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STATE TREASURER OF OHIO

BUDGETING: TOP TEN TIPS

Budgeting is a tool to manage and control your spending and saving. Creating a budget can bring awareness to spending behaviors. Budgets also help keep an eye on your progress toward your financial goals. Here are ten tips on budgeting, as well as resources to help you create and manage your budget.

Top Ten Tips

1. Have goals and review them often.
2. Include the whole family in the process.
3. Track expenses. Write down every penny you spend.
4. Pay yourself first. Put money into a savings account every single payday.
5. Have a working savings account to use for emergencies.
6. Save as much as possible for retirement.
7. Create a Crisis Budget - to follow should disaster strike.
8. Save late fees. Pay every bill on time!
9. Examine expenses yearly. See what you can adjust.
10. Keep your net worth in the black. Don't purchase what you can't afford!

Additional Resources*:

- ◆ Consumer Credit Counseling Services/Apprisen— A non-profit organization assisting in balancing budgets, financial education, and credit counseling. **www.apprisen.com**
- ◆ National Foundation for Consumer Credit (NFCC) – The nation's largest and longest serving national non-profit credit counseling network. **www.nfcc.org**
- ◆ Kiplinger.com - A budgeting tools and worksheets to assist in budgeting for today and tomorrow. **www.kiplinger.com/tools/budget/**
- ◆ U.S. Department of Education's Direct Loan Program – A budgeting calculator to assist in creating a budget and tracking progress. **www.ed.gov/offices/OSFAP/DirectLoan/BudgetCalc/budget.html**

* The resources listed are for informational purposes only and the Treasurer of State is not responsible for their content. The Treasurer of State does not endorse or approve these resources.

For more information, visit www.ohiotreasurer.gov or call 800-228-1102



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COLLEGE: STUDENT LOAN REDUCTION PROGRAMS

THE FOLLOWING IS A LIST OF OPTIONS TO CONSIDER TO REDUCE YOUR STUDENT LOANS:

Peace Corps

This organization specializes in projects overseas helping struggling and developing countries. Depending on the type of student loan and the length of service, a graduate can have 15-70% of the debt cancelled. Visit the College Students Guide on the Peace Corps website at: www.peacecorps.gov.

AmeriCorps

This is the domestic arm of the Peace Corps. It is a network of local, state, and national service programs that connects Americans to intensive service in education, public safety, health, and environment. For a year of successful service, a worker can earn an education award of about \$4,725 to be used for either college tuition or paying off student loans. Visit the AmeriCorps website www.americorps.org.

Military Service

The Army, Navy, Air Force, Marine Corps, and Coast Guard all have some form of student loan payback program for enlisting after graduating from college. The Army's program, for example, pays back up to \$65,000 in loans over three years. For more information, visit their websites at: www.army.mil, www.navy.mil, www.airforce.com, www.usmc.mil, or www.uscg.mil or visit a local recruiter.

Teaching

Teaching in designated school systems may qualify graduates for federal programs that offer cancellation or deferment of certain student loans. For more information on these programs, visit the U.S. Department of Education website at: www.ed.gov.

National Health Service Corps

The National Health Service Corps recruits "fully trained health professionals who are dedicated to working with the underserved." Individuals serving in a community of need and having qualifying education loans may be eligible to compete for repayment. For more information, visit their website at www.nhsc.bhpr.hrsa.gov or contact the State of Ohio Department of Health, State Loan Repayment (614-728-3700) or www.odh.ohio.gov.

Equal Justice Works

Equal Justice Works is a program for law students dedicated to working for equal justice on behalf of underserved communities and causes. This is a loan repayment assistance programs for law school graduates who enter "public interest or government work." For more information, visit their website at: www.equaljusticeworks.org.

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COLLEGE: UNDERSTAND THE COST OF COLLEGE

The cost of pursuing a college education has risen significantly in the last generation. Sitting down with the numbers to devise a plan to pay for an education can be intimidating. College is a major cost and investment in your future. Consider carefully what level of education your career goals require.

The average cost for one year of a two-year college is \$2,544, while the average cost for one year in a public four-year university in Ohio is \$8,916. The average cost for one year at a private university nationwide is \$26,243.

