

College Dollars and Sense

Prompt Overview

Mentees, take the college money management quiz:

1. As a college student, why will you be easily approved for credit cards? Should you apply for a credit card?
2. If you decide to apply for a student loan outside of the federal government (in other words, from a private lender like Citibank or Sallie Mae), how do you know which one is your best option?
3. What should you do with all of your term bill or tuition receipts?

When you think about financing your college education, do you think about other issues related to credit or what to do with your student receipts? Financing your college education requires more than just paying your tuition: it requires that you understand how to properly manage money. As a college student, you will be expected to make decisions about loans and credit as well as manage financial statements such as your tuition bills.

Core questions:

How knowledgeable do you already feel about making decisions about college finances and managing your money? Please explain.

Just For Mentees

Paragraph #1: Personal Paragraph

Begin your email with a personal paragraph where you respond to what your mentor wrote you in their last email. It is often helpful to paraphrase their comments in order to better respond to them. Please also feel free to update your mentor on what's going on with you, your family, school, etc.

Paragraph #2: Prompt Paragraph

In this paragraph, you will describe your knowledge of college finances. In addition to the questions in the prompt overview, please use the questions below to help guide your response:

- ▶ How prepared do you feel to handle the responsibilities of money management in college? If you feel prepared, where have you received your information from? If you don't feel prepared, what is your plan to learn more?
- ▶ What have you already been taught about managing your money as a college student? Were you surprised by what you learned? Why or why not? If you haven't been taught about college finances, what was your reaction to the questions in the prompt overview?
- ▶ Ask your mentor for advice and suggestions on preparing for college finances.

Web resources:

College Board: "Paying for College" Articles

The College Board is the creator of the SAT. They also provide an enormous amount of college and financial aid resources for students, teachers and families. Go to the College Board website and click on "For Students". Once the student home page appears, click on "Pay for College" where you can link to any of the articles on all related college finances beyond tuition. One of the articles you can check out is:

“Break Down the Bill: What’s It Going to Cost?”

<http://www.collegeboard.com/student/pay/add-it-up/482.html>

Paragraph #3: Signing Off

In 2-3 sentences, you will wrap up your email. You can raise any final points you have about the prompt. Tell your mentor that you are looking forward to receiving their feedback on making sensible decisions about college finances. Say goodbye and sign off!

Just for Mentors:

Paragraph # 1: Respond to your Mentee’s Email

As you respond to your mentee’s email, please consider the following:

- ▶ Comment on what your mentee already knows about college finances. What are you impressed with regarding what they already know? What, in your opinion, should they know that they didn’t mention?
- ▶ Provide feedback on your mentee’s action plan for learning more about college finances. What else should they consider?
- ▶ To the best of your ability, please try and address the questions that your mentee posed to you

Paragraph #2: Prompt Paragraph

In this paragraph, you will share your own memories of financing your college education. Use the questions below to help guide your response:

- ▶ Thinking back, how prepared did you feel in handling the responsibilities of money management in college?
- ▶ What type of plan did you have for learning more about college finances and how you will pay for your college education. Where did you get your information from? Who were you able to ask questions to?
- ▶ What tips and advice can you share with your mentee about how to make sensible decisions for managing your money well in college? What about money management after college?

College Dollars and Sense Supplement:

(Answers to the questions in the prompt overview that PC’s will use in their discussion during the iMentor session)

Q: As a college student, why will you be easily approved for credit cards? Should you apply for a credit card?

A: Your credit history is a summary of how timely and consistently you pay your bills and manage debt (money that you owe). The only way to build a strong credit history is to apply for credit, which can be in the form of a credit card. As a college student, the assumption is that you have a “clean” credit history or no credit history all, which is why the credit card companies want to be the first to have you build a credit relationship with them. So, if you decide to apply for a credit card, you want to make sure you are able to pay for your monthly credit bill. You also want to make sure you are as knowledgeable as possible about how to read a credit card statement, understand how credit card interest works, and generally how to manage your money.

Q: If you are applying for a student loan outside of the federal government (in other words, from a private lender like Citibank or Sallie Mae), how do you know what to apply for or what to choose?

A: There are many private lenders who provide student loans to help pay your tuition. The best way to decide where to apply for a loan is by first figuring out what you need. Ask yourself the following questions:

1. How much money do you need to borrow?
2. Is the loan subsidized or unsubsidized?
3. What are your chances of being approved?
4. What is your plan to pay back the money?

Once you have successfully answered these questions, you should then ask your college advisor/guidance counselor, teachers, family members, mentor, and any current college students you know for a list of suggestions of lenders for student loans. Once you have generated a list, start to do the research and see how your needs and concerns match up with what each lender can provide. From there, you can make your decisions on where to apply. Please keep in mind how important it is to *know what you need, ask questions, and do your research!*

Q: What should you do with all of your term bill or tuition receipts?

A: Print/photocopy and save everything!! Whether your term bill is emailed to you, part of an online account, or it is sent to you in the mail, you MUST print and save everything so that you always have access to your records. Should you receive a letter saying that you have an outstanding (unpaid) balance or worse yet, if you are unable to register for classes because of a mistake, you always have a record of your paid in full receipts to show that you have paid everything you are supposed to. Mistakes do happen. It is, however, ultimately up to you to keep all your records/documents organized.