



## Your Bottom Line

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



# College Bound

Planning for college is a multifaceted process that doesn't have to be intimidating to students and their families. Below are five key steps to consider when planning for college, along with free resources that help students navigate the path to higher education.

- **Explore test prep.** Entrance exams play a big role in college admission. ACT or SAT prep courses help students have more confidence when it's time to take the test. Free practice exams are available at [OKcollegestart.org](http://OKcollegestart.org) under the [College Planning](#) tab. OKcollegestart.org also provides resources to help students identify the campus that will best meet their educational needs. When comparing colleges, it's important to consider the campus size and location, overall cost, programs offered and
- student support services.
- **Complete the FAFSA.** The Free Application for Federal Student Aid (FAFSA) is the form that helps determine student eligibility for federal financial aid, such as grants, student loans and work-study programs. Completing the FAFSA is the first step in the financial aid process for every family, because many state scholarships require a completed FAFSA and colleges and universities use it to determine eligibility for institutional financial aid, too. Complete the FAFSA as soon as possible after Oct. 1 each year, beginning with your senior year of high school and for every year you need financial aid in college. For more information about completing the FAFSA, visit [StartWithFAFSA.org](http://StartWithFAFSA.org) and to
- complete the form, visit [FAFSA.gov](http://FAFSA.gov).
- **Seek free money.** Students should treat applying for scholarships and grants like a full-time job. When applying for scholarships, pay attention to deadlines and explore different funding sources, such as civic and community organizations, Native American tribes, religious organizations or programs that offer benefits to military families. Many of these processes begin well before the senior year of high school, so being proactive is a necessity. Check out [UCanGo2.org](http://UCanGo2.org) for more scholarship tips and resources.
- **Borrow wisely.** If free money (grants and scholarships) doesn't fully meet your financial

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need and a student loan is necessary, it's crucial to take steps to borrow wisely. Because student loans must be repaid, they should be the last financial aid tool you consider. If you must borrow, explore all your options to find the loan that best meets your needs. Federal student loans typically have more flexible repayment options than "private" or alternative loans. Keep your student debt as low as possible by borrowing only what you need to pay school expenses. Learn more about borrowing smart from the start at [ReadySetRepay.org](http://ReadySetRepay.org).

- **Plan for costs.** Paying for college includes covering tuition, books and fees, but what about daily living expenses and occasional splurges? With a little bit of effort and creativity, it's possible to live a rich life on a college budget. Visit [OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org) to learn how to avoid common spending pitfalls and craft a plan that will help you pay bills, have fun and save for the future while earning your college degree.

It's never too early to start planning for college. Visit [UCanGo2.org](http://UCanGo2.org) to download grade-specific college planning checklists (grades 6-12). Each checklist outlines detailed steps students can take throughout the school year to get ready for college.

## Tips for Staying Safe at ATMs

### Be aware of your surroundings.

- Use ATMs in well-lit areas.
- Look out for suspicious activity.
- Don't go alone at night.

### Watch out for skimmers.

- Inspect the card reader before using.
- Thwart hidden cameras by covering the keypad when entering your PIN.

### Report Issues.

- Talk to the owner of the ATM if you notice a problem, poor lighting, or feel unsafe in that location.



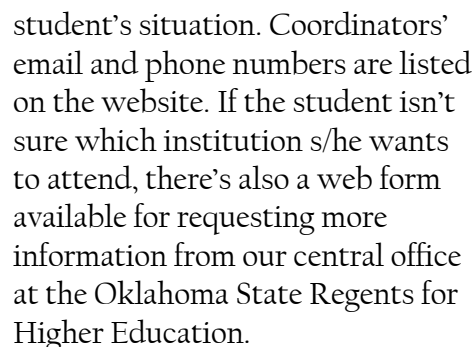
## Skipping a Payment

During the holiday season, many financial institutions offer borrowers the option to skip a monthly payment. This may seem like a convenient option for creating wiggle room in your budget, especially if funds are tight. However, the financial impacts of postponing a payment may be harmful in the long run. Below are some consequences worth considering.

- **Lengthening the term of your loan repayment.** When you skip a payment the lender will typically move the unpaid amount to the end of your scheduled loan period, extending the life of your loan and possibly creating a larger final payment.
- **Interest added to your account.** With the lengthening of the loan comes additional interest costs that will increase the total amount owed.
- **Reinforcing poor money habits.** Although the skipped payment is allowed, it reinforces poor money habits such as living beyond your means, failing to budget, and not saving for future purchases. In the end, you're the one who ultimately pays while your lender reaps the added benefits of your postponed payment.



