

Journey College



MISSOURI DEPARTMENT OF HIGHER EDUCATION

Realize your potential.



The Importance of Financial Literacy

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It's a financial jungle out there!

What do you and your students need to know to survive?



Before Borrowing

- Consider career interests
- Develop a financial plan to pay for college
- Increase your resources
 - Grants
 - Scholarships
 - Work-study programs
 - Tuition reimbursement
- Savings
- Work
- Military
- Borrow only what you need

Decrease Expenses

- Follow an academic plan
 - Avoid changing majors
 - Plan a schedule of courses
- Graduate on time
- Keep up GPA so scholarships are not lost

Don't End Up With a Degree in Debt

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Facts

- Loans must be repaid
- The amount of money students decide to borrow can affect their lifestyle later
- Their ability or inability to repay these loans can affect their credit worthiness

National Student Loan Data System (NSLDS)

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- Check to see how much you've borrowed in Federal student loans
- Compare repayment plans to determine which plan is best for you
- Determine who your loan servicer is

Good Advice

- Make a budget/spending plan
- Balance checking account
- Don't overuse credit cards
- Check NSLDS
- Request credit report

What do you do if you get in trouble with credit?

- Stop making new charges and pay with cash.
- Set priorities and find ways to increase income and cut expenses.
- Pay more than the minimum balance if possible.
- Transfer balances to a lower interest rate credit card.
- Contact your lender and try to negotiate a lower interest rate.
- Contact a reputable consumer credit counseling office.

Lifestyle Changes

- Never pay full retail price
- Become a frequent library patron
- Take advantage of free/low-cost attractions and events
- Eat out less often
- Walk instead of driving

Post-Secondary Institutions

- Include financial literacy in Freshmen Orientation and College 101 classes
- Hold events on campus to promote financial literacy
- Invest in programs promoting financial literacy; e.g., Inceptia, \$ALT, Financial Literacy 101, FATV, CashCourse

Building a Successful Financial Literacy Program

- The key is finding the model that works best for your students
- There isn't a "right" or "wrong" method
- Create opportunities for collaboration
- Provide a hands-on approach
- Use headlines to introduce subjects
- Look for teachable moments

