Meet The Speakers

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University of Illinois Extension

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Assistant Director
Student Money Management Center
Where Are You Logging In Today?
Today’s Topics

- Setting Goals
- Prioritizing Spending
- Navigating Transitions
- Tools & Resources
Tweet Chat Wednesday @ 12:00 PM CST

http://go.uillinois.edu/GetSavvyTweets

HASHTAG

#GetSavvy
Life Transitions

Graduate High School

Go to College

Join a Club

Have a Roommate

Move Into an Apartment

Get Married

Graduate

Get a Job

Buy a Car

Have a Baby

Buy a Home

Retire
Planning for Financial Transitions

- Set or re-evaluate goals early
- Analyze potential changes in behaviors
- Create a spending plan for priorities & new spending
- Track expenses & make changes to plan as necessary
- Regularly discuss your progress & new spending habits
What transitions do you expect to go through in the next year?
Going to college might be one of the most difficult financial transitions in your life.

- New responsibilities
- Constant changes
- More financial firsts in 4+ years than most of your adult life.
Process of Financing College

Prepare
• Research!
• Understand your resources

Apply
• FAFSA or Free Application for Federal Student Aid

Receive
• Your school will tell you how much you qualify for through the Award Letter

Repay
• studentaid.ed.gov/repay-loans has info on how your federal loans’ repayment options

https://studentaid.ed.gov & campus financial aid office
Webinar Recording: Cash at College

http://go.uillinois.edu/GetSavvy_CashAtCollege
Polling Question

When do you need to complete the FAFSA?
The Free Application for Federal Student Aid (FAFSA) must be completed every year, and you can complete it as early as January 1st to be eligible for first come, first serve aid.
“the benefits of both a bachelor’s degree and an associate’s degree still tend to outweigh the costs, with both degrees earning a return of about 15 percent over the past decade”


NET ROI FOR DEGREES VARY

(Earnings) – (Total Cost of Education) = NET ROI

http://www.payscale.com/college-roi/
Maximize Your Education’s ROI

Reduce Education Costs
- borrow less
- search for scholarships
- work part-time
- live at home or with roommates

Increase Your Potential
- network
- use Career Services
- join a club or volunteer
- use services your fees pay for
Going to College – The Firsts

- First Time Dating
- First FAFSA
- First Cell Phone
- First Car
- First Lease
- First Banking Relationship
- First Loan
- First Pet
- First Roommate
First Time Away From Home

You might be...
• Making decisions without family/parents
• Completely responsible for caring for yourself
• Tracking expenses & budgeting funds, possibly for the first time

WARNING
It’s easy to develop habits that are hard to reverse during times of transition
Webinar Recording:
Getting Started with Financial Services

Get Savvy
GROW YOUR GREEN STUFF

Sept 16
Establishing Your Roots:
Getting Started with Financial Services

http://go.uillinois.edu/GetSavvy_EstablishingYourRoots
Your first apartment means you’ll need to write big checks for large up-front costs (e.g., security deposit).

You need to sign a lease, buy furniture; cleaning supplies, and toiletries; and pay utilities, internet and/or cable.

You’ll also need to sign this roommate agreement.

It’s good to discuss expectations up-front…
Polling Question

What is one way to protect your stuff from disasters or theft?
Renter’s Insurance!

This type of insurance can cover personal possessions, liability and/or additional living expenses in case of fire, flood, theft or any other combination of disasters.

http://go.uillinois.edu/GetSavvyRentIns
Graduation!

Major Decision Point!

Go to grad school

• Opportunity cost
• Time value of money
• Return on investment
• Resource allocation
  • Take on (more) loans?
  • Assistantship?
  • Scholarship?
  • Fellowship?

Find a full-time job

• Start career
• Income/benefits
• Gain experience
• Repay student loans
• Increase net worth
  • Establish savings
  • Decrease debt
  • Obtain assets
Going to Grad School
Questions to Consider

Does it offer a good ROI?

Will the degree help you get a job or advance your career?

Can you afford it?

What is the opportunity cost of being out of the workforce?

