

A PERSONAL  
FINANCIAL  
GUIDE FROM THE

HISPANIC  
SCHOLARSHIP  
FUND



# the money manual



# themoneymanual

A PERSONAL  
FINANCIAL  
GUIDE FROM THE  
  
HISPANIC  
SCHOLARSHIP  
FUND

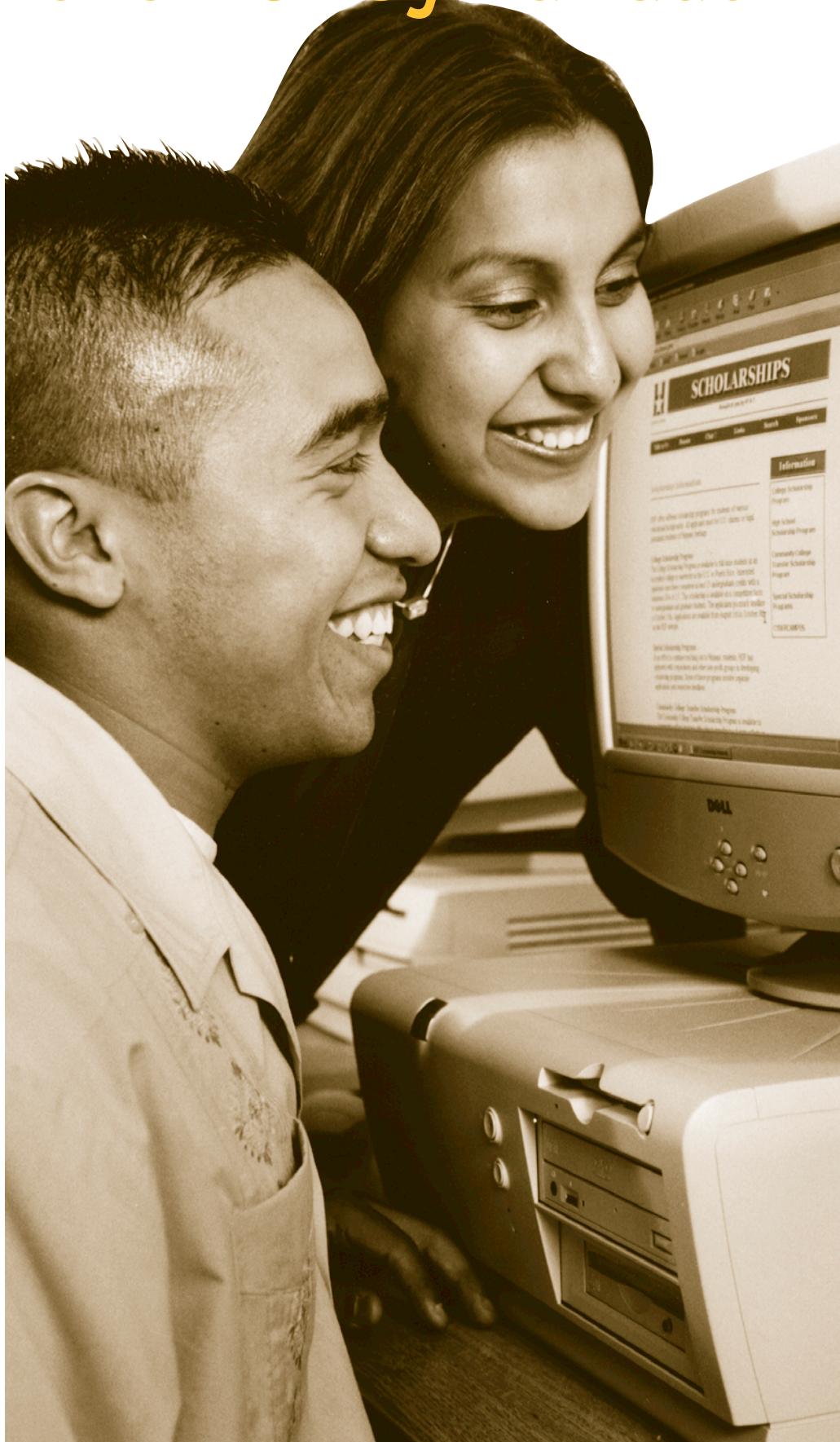


NATIONAL ENDOWMENT FOR  
FINANCIAL EDUCATION

*Partnering for Financial Well-Being*

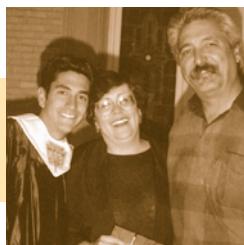
© 2002. National Endowment for  
Financial Education. All rights reserved.

Note: Content areas in this material are current as of this printing, but legislative and regulatory changes, as well as new developments, may date this material over time. This manual is meant to provide general financial information; it is not meant to substitute for or to supersede specific professional or legal advice.



# Table of Contents

<b>Dear Student</b>	<b>4</b>
<b>Introduction</b>	<b>5</b>
<b>Chapter 1: Getting Ready for College</b>	<b>6</b>
Getting Organized	6
Checking Accounts	8
Know What You Need	10
Handling Your Checking Account	11
Making a Spending Plan	13
Learning to Save	17
Saving for the Unexpected	18
<b>Chapter 2: Understanding Financial Aid Options</b>	<b>20</b>
Scholarships and Grants	20
Work-Study Programs	23
Loans	23
Calculating the Cost of Loans	25
Financial Aid Forms	26
Student Aid Report	28
ROTC Scholarships	30
<b>Chapter 3: Managing Your Money</b>	<b>32</b>
Watching Everyday Spending	32
Plugging Spending Leaks	33
Cutting Expenses	34
Standing Up to Peer Pressure to Spend	35
Watching Out for Credit Cards	37
Credit Card Guidelines	39
Avoiding Expensive, Easy Fixes	40
Not Giving Up	43



<b>Chapter 4: Planning for Tomorrow</b>	<b>46</b>
Making New Plans	46
Looking at More than Salary	48
Filling in the Gaps	49
Knowing Your Credit History	50
Building Good Credit	50
Planning for the Long Term	51
Company-Provided Retirement Plans	53