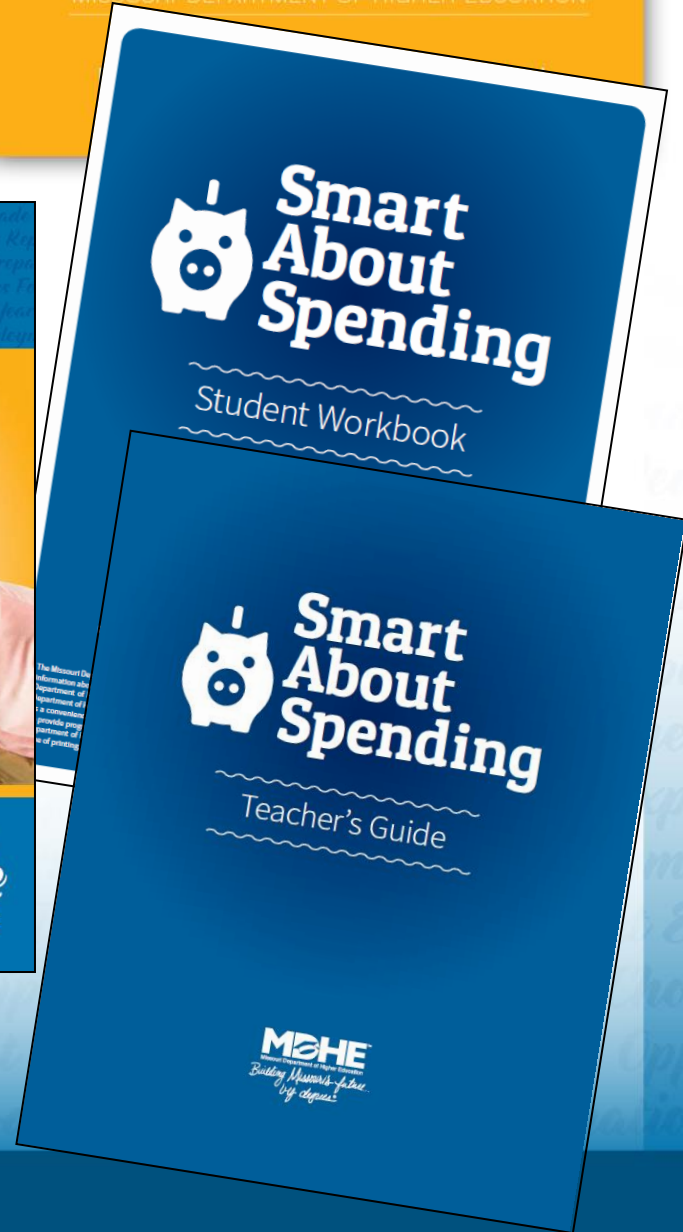
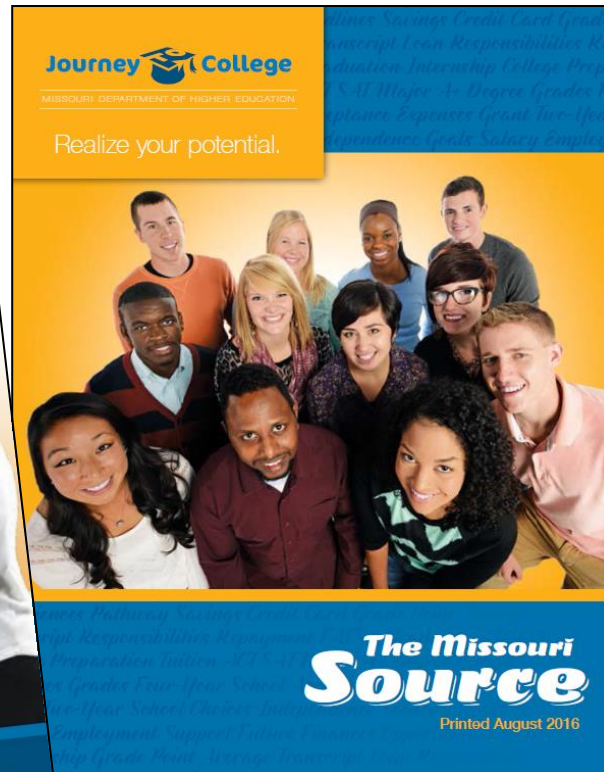
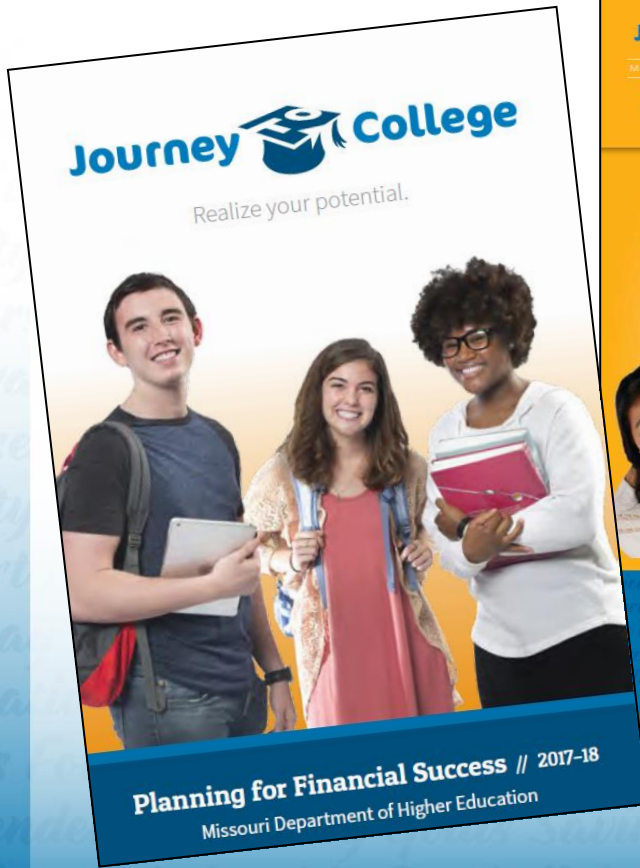
The “Unbanked” Population

- Don't have enough money to need an account
- Don't write enough checks to justify monthly fees and minimum balance requirements – just buy money orders when needed.
- Lack proper identification
- Denied accounts due to bad banking track record
- Language barriers
- Bad previous banking experience or lack of trust in banking institutions

MDHE Financial Literacy Publications

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