Financial Health Check-Up for UNL Students

Know the Difference Between a Bank & Credit Union
Credit unions are non-profit organizations owned by the members - if you join a credit union, you own part of the credit union. A bank is a for-profit organization. Interest rates between credit unions and banks can vary - find the best deal!

Understand Your Banking Account Contracts
Know what fees you might incur. Some examples include:
* Overdraft fees (Ex. $35 per day for up to 4 items)
* Fees if you transfer from savings to checking too often
* Fees for using another bank's ATM
* Fees for international transactions (usually around 3%)

Use Banking Service Effectively
* Review your statements monthly
* Make sure all the transactions are correct and you know your balance
* Avoid overdrafts (when your balance drops below $0)
* Take advantage of helpful tools: ATMs, online banking, direct deposit, and more

Create Your Personal Spending Plan
Many people have problems with overspending. Take the time to avoid this - using a spending plan will allow you to see how much money you have to spend on your needs, and how much money is left over for wants.

Create Financial Goals
A good way to avoid frivolous spending is to write down your long-term financial goals (graduate debt-free, save for a down payment on a house, buy a new car, etc.). When you are tempted to spend, think about your goals in order to remind yourself that your money is going to more important things.

Get Organized!
Take on how to create a filing system to help keep track of financial paperwork and other documents - bill payments, savings & investments, loan records, taxes, etc. Track all bill due dates in one place - a planner, etc.

Curb Impulse Spending
Take a few minutes to think about your regular purchases. Determine what you buy that you need and what you just want. To save money, determine if there are cheaper ways for your wants. For example, if you want coffee, skip the $5 latte and make your own at home!

Be Smart About Student Loans
Before you accept a student loan, carefully review it. Make sure you know what you will have to repay and when. It adds up faster than you think! A good guideline is to have no more than 10% of your expected monthly gross income going towards all debt payments.

Only Borrow What’s Necessary
Student loans should only cover necessary costs like tuition, books, school supplies, etc. You want to graduate with as little debt as possible to ensure you have a healthy financial future.

Keep Track of Your Loan Obligations
Guide visit nslds.ed.gov to find out how much you owe and what your interest rates are. Student loans are a serious obligation that will affect your credit score. Building a good score will help you save money throughout your life.

Be Smart with Your Refund Check
Save your refund to pay for expenses throughout the semester. Don’t need it? Make a loan payment and alleviate some of your debt burden. Remember refunds are additional debt - not a true refund.

Have a Plan for Paying Off Debt
Make sure you keep your debt level in check. Think about your financial future - when you graduate do you want to spend your money on things you want or make it grow through investing - or do you want all of your money to go towards debt payments?

Have a strategy for paying off debt. Some people like paying off their smallest debt first and crossing it off the list. Some people pay off the debt with the highest interest rate first. Just have a plan!

Be Smart About Choosing to Use Credit
Use credit only if you are certain you are able to repay the debt. Read all application materials carefully - especially the fine print. Know what fees you may be charged.

Be Smart When Choosing a Credit Card
Generally, look for a credit card with a low annual percentage rate (the interest rate) and little to no annual cost. Always compare different credit cards.

Don’t Open More Than 1 or 2 Credit Accounts
If you open lots of accounts, your credit score will suffer. (See next item!)

Know the Impact of a Credit Score
Your credit score is an indicator of your use and

Pay Your Bills on Time
The most important thing you can do to build a credit score. Pay the entire balance to avoid paying interest. Check your monthly statements carefully to make sure all transactions are correct.

Avoid Cash Advances
Don’t use cash advances – you’ll rack up fees & pay higher interest.

Monitor Your Credit Report
Credit scores are created with the information from your credit report. Make sure this information is correct by requesting your report from www.annualcreditreport.com.

Take Time to Prepare for Your Career
No matter how far off graduation seems to be, always attend on-campus interviews and career fairs. It’s never too early to hone your interviewing and networking skills.

Be Aware of Your Expected Salary Range
Be aware of how much you will likely make after graduation. Look at jobs in different locations - consider part-time & weekend work.

Learn How to Analyze Employer Benefits
When you land your first big job, you’ll need to review retirement benefits, health care coverage, and other insurance options. Taking all these factors into consideration will help you effectively compare job offers.

Start Investing as Soon as You Can
The earlier you start investing, the more money you’ll have in the long run. For example, if you invest $2,000 at 9% from ages 22-29, when you are 65 you will have $579,471!

Learn about different investment options - including the risks involved. Generally, good, short-term investments to consider include - Certificates of Deposit and Corporate & Government Bonds. Longer-term investments include Mutual Funds - professionally-managed funds that include stocks & bonds. Know that the best investors have an investment plan.

Start Investing in a 401K ASAP
If you work during college and your employer offers a 401K, take advantage of it. They will often match a percentage of the amount you contribute. It’s free money.

Consider Pros & Cons Before Moving Off Campus
Living off campus could be cheaper than on-campus