



CARE Program



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How to Minimize Student Loan Debt

Tips for High School and College Students

The cost of college continues to increase exponentially, while salaries for many entry-level jobs remain flat and are increasingly harder to land. Too many students are graduating from college and graduate school with so much student loan debt that it is having a life-long negative impact on their career and lifestyle choices. Here are some ways to be proactive and minimize any student loan and consumer debt you may need to get your degree.

1. While you are in high school, develop the mind-set that you will graduate from college in four years. Think about what you want to do in the future, so you can enter college with a designated major or field of study. Seek assistance on career choices from your counselor and attend career days.
2. In high school, take advanced placement courses that qualify for college credit and apply for all the scholarships and grants you may be eligible for. Visit www.fastweb.com.
3. In high school and at college, earn and save as much money as you can at the best after-school and summer jobs you can find, including paid internships. You may not be able to afford to work at a summer camp for \$3.00 an hour because you like kids. Do you need that fancy car now, or will a practical one get you through college and you can save the extra money?
4. Consider state schools and 2+2 programs. If you want to go to a state school out-of-state, consider establishing residency first by working there for a year to become eligible for in-state tuition. If you want to be a high school teacher in your community, you may not need to go to a private school and spend all that money or incur all that debt. That's true of many careers.
5. Depending on your circumstances, financial aid packages may make a private school less expensive than a state school, so don't count them out. You should negotiate your financial aid package in order to get more money. Use the packages offered from other schools to obtain more money from your school of choice.
6. Consider military options, including ROTC, as a way to help fund your education.
7. Look for a college that offers co-op programs for your chosen career or that may provide you with a work study job on campus.
8. Consider living at home, but if you do go away to school, have a sound overall financial plan and budget. Visit the CARE Program Web site, www.careprogram.us, to develop a realistic college budget and learn ways to save money and avoid consumer debt.
9. Don't use student loan money for unnecessary lifestyle expenses. In the end, will it actually be cheaper for you to live off campus if you are going to live a "bigger" lifestyle; do you need to increase your student loan debt so that you can go to more concerts, go on spring break trips or have a flat screen TV for your off-campus apartment? When you are still making that big monthly payment twenty years later, you may regret those choices.
10. Research the location and salary ranges for your chosen career, then look at how much student loan debt you can actually repay along with your estimated living expenses. Recalculate your numbers if you change majors, career choices or residence location. For hundreds of different types of jobs, the *Occupational Outlook Handbook* tells you the training and education needed, earnings, expected job prospects and much more. Visit <http://www.bls.gov/OCO/> to access the *Handbook*.
11. After every semester, calculate the monthly payment for your accumulated student loan debt over different lengths of time (10, 20 or 30 years). You don't want to get to your senior year and find yourself with too much debt for your chosen career. If possible, start paying the interest on your student loans while you are in school.
12. If you change majors, stay on top of the required courses you will need to complete your new major. Take them as quickly as possible and realize that they may only be offered certain semesters or only at night. Whether you attend a public or private school, consider taking transferrable courses at a community college during your summer breaks, so you can finish early and/or start taking graduate school level courses.