Debbie Blanke, Ed.D., Vice Chancellor for Academic Affairs  
Oklahoma State Regents for Higher Education (OSRHE)





# Individual Career Academic Plan

Earlier this year, Governor Fallin signed House Bill 2155 into law, which created the [Individual Career Academic Plan \(ICAP\)](#). ICAP is a new state initiative that will encourage K-12 students to explore various career, academic and postsecondary education opportunities.

Beginning in the sixth grade, students will begin working with counselors, teachers, administrators, and parents to further their understanding of their career and educational interests. The ICAP will then guide students through courses, assessments and certifications that pertain to these interests. It will also connect them to universities, colleges, and career tech programs that will best help them achieve their goals.

There are currently 26 schools participating in the ICAP pilot study. This study will determine the best methods for completing the ICAP and identify any concerns with the current system. Next year (2018-2019), schools that want to participate may volunteer to be a part of the pilot study to further refine the ICAP process before required statewide implementation begins in the 2019-2020 school year.

ICAP is student-centered and created to display the holistic options for students to set them on the path to furthering their education. [OKcollegestart.org](#), the State Regents' and OCAP's comprehensive online college planning portal, is one of the vehicles that students, parents, counselors, teachers, and administrators can use to navigate the ICAP process. The site features ready-to-use ICAP templates and program progression tracking.

## College Savings: Oklahoma's 529 Plan

Oklahoma higher education is ranked #5 in the nation in affordability by the U.S. Chamber of Commerce. Although our public colleges and universities are a wonderful value, all parents are encouraged to get a head start on college savings. Families who want to maximize their savings efforts may want to consider opening an Oklahoma 529 College Savings Plan (OCSP) account.

An OCSP account can be opened with as little as \$100, and parents, grandparents, extended family members, and even friends can contribute to the account on a student's behalf. If the designated beneficiary for whom you've contributed to a 529 plan does not need all the funds due to scholarships or other sources of financial aid, you can designate a new beneficiary with no penalty, provided they're an eligible member of your family.

A 529 savings plan can be used to pay most of the costs of college, including tuition, fees, room and board, books, supplies, computers and printers. Utilize the [College Savings Planning Calculator](#) to explore different scenarios to find a plan that meets your family's college saving needs. The funds from an Oklahoma 529 plan can be used at most accredited colleges and universities in the United States—not just Oklahoma. The plan can even cover expenses at certain colleges abroad. Visit [Ed.gov](#) to find out if your school is accredited.

If you're concerned about a 529 plan adversely affecting your student's eligibility for financial aid, you'll be glad to know that the funds belong to the account holder—not the benefiting student—which could help to decrease the impact of the savings plan on the student's financial aid eligibility.

Additionally, a 529 plan offers tax benefits. Account contributions are tax-deductible to a certain level and earnings grow tax-free. Withdrawals are federal and Oklahoma income tax-free when used for qualified higher education expenses. Contributions to a 529 plan can also reduce taxable values of estate plans; talk with a certified tax advisor for more details. To learn more about the advantages of opening an Oklahoma 529 plan, visit [OK4Saving.org](#).



# A Puppy for Christmas?

As the holiday season rapidly approaches, many families choose to celebrate by adding a furry friend to the household. A puppy can be a wonderful surprise; however, it's usually an emotional buy. Unfortunately, once the cute newness wears off and the reality of caring for a new pet sets in, people begin rethinking their decision - which often leads to overcrowding of animal shelters. Before picking up your new companion, consider these three factors.

1. **Cost.** According to [MoneyUnder30.com](http://MoneyUnder30.com), a dog can cost up to \$1,000 per year. This amount accounts for food, toys, and vet appointments, as well as unexpected emergencies. Make sure these expenses fit into your budget. Even a "free" puppy can be costly.
2. **Breed.** Conduct plenty of research on dog breeds before you adopt. Thoughtfully choose a breed that matches your lifestyle. For instance, a border collie will go stir-crazy if not given plenty of exercise and mental stimulation, while a pug would love to lounge around the house all day.
3. **Commitment.** Remember, caring for a pet is time consuming. Consider where you'll be in 5 or 10 years; does a dog fit into that lifestyle? It's important to make plenty of time at home to play with, feed, and care for your new pup. If you're away from home for more than 10 hours each day, you'll want to think about finding a dog walker, pet sitter or neighbor to check on the pup.



