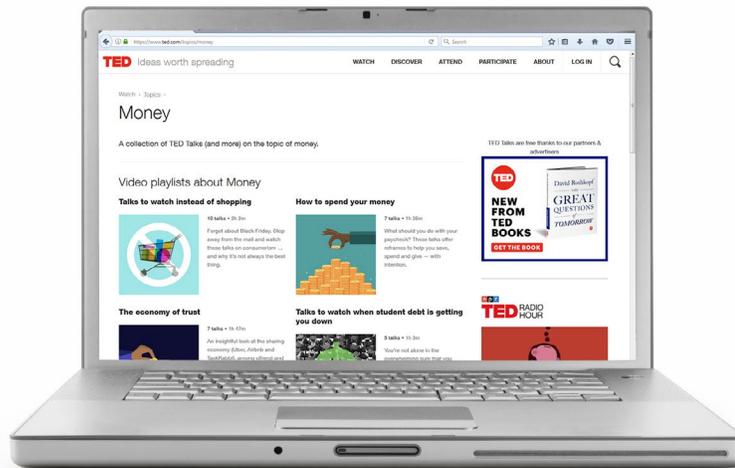
Videos are a fun, quick way to improve your personal finance know-how. Our team perused some of the most popular money-related TED presentations to compile this list for you. Each video takes 12 minutes or less to watch.

## One Life-Changing Class You Never Took

Alexa von Tobel is the founder and CEO of [LearnVest.com](http://LearnVest.com), a personal finance website designed for women. Listen in as she explores the importance of financial education by explaining how American consumers have found themselves in dire financial straits. She demonstrates how the typical college graduate learns money lessons by trial and error and stresses that implementing five simple money principles can help people lead powerful lives and find financial success.

## Less Stuff = More Happiness

Writer and designer Graham Hill asks, “Is it possible that less might equal more?” Mr. Hill shares three approaches to crafting a thoughtfully edited lifestyle so you can live large while thinking small. Less “stuff” might lead to more time and more freedom to do the things that truly matter to you.



To explore these and other money-related videos, visit [TED.com](http://TED.com).

## How a Penny Made me Feel like a Millionaire

Tania Luna shares the beauty of counting your blessings and appreciating the little things as she recounts her experiences after her family came to the United States from post-Chernobyl Ukraine.

## How to Buy Happiness

Michael Norton, a professor of business administration at Harvard Business School, humorously refutes the common belief that money can't buy happiness. He argues that if you spend your money differently, it can in fact buy happiness.



## Partner News and Events

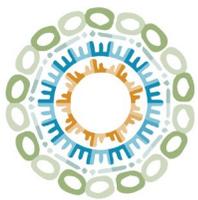


Member Meeting:  
Wednesday, August 23

11:30 a.m. to 1:00 p.m.

Oklahoma City

For more information,  
email Pam Campbell at [pam.campbell@kc.frb.org](mailto:pam.campbell@kc.frb.org)  
or visit [OklahomaJumpstart.org](http://OklahomaJumpstart.org).



Financial Education  
in OKLAHOMA

Save the Date:

Financial Education in Oklahoma Conference

Wednesday, November 1

Moore-Norman Technology Center's S. Penn Campus

### Have News to Share?

Let us feature it! Do you have a contest, educational workshop or other event you'd like us to highlight in a future edition of the newsletter? Send a note to [bnichols@ocap.org](mailto:bnichols@ocap.org) today; space is limited.



Oklahoma Money Matters (OKMM), an initiative of the Oklahoma College Assistance Program and the Oklahoma State Regents for Higher Education, is a personal finance education program that helps K-12 schools, higher education campuses, businesses and community partners develop or expand educational services that empower Oklahomans to make positive financial choices.

Visit us online at  
[OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org).

To ask questions or share comments regarding this newsletter, call 800.970.OKMM (toll free) or email [OklahomaMoneyMatters@ocap.org](mailto:OklahomaMoneyMatters@ocap.org).



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