Is now the best time?
Purchasing a Dwelling

Create a Plan
- What are your resources?
- When is the right time?
- Agree on specifics
- How much can you really afford?

Research Financing Options
- Do you have a 20% down-payment?
- 15, 20 or 30 year mortgage?
- grants and/or specialized home loan options?

Search for Your Home
- Interview realtors
- Look at homes in your budget
- Modify must-haves, like-to-haves & deal-breakers list

Make a Deal
- Make Offer
- Offer accepted, pending lending
- Inspection
- Closing
- MOVE IN!

*Consider hiring a real estate lawyer during your home-buying process. Ask about rates (hourly, flat fee, etc.) and the services they provide. Lawyers can help prepare, examine and explain documents, prepare settlement statements, examine title evidence and attend closings.

http://www.consumerfinance.gov/owning-a-home/
Polling Question

What does PMI stand for?
PMI stands for Private Mortgage Insurance. If your down-payment is less than 20% of the value of the home, your lender may require you to purchase PMI, which covers the lender’s risk if you default on the loan.

Getting Married

Ask Each Other...

- What are your existing assets & debts?
- What are your goals?
- How can we keep each other accountable?
  - Run your credit reports!
  - Create a budget!
  - Plan your spending
  - Use “fun money”
Webinar on Credit & Debt

Get Savvy
Grow Your Green Stuff

Oct 21
Staying on Good Terms:
Credit & Debt

http://go.uillinois.edu/GetSavvy_StayingOnGoodTerms
Getting Through Tough Financial Times

http://web.extension.illinois.edu/toughtimes
FACT:
More than 25% of today's 20-year-olds- will become disabled before they retire

http://DisabilityCanHappen.org
Having Children or Pets

Cost of a Child
- Childbirth
- Nutrition & Hygiene
- Childcare
- Healthcare
- Education

Cost of a Pet
- Vet visits
- Shots
- License
- Grooming
- Miscellaneous
# Retirement

## Time Value of Money

<table>
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<tr>
<th>Age</th>
<th>Contributions Made Early</th>
<th>Contributions Made Later</th>
</tr>
</thead>
<tbody>
<tr>
<td>22-30 (9 years)</td>
<td>$2,000 annually</td>
<td>$0</td>
</tr>
<tr>
<td>31-65 (35 years)</td>
<td>$0</td>
<td>$2,000 annually</td>
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<tr>
<td>Total Saved</td>
<td>$18,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>Amount available at 65</td>
<td>$579,471</td>
<td>$470,249</td>
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Promo Slide for Steps Toward Investing

Get Savvy
Grow Your Green Stuff

Nov 11 Steps towards Investing

http://go.uillinois.edu/GS14_StepsTowardsInvesting
Important Tips for Transitions

**Expenses:**
- Mortgage or Rent
- Utilities
- Food
- Transportation

- Do your research & plan ahead
- Know your resources & re-prioritize goals
- Communicate with your stakeholders about expectations

**TRACK YOUR EXPENSES** – it’s easy to develop bad spending habits during times of transition; you may have to modify your budget more frequently during the initial stages of the transition.
Resources to Reference

http://go.uillinois.edu/LifeTransitionsResources
Financial Literacy Badges Program

Want to participate in University of Illinois financial education events and programs while also earning badges that you can display on social media sites? Participate in the Financial Literacy Badges Program!

Badges Activity Inclusion Form: go.uillinois.edu/BadgeInclusionForm

Learn more about the Financial Literacy Badges Program by visiting: badges.illinois.edu/usfsco/financialalliteracyprogram

Launch of the Financial Literacy Badges program is supported through the Financial Literacy Counts Grant from HigherOne.
Tweet Chat Wednesday
@
12:00 PM CST

HASHTAGS
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Or
#GetSavvy

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@MoreThanCoupons
@ILStudentMoney
@finwellnessuie
@Pennies4Pigs
@WalletWarrior
@RetireWellUIExt

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This month's webinar presented as part of America Saves Week:

Feb 24 Job Benefits

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web.extension.illinois.edu/financialwellness

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studentmoney.uillinois.edu
Questions?