## On Our MIND



What's on the mind of OCAP staff? This month, educational services manager Melissa Neal talks about practical lessons in car shopping.

I dread car shopping. If I could, I'd drive the same vehicle forever. Unfortunately, cars wear out and ongoing repairs can be cost-prohibitive. I recently decided an upgrade was inevitable, so I researched my options, narrowed my choices and visited some car dealerships. After comparing the pros and cons of each vehicle, I made a choice and started a long-term relationship with a new SUV. Here are some lessons I learned from my purchasing experience.

- **Determine what's non-negotiable.** I drive almost 600 miles each week, so in addition to some creature comforts, such as comfy seats and dual climate control, I need a vehicle with a solid safety rating and decent gas mileage. Before you shop, examine your needs and make a list of your must-have features. Using this type of list will help your salesperson locate vehicles that will best meet your needs and will hopefully make your decision-making process much easier.
- **Know your (vehicle's) worth.** To negotiate the best deal, there are three numbers you should know before you shop. First, use resources like [Kelly Blue Book](http://KellyBlueBook.com) or [Edmunds](http://Edmunds.com) to determine your current vehicle's trade-in value. Knowing a realistic price range can help you avoid accepting an unreasonably low trade-in offer. Next, use a site like [TrueCar.com](http://TrueCar.com) to learn what others in your area paid for the car you're interested in. Knowing the MSRP and the average market rate for the vehicle can help you negotiate a fair sale price. Lastly, estimate your credit score using a site like [CreditKarma.com](http://CreditKarma.com) or [MyFICO.com](http://MyFICO.com). Knowing this three digit number can help you avoid paying an unfair interest rate. I was offered three different interest rates before accepting one that properly reflected my creditworthiness.
- **Learn to haggle.** When it comes to buying a vehicle, the word "no" may be the most powerful word in your vocabulary. Car dealers are in business to make a profit, so they'll never offer you the lowest price up front. Do your best to remove emotion from the process. Don't indicate how much you already love the car and don't hesitate to say no if the terms offered are unacceptable. Remember that you can walk away from a sales deal at any time during the negotiation process, even if you've been at the dealership for hours and are about to sign a contract.



# Home and Car Winterization

If you're waiting until the first snow to worry about winterizing your car or home, you might be in for unexpected and costly repairs. The first sign of cooler weather is the appropriate time to begin projects and regular maintenance that will help save money while keeping you and your family safe and warm during the winter months.

- **Inspect your furnace or other heating appliances.** It's a good idea to test the furnace for any heating and safety issues before it gets too cold outside. A heating and air professional can inspect your system to ensure it's functioning properly and there aren't any carbon monoxide leaks.
- **Insulate your home.** This is the best way to ensure all the heat stays inside the home. Start with the weather-stripping around your doors, windows and garage door. Replace any that appear faded or damaged. Go up into your attic and look for any light shining in – that indicates a place where air (and pests) can enter. Seal any gaps with foam insulation..
- **Cover outside water faucets and piping.** When temperatures drop the risk of freezing and bursting pipes increases. Inexpensive insulating covers can be purchased from any hardware store or housewares department in the supermarket.
- **Trim trees.** Check the trees immediately outside your home for dead or low-hanging limbs. Snow or ice accumulation can cause weak branches to snap and damage powerlines or your roof.
- **Reverse ceiling fans.** Every ceiling fan includes a switch that allows you to reverse the direction of the blades. Switch it so your ceiling fan rotates clockwise. Warm air will be pushed down so it can recirculate throughout the room.
- **Clean out gutters.** Clogged gutters can lead to snow and ice accumulation that can not only damage your rain gutters, but your roof, as well.
- **Check your car's battery.** Car batteries are often affected by the cold. Most auto parts stores will test your battery at no charge, or you can purchase a tester that will also work for motorcycles and lawn equipment.
- **Inspect your tires.** The changing temperatures can cause a change in your tire pressure. Worn tires are even more dangerous in the winter months, when you're likely to encounter wet and frozen roads.
- **Keep your car's fluids filled.** In addition to engine oil, power steering and brake fluids; you'll also want to ensure that your car has the proper amounts of windshield wiper fluid and antifreeze. Most mechanic shops have car winterization packages if you don't feel comfortable doing this maintenance yourself.
- **Update your vehicle emergency kit.** It's always a good idea to carry jumper cables, a flashlight and flares. However, during the winter months you may want to add blankets, bottled water, nonperishable snack items, ice scraper, de-icer, and a cellphone charger. A folding shovel and pieces of cardboard may also be handy if you should get stuck on ice or snow.



