



# Your Bottom Line

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

April 2019

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## Transitioning to Financial Independence After College

Making the transition from college to the working world can be both exhilarating and intimidating. While there are many important activities to be done before walking across the stage and getting a diploma, transitioning to financial independence is often overlooked - which can cause problems down the road.

- **Budgeting is best.** Most everyone dreams of being wealthy, or at least financially stable. The first step on the road to financial independence is creating a budget. With a job and a steady paycheck, the temptation to overspend is real. There are a few things you can do to help create a budget to fit your lifestyle. Most importantly, know your income and your expenses. It's crucial to balance your money each month so you know how much you have to spend. There are fixed expenses, such as

rent or car payments, but there are also variable expenses like utilities and grocery bills. Every budget begins with your income and expenses, but don't forget about including a little money for fun. All budgets should allow for those unforeseen expenses that tend to pop up. Most importantly, don't forget about putting some money aside for your savings. Whether it's \$10 each month or \$100, starting early is the key to build up savings (and retirement accounts.) Use OKMM's personal [budgeting tool](#) to craft a spending plan to meet your financial goals.

- **Don't skimp on student loan payments.** If you borrowed money to attend school, paying back your student loans is an important responsibility. If

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you're currently in your six-month grace period or still in college, begin making a plan for repayment now. You can work your loan payment into your monthly budget before repayment even begins to get a feel for what your actual disposable income will be. Your paycheck and/or tax returns can be garnished if you [default](#) on your student loans. Loan servicers are there to help, so don't be afraid to contact them to find a payment plan that is best for you.

- **Renting versus buying.** After graduation you may be thinking about the next big milestones, such as like buying your first house. There's more to becoming a homeowner than just picking the color of paint on the walls. In addition to the list price, there are property taxes, maintenance fees, a down payment for a loan and closing costs. You may also be required to pay the neighborhood HOA fees, depending on the home you choose. Whether you rent or buy, there are perks and downfalls to both, so be sure to do the math to make the best decision for you.
- **Starting a family.** If you're planning to start a family, be aware that according to the USDA, it costs over \$200,000 to raise a child from birth to age 18. That means you must have a plan in place for things like child care, insurance and college savings. When you're ready, check out the [Oklahoma 529 Savings Plan](#) to learn how you can set up a college savings account.
- **Reaching retirement.** Retirement may not be at the forefront of recent graduates' minds, but the earlier you start saving, the more money you'll have to live on once you reach that stage in life. Research the different types of retirement accounts and talk to your employer about available options. The key to reaching your financial dreams and goals is to save early and save often.

Making the financial transition to independence can be intimidating, making smart choices now and preparing for your future will boost your confidence.. For more information, including budgeting calculators and other tools, visit [OklahomaMoneyMatters.org](#).

Are you on the hunt for a good book to read this spring? Check out what OCAP staff are reading.
<i>Leadership: In Turbulent Times</i> by Doris Kearns Goodwin - Jordan Evans, UCanGo2 Outreach Specialist
<i>Permission to Screw Up: How I learned to Lead by Doing (Almost) Everything Wrong</i> by Kristen Hadeed - Melissa Neal, OCAP Executive Director
<i>Decluttering Your Way to Success</i> by Terri Savelle Foy - Bridgette Nichols, OCAP Development Coordinator
<i>Guide Your Mind, Guard Your Heart, Grace Your Tongue</i> by Carol Burton McLeod – Sheniqia Haynes, UCanGo2 Outreach Specialist
<i>Bag of Bones</i> by Stephen King – Elizabeth Pressler-Henderson, OCAP Multimedia Manager
<i>Spying on Whales: The Past, Present, and Future of Earth's Most Awesome Creatures</i> by Nick Pyenson – Andrew Boes, OCAP Staff Assistant

## Test Prep Resources

[OKcollegestart.org](#) is Oklahoma's official website for college planning provided by the Oklahoma State Regents for Higher Education (OSRHE) and the Oklahoma College Assistance Program (OCAP). One of the many features available through OKcollegestart.org is free test prep materials.

Students in middle school and high school have access to materials to help them prepare for the:

- ACT
- PSAT
- SAT
- ASVAB (Armed Services Vocational Aptitude Battery)
- High School Equivalency Exam (GED, HiSET and TASC)
- Accuplacer (A college placement test used by over 2,000 colleges as part of their enrollment process.)

College students and adult learners also have access to test prep materials to help them prepare for the:

- TOEFL (Test of English as a Foreign Language)
- Graduate & Professional School Entrance Exams (GRE, LSAT, MCAT and GMAT)

In addition to prep materials for these specific tests, students can also improve their results on college entrance exams by using the Vocabulary Builder.

OKcollegestart features information and tools that can help make planning and paying for college easier for students and their families. Students can create a lifelong portfolio for college and career planning that contains secure records of academic progress, activities and achievements throughout high school. Educators can customize the site for their students, including Individual Career Academic Plan (ICAP) tools.

To create a free student account, visit [OKcollegestart.org](#). To participate in the Professional Center, educators must first contact OKcollegestart at 405.234.4383, 866.433.7420 or [OKcollegestart@ocap.org](mailto:OKcollegestart@ocap.org).