Use the example below to determine the cost of your college education.

Anticipated Cost & Repayment Ability:

College Loan Details:

Total Borrowed:	\$35,644
Interest Rate:	6.8%
Total Interest:	\$14,128*
Length of Loan:	10yr, 5mo.

Monthly Payment: \$400

*Total interest accrued over the life of loan.

Monthly Budget:

Housing:	\$725
Services:	\$225
Credit/Loans:	\$218
Living:	\$210
Other:	\$60
Total:	\$1,438

After you pay your bills and your student loan, you will have:

\$203.68

Anticipated
Annual Income:
\$36,800.00

Monthly Net
Income:
\$2,041.68

Additional Resources*:

- ◆ The US Department of Labor's Occupational handbook for estimated salaries in different career fields. <http://www.bls.gov/ooah/>
- ◆ The U.S. Department of Education's Direct Loan Program budgeting calculator assists in creating a budget and tracking progress. <http://www.direct.ed.gov/BudgetCalc/budget.html>

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BROUGHT TO YOU BY:
JOSH MANDEL
 STATE TREASURER OF OHIO

COLLEGE STUDENT AID PROGRAMS

Federal Student Aid Programs

	Description	Eligibility	Repayment?
Federal Pell Grants	up to \$5,500 maximum grant	undergraduates	NO
Federal Stafford Loans	up to \$5,500: First-year undergraduates dependent on their parents up to \$9,500: First-year Independent students <u>Note:</u> Limits increase with each year of study	undergraduate and graduate students	YES
Federal PLUS Loans	Unsubsidized loans with an interest rate fixed at 7.9 %	Parents	YES
Campus-Based Programs	Administered by participating schools		YES/NO
Federal Supplemental Educational Opportunity Grants	range from \$100 to \$4,000 in grants	undergraduates	NO
Federal Work Study	Provides jobs in order to pay education expenses	undergraduate and graduate students	N/A
Perkins Loans	up to \$4,000 annually for undergraduates loans up to \$6,000 annually for graduates loans <u>Note:</u> Low interest (5%) loans	undergraduate and graduate students	YES

Ohio Student Aid Programs

	Description	Eligibility	Repayment?
Ohio Instructional Grant	Need-based tuition assistance for low-moderate income families	Full-time undergraduates	NO
The Ohio War Orphans Scholarship	For children of deceased or severely disabled Ohio veterans	undergraduates	NO
Regents Graduate/ Professional Fellowship	Competitive, merit-based financial assistance	graduate students	NO
Ohio Safety Officers College Memorial Fund	Provides help to a child or spouse of a peace officer, fire-fighter or certain other safety officers killed in the line of duty.	undergraduates	NO
Nurse Education Assistance Loan	Financial aid for approved nurse education programs	undergraduates	YES
The Ohio Academic Scholarship Program	Competitive, merit-based financial assistance	undergraduates	NO
Robert C. Byrd Honors Scholarship Program	Competitive, merit-based financial assistance	undergraduates	NO
Ohio Student Choice Grant Program	Assistance for enrollment in Ohio private non-profit colleges and universities	undergraduates	NO

Additional Resources: U.S. Department of Education website: www.fafsa.ed.gov/ Board of Regents website at: www.regents.ohio.gov

For more information, visit www.ohiotreasurer.gov or call 800-228-1102



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CREDIT: IMPROVE YOUR CREDIT SCORE

Check Your Credit Report:

The "Fair and Accurate Credit Transactions Act of 2003" gives every consumer the right to get a copy of his or her credit report **free of charge** once a year. You should be able to get a free copy of your credit report from each of the three major credit-reporting agencies: Equifax, Experian and TransUnion. Credit reporting companies may report different data or may report the same data differently, so it is a good idea to check all three. Consider staggering your three requests throughout the year to receive the most up-to-date information.

An error in your credit report could impact your credit score and that could cost you money! There are many sources of inaccuracies. For example, data from someone with a similar name may be reflected on your report or various recording errors may have occurred. If you find any errors, **report them immediately and in writing** to the credit reporting agency that made the error. Once you report the error, the credit-reporting agency must investigate and respond to you within 30 days. Keeping track of your credit score could pay off in lower car payments, lower mortgage interest, lower insurance rates or better job opportunities.