OKMM  
Oklahoma Money Matters

## OKMM Offers Spanish Publications

Oklahoma Money Matters proudly offers two *Your Money Matters* guides in Spanish. The workplace education guide helps adults learn to manage their finances and build wealth. It addresses how to prioritize spending, build a budget, explore savings options, manage credit and prevent identity theft.

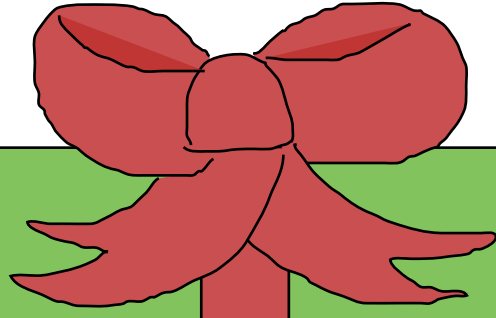
The guide for adults with fewer financial resources highlights practical ways for individuals and families to handle personal finances, even if they've reached a financial crisis point. This guide helps adults experiencing financial difficulties take the guesswork, worry and stress out of dealing with money. It offers money-saving and money-stretching tips, advice for parents and information about budgeting, borrowing and identity protection.

Full-color PDF files of these and other money management publications can be found on the Resources page at [OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org). If you're located in Oklahoma, free classroom sets of these publications are available, subject to inventory level. To request materials, call 405.234.4253 or email [OklahomaMoneyMatters@ocap](mailto:OklahomaMoneyMatters@ocap)

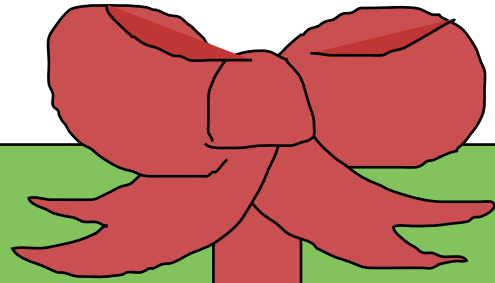


# Holiday Spending without being a Scrooge

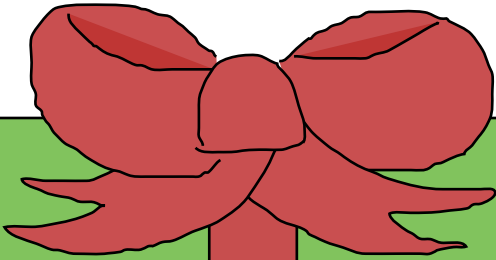
The most wonderful time of the year is upon us. It's time to spread some holiday cheer with parties to attend and gifts to bear. However, nothing dampens the holiday spirit like outspending your budget on gifts and decorations. With some creativity, there are plenty of ways to enjoy holiday festivities without derailing your financial goals.



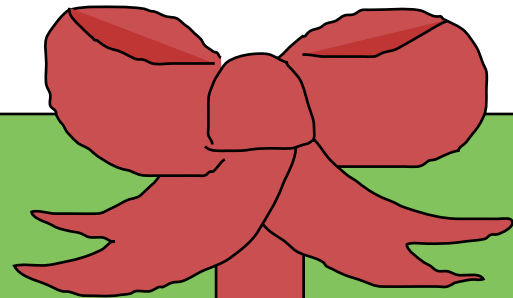
Instead of purchasing expensive wreaths, try making your own. During the holidays, craft stores have entire sections devoted to DIY decorations. With the advantage of [Pinterest](#) and [YouTube](#), anyone can become a holiday craftsman.



Need ornaments for your tree? Find a cylindrical fallen branch or log and cut it into slices. Use a wood burning kit to draw pictures and messages or paint the wooden coins, then drill a hole and use thread or twine to hang them on the tree. Painted baby hands and feet can be placed on the wooden coins for precious memory ornaments.



If your list of people to buy for tends to grow larger than your budget, consider each recipient. Set a firm price limit for each person and be realistic about expectations. Some people on your list may receive a heartfelt card, while others get a “make or bake” gift. Inexpensive candy tins can be acquired from discount stores and filled with festive homemade goods.



Shop as early as possible. Although it's tempting to wait until holiday sales, the pressure and crowds may make everything more difficult and stressful. If you start early, you can spend more time shopping around and waiting for sales without worrying about traffic and long lines.





## Partner News and Events



Member Meeting  
Wednesday, January 31  
11:30 a.m. until 1:00 p.m.  
UCO Boathouse, 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).

### 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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