# Financial Aid Award Letter

Preparing for college is an exciting time. You've nailed your ACT/SAT, received your acceptance letters and mentally decorated your dorm room a thousand times. However, reviewing your financial aid award letter doesn't always generate the same excitement. Your award letter details the cost of attending a particular school and the financial aid that you're eligible to receive. You must notify the financial aid office of the amount of aid you will take and decline.

To help you determine how much to accept, use the example below to decipher your financial aid letter.

## The **Cost of Attendance**

is the total amount it costs to attend a specific school. This amount includes:

- Tuition and fees, such as parking decals and facility fees
- Room and board costs for those living on campus, off campus or with parents
- Transportation costs for campus transits, going home on the weekends or driving to and from school
- Books and supplies
- Miscellaneous

## Types of Financial Aid

- **Grants** are need-based aid that usually don't have to be repaid.
- **Federal Work-Study** is earned aid. Students can choose to work on campus or off-campus and earn extra money for college expenses.
- **Scholarships** are free money that generally don't have to be repaid either, but must be reported to the financial aid office.



Dear Jeremy,

Congratulations on your admission to OCAP University! We look forward to welcoming you as a freshman in the fall of 2019.

The following is the financial aid award OCAP University is able to offer you for the 2019 -2020 academic year. Please review the award carefully and indicate by May 1 which portions you plan to accept. You must report any **outside scholarships** to the financial aid office.

### Cost of Attendance (COA)

Tuition and fees:	\$8,000
Room and board:	\$5,000
Books and supplies:	\$1,000
Transportation:	\$ 850
Personal/miscellaneous:	\$ 800
<b>TOTAL COA:</b>	<b>\$15,650</b>

### Expected Family Contribution (EFC)

Student resources:	\$1,000
Parent resources:	\$3,500
<b>TOTAL EFC:</b>	<b>\$4,500</b>

	<u>FALL</u>	<u>SPRING</u>	<u>TOTAL</u>
Federal Pell Grant	\$2,225	\$2,225	\$4,450
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 500	\$ 500	\$1,000
State Grant	\$ 500	\$ 500	\$1,000
Federal Work-Study	\$ 600	\$ 600	\$1,200
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Parent PLUS Loan eligibility	\$1,250	\$1,250	\$2,500
<b>TOTAL AWARD: \$15,650</b>			

## The **Expected Family Contribution**

is calculated from the information you provided on the FAFSA. Financial aid offices use this number to determine your eligibility for federal and state aid. This **is not** the amount you have to pay.

## Other Financial Aid:

- **Subsidized Loans** are borrowed aid that must be repaid. The interest on the loan will be covered by the government while the student is enrolled at least half-time.
- **Unsubsidized Loans** must also be repaid, but the student is responsible for the interest on the loan during all periods.
- **Parent PLUS Loans** are for parents of dependent students. Parents can use this aid to help their students cover the cost of attendance. This loan goes into repayment immediately.

**Remember:** When considering a student loan, borrow only the amount you need to pay school expenses. Be sure to notify the financial aid office at your campus which portions of the award you will accept.



# Go Green Save Green



First celebrated in 1970, Earth Day is observed every April 22 and more than 193 countries participate in the support for environmental protection. Here are some easy things to do to save money and reduce your carbon footprint.

- **Rethink your route.** If you live within a mile of the office, consider biking or walking to work. If the weather isn't conducive to being outside, try taking public transportation or carpooling. All of these modes of transportation save gas money and can help lower your carbon footprint.
- **Ditch the water bottles.** The average American uses over 160 disposable water bottles per year. If those aren't being recycled properly, they create a huge issue for landfills. Try purchasing a reusable water bottle that you refill each day. If your tap water doesn't taste great, look into filters that either attach to your sink or sit in your fridge. This system not only helps reduce plastic consumption, but ends up costing less than 50 cents a day, while plastic water bottles can cost more than \$3.00.
- **Change the temperature.** In the winter, turn down your thermostat while you're not home. In the summer, consider leaving the thermostat at 74° when you're gone.
- **Lighting matters.** Change your traditional light bulbs for LED bulbs. While the price tag may be a little higher than you're used to spending, LED bulbs are about 75 percent more efficient than regular bulbs. This means they can last up to six times longer and will save you money in the long run.
- **Buy used.** Shopping at thrift stores or garage sales can be fun with great and inexpensive finds. Repurposing purchased items can also save money and help the environment.

Earth Day is not only an important day for the planet; it can be an important day for your wallet, too. For Earth Day ideas visit [earthday.org](http://earthday.org) and for more money saving tips check out our website at [OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org).



The Oklahoma College Assistance Program, an operating division of the Oklahoma State Regents for Higher Education, provides college access and financial aid awareness, financial literacy and student loan management programs and services that benefit students, parents, schools and community partners.



[OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org)



[UCanGo2.org](http://UCanGo2.org)



[OKcollegestart.org](http://OKcollegestart.org)



[ReadySetRepay.org](http://ReadySetRepay.org)



[OKhigher.org](http://OKhigher.org)