Other ways to improve your credit score:

- ◆ Pay your bills on time. Set up payment reminders to avoid late payments.
- ◆ Pay off debts as soon as you can.
- ◆ Keep balances low on credit cards and use them responsibly.
- ◆ Check your limits. Credit bureaus will view your total available credit when calculating your score.
- ◆ Establish credit with reputable credit agencies.
- ◆ If you have written bad checks and are now listed on "check systems," you can work your way off the list by enrolling in CheckWise through Consumer Credit Counseling Services. Call 1-800-355-2227.

Additional Resources*:

Fair Isaac www.myfico.com

Federal Trade Commission www.ftc.gov

Allstate Insurance www.allstate.com

Aprisen Consumer Credit Counseling Service www.aprison.com

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CREDIT: GET YOUR FREE CREDIT REPORT

Fair and Accurate Credit Transactions Act of 2003: gives all consumers the right to obtain annually a free copy of their credit report from each of the three major credit-report agencies (Equifax, Experian, and TransUnion).

NOTE: Each agency reports information differently, so it is a good idea to check all three bureaus and stagger ordering your reports throughout the year. Errors on your credit report can be expensive because they may translate into higher interest charges when borrowing money. Report any inaccuracies immediately to the credit reporting agency that made the error.

Credit Report	VS.	Credit Score
<ul style="list-style-type: none"> ◆ Reports of the 3 Agencies (Equifax, Experian, and TransUnion) are Different ◆ Shows Credit/Payment History ◆ Contains Personal Information ◆ Reflects Types of Credit You Use ◆ Provides Detailed Information on Balances and Lenders 		<ul style="list-style-type: none"> ◆ Number Indicating Credit Risk ◆ High Score = Less Risk (Range: 300-850) ◆ Based on Credit Report
Used by Lenders, Banks, Insurance Companies to Determine Credit Score . Used by Employers to Determine Ability to Handle Money .		Used by Lenders, Banks, Insurance Companies to Determine Risk and Rates .
FREE		\$4.00 to \$6.95 per agency

Your credit score is based on the information in your credit report. Therefore, if you want to improve your credit score, you should review the information contained in your credit report for errors or outdated information.

Log-on to www.annualcreditreport.com to request your free report TODAY!

Contact Information for Credit Report Agencies:

- ◆ Equifax: 800-685-1111, www.equifax.com
- ◆ Experian: 888-397-3742, www.experian.com
- ◆ TransUnion: 800-888-4213, www.transunion.com

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IDENTITY THEFT: PROTECT YOUR IDENTITY

Identity theft occurs when someone uses your personally identifying information, like your name, Social Security number, or credit card number, without your permission, to commit fraud or other crimes. The Federal Trade Commission estimates that as many as 9 million Americans have their identities stolen each year. Identity thieves may rent an apartment, obtain a credit card, or establish a telephone account in your name. You may not find out about the theft until you review your credit report or a credit card statement and notice charges you didn't make or until you're contacted by a debt collector.

Top Ten Tips

1. Shred credit card statements and other important financial documents.
2. Keep a photocopy of your credit card and account information in a secure place.
3. Never give out personal or financial information over the phone to someone contacting you.
4. Be suspicious of anyone calling you to "confirm" personal or financial information.
5. Get a copy of your credit report from each of the three reporting agencies every four months to monitor for identity theft.
6. Do not lend your identification to anyone.
7. Do not leave personal identification lying out in public view.
8. If you are a victim of identity theft contact the police and file a report
9. If you are a victim of identity theft cancel credit and bank accounts and open new accounts with new numbers.
10. Contact the three national credit bureaus to add a fraud alert to your credit file.

Additional Resources:

Ohio Attorney General's Consumer Protection Division: 614-466-8831, www.ohioattorneygeneral.gov

Credit Report Agencies:

Equifax: 800-685-1111, www.equifax.com

Experian: 888-397-3742, www.experian.com

TransUnion: 800-888-4213, www.transunion.com

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