

Student Budget: How am I Going to Pay for College – Podcast Transcript

Opening:

Hi, my name is Kyra Mathews, from the Oregon Student Access Commission, also called OSAC for short. Today, I'd like to talk to you about student budgets and some tips on how to ease the process.

Body:

Affording a college education or any type of post-secondary training or education is always a factor in deciding where to go, when to go, and sometimes why to go. Many different types of financial aid are available for students of all ages and backgrounds. After filing your Free Application for Federal Student Aid (FAFSA for short), apply for as many scholarships and grants as possible. The FAFSA may offer you some grants if you qualify, which is free money for your education. The FAFSA will also offer you loans, which you are not obliged to accept. Make sure you talk with a financial aid representative at the colleges or programs that you are applying to.

You should receive your award letter from each school that you have applied to as early as March. Most are mailed in April of your senior year of high school. If you are a returning college student, your award letter is sent later. There is a lot of information coming your way and it can be overwhelming.

The daunting question of "how am I going to pay for all this?" has been lingering in your mind since around freshman year, or even earlier. Something that most students don't do is to actually sit down with all the paper work from each college financial aid office and review what money they will have for school, and make a budget plan, even if it is just a draft at that point.

Personally, I heavily analyzed my award letter and other sources of income and figured out eventual costs and what my personal expenses would average out to be. This can be up to \$1,000-\$3,000 per year, depending on how much you spend on pizza, toiletries and that morning coffee. Also, I calculated my own cost of room and board, since I moved into an apartment before starting college. Little steps, like figuring out what things are going to cost you, what expenses will be reoccurring bills, what the financial aid you received is covering, etc., can make a difference once school is in full swing.

Another tip that really helped me was banking somewhere that had an online app, so that while on the bus, or between classes, I could easily check my balances, which come in handy if you, have five hours 'til you will be done with classes.

I am not the wizard of finances nor do I have any desire to be an accountant, but there are things I have learned, or had to learn, while being on my own that have made the difference between top ramen and saltine crackers for eleven weeks or having actual healthy meals more often.

An easy way that I found to track my budgets was to look at my debit statements and see exactly where my money was going. Most days it seemed my money evaporated from my account in minutes from depositing it. I then made a simple Word or Excel document on my computer between classes when I felt like procrastinating and began tracking and planning a simple budget. You can also find many sample fill-charts for student budgets online.

And of course, after you have done the math and most likely realized that you are more broke than you could have imagined, there are still options. If you have already used all scholarships and grants that you have acquired and still need money, the next options are definitely ones to consider.

One option is to take out student loans if you haven't already done so. Student loans usually have a low interest rate, and by taking out a subsidized student loan, your borrowed amount will not accumulate interest until you are done with school. There are unsubsidized loans, where the interest starts once you take out the loan, which is less desirable than a subsidized loan. Debt is something that comes along with borrowing money, and something that everyone should try to avoid. But, when it comes to education, a small amount of loan debt is usually worth it. The majority of students exiting college acquire debt, and there are payment plans and options to help students with paying back their student loan debt. Typically, you must start paying back loan debt six months after you are done with college. However, it's best to start paying back as soon as you can. Always be careful when taking out any loan and know your rights and responsibilities as a borrower.

Another option for financing school would be to look for a job, or a second one, or a better one. Ideally, a student would have worked and saved up money during their summers/high school days. But if you were a late bloomer to the job market – I was myself – you still have the summer to work. It's possible to work part-time during college, if you balance your time wisely. For college students, it is best to not work more than 20 hours a week during a term. Statistics show that college students working more than 20 hours a week are more likely to drop-out because they are spending a good portion of their time and attention to work and less time studying.

Conclusion:

Planning your post-secondary education or training can be a lot of work, especially from the financial perspective. It may be overwhelming, but just remember to look at the money you have and/or will receive and what money you need to cover your tuition costs, housing and living expenses and compare them. Having debt is common among post-secondary students and not the end of the world. Remember that you have many options and payment plans to help repay your debt as hassle-free as possible, but always use caution when taking out any loan. Also, working during college is common, too. Students need to be conscious of their work hours because school work needs to come first.

Closing:

Thank you for taking the time to learn about this important topic. For more podcast topics, please visit www.OregonStudentAid.gov. From all of us here at the Oregon Student Access Commission, this is Kyra Mathews. We look forward to helping you again soon.