

Financial Life

Brought to you by the
Student Wellness Center

Making financial sense for every student at The Ohio State University

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A Message from Dr. J.

Thoughts on financial wellness from Dr. Javaune Adams-Gaston

Welcome to *Financial Life*, a new publication of Ohio State's Student Wellness Center. Financial wellness is one of nine dimensions outlined by the center for a balanced life. Just as we help students learn about physical and emotional wellness, we also want to help them develop healthful financial habits. Financial wellness is not the same as being "well-off." Rather, a financially well person budgets income and expenditures; creates savings to prepare for short-term, long-term, and emergency expenses; manages credit cards and other consumer credit responsibly; and develops the skills to manage resources.



This newsletter will bring you information about services and programs to aid students with personal finance, as well as stories about students making, saving and managing money. We'll include money-saving tips and links to resources to find more information. We hope you find the material here practical and interesting, and we welcome your feedback and suggestions for future topics.

Javaune Adams-Gaston, Ph.D.
Vice President for Student Life

In this issue:

- Student on Personal Finance
- Money-Saving Recipe
- Answers to FAQs on Financial Wellness
- Building Your Wealth

Make Your Education an Investment

How to position yourself better for the uncertain economy

Most college students have heard, and many are practicing, standard financial advice given by parents, financial aid officers, and the news media: "Budget your money." "Live cheap." "Don't use credit cards except for emergencies." While good advice, these common sense strategies don't seem to address the scary economic environment in which we find ourselves. Are there other things you could be doing now to position yourself better for the uncertain economy you will face upon graduation?

Your education is an investment. Not only does that mean that you will likely make more money with a degree, but it also means that you are making a financial investment now – with the expectation of future profits. Make sure you get the maximum return on your investment. Here are some suggestions:

Maximize your tuition. At Ohio State, 12 credit hours is full time for undergraduates, and additional hours

don't cost any more. If taking 15 or 18 hours a quarter will allow you to graduate earlier, that's a great way to get more for your money. If you can take 16 hours per quarter instead of 12, you will complete an additional full-time quarter per year – "free!" Meet with your academic advisor to be sure that each course you take will help you toward graduation.

Keep close track of your student loan borrowing and know what your monthly payments on your loan debt will be. Do everything you can to "pay-as-you-go." If necessary, consider taking a quarter off school from time to time to work and save some money instead of taking another loan. Work while you are in school to earn part of your living expenses. Particularly in a struggling economy, you do not want to have loan repayments hampering you while you are starting a career.

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Make Your Education an Investment

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Consider the cost/benefit ratio of your chosen major. Remember, your loan repayment should be factored in as one of the costs of your major. Find out starting salaries and potential for job growth in your projected field. This will help you know how much you can reasonably spend to pursue your major. If you absolutely love a discipline, but know it will never make a profitable career, think about minoring in that subject and majoring in something which will give you a better chance of making a comfortable living when you graduate.

In short, be focused on completing your degree as soon as you can, with as little debt as you can manage, and with a viable career path ahead of you so that you can get the maximum return on your financial investment in your education.

Merilyn K. Lee

Assistant Director, Office of Student Financial Aid

Student Perspective on Managing Money

Four Ways for You to Learn More about Personal Finance

Many students come to campus with little knowledge about managing their own money. I am wrapping up my time here at Ohio State as a finance major, and while I have had the opportunity to learn a thing or two about finance in my classes, I have also gained quite a bit of experience outside the classroom. Here are four great ways to improve your financial literacy so you can know a little more about this economic crisis and how to manage your money:

Take a Personal Finance Class: The Fisher College of Business and the College of Education and Human Ecology both offer classes that cover the basics of personal finance. Topics include everything from income taxes to the general concepts behind solid investing. I currently have a group of friends taking the class at Fisher, and they love it. This can also be a great way to knock out some elective credit hours without wasting your time.

Stay Up-to-date on Trends: I highly recommend keeping up with current events in all areas by reading newspapers such as the Wall Street Journal or the New York Times. You can also check out news websites, news radio, personal finance magazines or just watch a little TV.

Get Involved with a Student Organization: There are a couple of great organizations related to finance associated with the business college that specialize in areas like real estate and the stock market. Also, the Student Financial Planning Association, which operates

out of the College of Education and Human Ecology, is another group interested in this topic. If one of these does not suit you, then work yourself into a role that handles the finances in any student

organization on campus. I have been treasurer of the service organization Ohio Staters, Inc., for the past year and serving in this role has taught me many valuable lessons on money management.

Utilize the Resources at the Wellness Center: Many students don't know that the Student Wellness Center, located in the RPAC, offers free one-on-one financial coaching to Ohio State students. This service, called Scarlet & Gray Financial, is a great resource for students interested in anything from building credit to buying a house, or graduating debt free or creating a budget. Students can learn more about this service at www.swc.osu.edu.



Rob with other students in Ohio Staters, Inc.

