

1-2-3 Banking

Strong beginnings to a healthy financial future

How to Take the *Gasp!* Out of Paying for College

Spring is in the air and this means that you might be thinking about college after high school. If you are planning this path you have likely heard that by carefully planning your college finances it will make things easier for you after graduation. It's no secret that college is expensive. If you can't avoid debt, here are some tips to help you keep your head above water while planning your college financing.

Submit the Free Application for Federal Student Aid (FAFSA). This form is available online at www.fafsa.ed.gov, and is necessary to be considered for most types of financial aid like grants, scholarships, work-study programs, and student loans. File this as soon as possible after January 1st. Some financial aid is awarded on a first-come, first-served basis. Some families wonder if their income is too high and think that they might not qualify for any federal aid. It is still worth filing the FAFSA. Many people are surprised at what they qualify for and you don't want to miss out on any of this financial aid. It's important to note that this is not necessarily "free" money.

Find out if your college offers other aid. Many colleges have their own grants and scholarships, but they might require additional applications. Every college has its own deadlines for applying for this type of funding, so check with your college to make sure you meet the criteria.

Consider a part-time job. Working part-time can be a great way to supplement your expenses, as long as you are able to devote enough time to your studies as well. An added bonus, work-study or part-time jobs will be great additions to your resume when you start applying for jobs after graduation. If you aren't taking classes in the summer, pick up more hours or even a second job to save money for the next school year.

Don't borrow more than you need. Many students will qualify to borrow money for tuition, books, and living expenses. If you have some savings or are working, you might be able to find ways to pay for your books and living expenses instead of borrowing more in student loans. Extra loans add up and make it more difficult to repay the loans when you finish school.

If you need to borrow, use federal loans. They often have flexible repayment plans and lower interest rates than private loans, so students are usually smart to use their federal loan options before looking into private loans.

Pay interest payments on your student loans while in school if possible. Although many types of student loans do not require any payments until six months after graduation, if you are able to make payments during school it will help you lower your payments after you graduate.

Find ways to save money. There are many businesses that offer student discounts – from restaurants to electronics. You can often save money by purchasing or renting used textbooks or finding a resource online.

You get the idea. Start living like a financially wise student now, so you don't have to live like a student after you become a college grad. Now is the perfect time to plan for your future. Enjoy the journey!

