Goals, Goals, Goals

- Setting goals makes money management easier!
  - Dream big and prepare for success.
  - Don’t under estimate the power of goal.
  - Road map, eliminates feelings of being adrift in the world.
  - Small or large set your goals and plan how to achieve them.
Wants vs. Needs

- **Needs**
  - Rent
  - Student Loans
  - Credit Cards
  - Electricity
  - Medical
  - Hygiene
  - Water
  - Groceries
  - Clothes for Work

- **Wants**
  - Restaurants
  - Makeup
  - Entertainment
  - Clothes
  - Drinks
  - Gifts
  - Technology
Lifetime Financial Well-being

Keep in mind dependent factors include:

1. Education – do you have it?
2. Income – how much you make?
3. Spending Plan/Net Worth – what you have minus what you owe?
4. Credit Score – how dependable are you when managing your money?
1. Education – do you have it?
2. Income – how much you make?

- Completed education with high school diploma
  $26,652 Year ($2,221 month)
- Completed education with bachelor’s degree (90% increase)
  $50,709 Year ($4,226 month)
### Cash Inflow for the Semester

<table>
<thead>
<tr>
<th>Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary (take-home)</td>
<td>$1200</td>
</tr>
<tr>
<td>Financial Aid/Loans/Grants/Scholarship</td>
<td>$6000</td>
</tr>
<tr>
<td>Other Income</td>
<td>$2500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9700</strong></td>
</tr>
</tbody>
</table>

### Cash Outflow for the Semester

<table>
<thead>
<tr>
<th>Fixed Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing/Meal plan</td>
<td>$3900</td>
</tr>
<tr>
<td>Tuition/Fees</td>
<td>$4575</td>
</tr>
<tr>
<td>Books</td>
<td>$400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8875</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$500</td>
</tr>
<tr>
<td>Clothing</td>
<td>$500</td>
</tr>
<tr>
<td>Transportation</td>
<td>$500</td>
</tr>
<tr>
<td>Cell Phone</td>
<td>$120</td>
</tr>
<tr>
<td>Personal Care</td>
<td>$300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1920</strong></td>
</tr>
</tbody>
</table>

### Totaling It All Up

| Cash Inflows                          | $9700 |
| Cash Outflows (Fixed Expenses)        | $8875 |
| Cash Outflows (Variable Expenses)     | $1920 |
| **Total Outflow**                     | **$10795** |

**Inflow-Outflow Surplus/Deficit:** <$1095>
Need to find more money or a raise/earn?

Financial advisors, planners and financial counselor will *first* suggest you manage your current income more efficiently.
Mental Accounting.
The tendency to value some dollars less than others and thus waste them.

- The inclination to categorize and handle money differently depending on...
  - where it comes from,
  - where it is kept, and
  - what it is spent on.
**Mental Accounting Examples**

**Integrate Losses**
- When we incur a loss or an expense, we prefer to hide it from ourselves within a bigger losses or expenses.
  - You buy a new laptop computer, what else do you need/want to go with it?

**Credit Card Dollars**
- The feel that there’s seemingly no loss at the moment of purchase, at least on a visceral level, when you pay using credit card.
  - Increase your chances of spending to begin with.
  - Increase the likelihood that you will pay more.

**Sacred Money**
- Hoarding money just because.
  - Might pay interest on a debt when you have savings.
4. Credit Score – how dependable are you when managing your money?

- Numerical expression based on a statistical analysis of a person's credit files.
- Represents the *creditworthiness* of that person.
- It is a tool!
The consequence of miss using a tool is that it breaks.

- Pay higher interest rates
- Missed employment opportunities
- Higher housing cost, increased deposits and rent
- Higher insurance premiums on auto, home/renter insurance
Goals, Goals, Goals

Know what you want down the road and spend accordingly!
Financial Aid Blues
FAFSA.GOV
Loans
Satisfactory Academic Progress

- 2.0 GPA
- 70% Completion Rate
- 80 hours total
Appealing SAP

- We need a narrative
  - Why
  - How
- Need Documentation
  - From a professional
  - Supports all claims
Other Options

Alternative Loan
What if...?

- 6 months
- Choose a repayment plan!
  !!
- Don’t Forget
- Default is Murder