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Building Your Wealth One Principle at a Time

How to pay yourself first

Tuition, rent, food, books, organization dues, entertainment costs, the list goes on and on. With all of these things to pay for, who has the cash to start building personal wealth in college? You do, and I'm going to tell you how to get started.

You are probably thinking that it is impossible to save anything with a minimum wage paying job or no job at all. That is probably because you are relating building your wealth with how much money you make. Building wealth has less to do with how much money you make and more to do with how you handle your money.

One of the fundamental principles for building wealth is: pay yourself first. Paying yourself first means taking 10% of your income and using that money to invest, save, or pay off outstanding debt. It does not mean spending money on movies, CDs, and other entertainment items. You do not have to make much money to pay yourself first. Pay myself first you say? Yes, people often spend all of their money paying others (Ohio State, landlords, bartenders, on-line dating services, etc.), but they forget to pay themselves. As soon as you begin to pay yourself first, you will begin to build personal wealth because in order to accumulate wealth, you need to have money to build from.

Here's how it works. Say you make \$100 every two weeks from your on-campus job. When you get your

paycheck, deposit \$10 into savings before you pay anyone else. You will use the remaining \$90 to pay everyone else, including your personal expenses. If you do that for an entire year, you will have paid yourself \$240. What you do with that \$240 to build your wealth is important, but that is for another article on another day.

The key here is to learn and utilize the principal of paying yourself first. Impossible to live off of 90% of what you make considering that now you live off of 100% just to make ends meet? I challenge you to try it for three months and see if it is possible. See if there are some items you spend money on that are not "necessities," and can be kicked to the curb. Just think, one less trip to the local watering hole a month could turn into wealth that allows you to retire early and live comfortably for the rest of your life. Give it a try. What do you have to lose?

"As soon as you begin to pay yourself first, you will begin to build personal wealth because in order to accumulate wealth, you need to have money to build from."

Bryan Smalley
Hall Director, Taylor Tower
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Money-Saving Recipes: Mexican Casserole

Tastes just like a Chipotle burrito!

Basics:

1 cup of brown or white rice, cooked according to package directions to make 2 cups cooked.

1 can black beans, drained (15-oz or similar size)

1 can diced tomatoes with chili peppers (15-oz. or similar size)

Optional additions:

Cooked chicken or other meat (about 1 cup or whatever you have)

¼ to ½ cup diced raw onions

½ cup frozen corn kernels or peas

For more spice, add diced chilis, Tabasco sauce or chili powder.

Toppings:

Shredded cheese

Salsa

Sour cream

Guacamole

Shredded lettuce

Diced fresh tomatoes

Directions:

Combine the cooked rice, drained black beans and tomatoes in a large casserole dish. Add meat and vegetables if you wish. Bake uncovered at 350 degrees until hot and bubbly (about 25 minutes). You can add shredded cheese to the top for the last 5 minutes and melt it. Serve hot with optional toppings. Extra servings can be frozen and eaten later. Reheat leftovers in microwave or oven.

Money Talk

Answers to frequently-asked questions

What is a credit score and why does it matter?

Your credit score is a numerical representation of your credit behavior, ranging from 501 – 990 (Vantage Score) and 300 – 850 (FICO). Your score is reviewed by creditors and is essentially used to assess your financial strength. A high credit score may translate to a better rate on a loan in the future. A poor credit score can result in being turned down for future credit or paying higher interest rates.

I have a lot of credit card debt...what can I do?

Free credit counseling is available through the Student Wellness Center where a counselor will work with you to create an individualized debt repayment plan to help you reach your goals and payoff your debt. Call 247-4627 to make an appointment.

What should I do if my credit card is lost or stolen?

Report it to the appropriate credit card company immediately. If you report in a timely manner, you will typically only be held liable for up to \$50 in fraudulent charges made on your card.

Want to learn more?

Upcoming events related to financial wellness

Ohio Financial Fitness Fair-“A Family Event”

April 4, 2009, 10:00 AM – 1:00 PM

Columbus Downtown High School & Career Center

Sponsored by the Office of Ohio Treasurer and the Ohio Commission on Personal Finance Education

<http://www.tos.ohio.gov/index.php/quick-links/financial-literacy-month>

Classmate to Colleague

May 20, 2009, 10:00 AM – 4:00 PM

RPAC meeting rooms

(Seating is limited. Please arrive early.)

Sponsored by Career Connection

<http://careerconnection.osu.edu>

Your Money, Your Life: Smart Money Skills for College and Beyond

April 24, 2009, 1:00 PM

Sponsored by Innovative Educators

<http://swc.osu.edu/2009/4/24/your-money-your-life-smart-money-skills-for-college-and-beyond>

Money and the Real World: Real Estate

April 28, 2009, 6:00 PM

RPAC Meeting Room 1

Sponsored by the Student Wellness Center

<http://swc.osu.edu/events/2009/4/28/money-and-the-real-world-real-estate>

Thank you to our contributors for this issue!

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