Conclusion	56
<b>Resource Review</b>	<b>57</b>
Financial Aid	57
Financial Planning	57
Credit Reports	57
Debt Help	57
<b>The Family Foundation: A Special Note to Parents</b>	<b>58</b>
The Importance of College	59
The Cost of College	59
The College Payoff	60
The Best Way to Help: Emotional Support and Money	60
Ways to Save	61
Other College Planning Tips	62
Reapply for Financial Aid	63
Prepare to Pay Back Student Loans	63
A Final Thought	63
<b>Acknowledgments</b>	<b>64</b>

# Dear Student

**C**ongratulations on your interest in going to college. We hope the information in this booklet helps you obtain funds for your college education. We also hope you apply for and are selected to be an Hispanic Scholarship Fund (HSF) scholar. If so, you will join many former HSF scholars who are leaders in many professions. Their achievements are not exceptions; instead, they are examples of what you can achieve for yourself, for your family, and for this country.

In 1996, HSF set a special goal. It wanted to double the rate of Hispanics entering college to 18 percent by 2010. You are part of this important mission.

Since you have this publication, you are either about to enter college or are currently in college. This is an exciting time—it's also a challenging time. Succeeding in college is not just a matter of doing well in your classes and on exams. You also need to make wise choices with your money so you can stay in school.



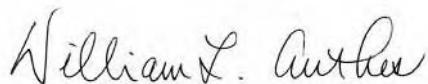
**Sara Martinez Tucker**

President and CEO,  
Hispanic Scholarship Fund

But just as help is available with your college studies, help also is available for your finances.

One form of help is *The Money Manual*, which was written as part of a joint project between the Hispanic Scholarship Fund® and the National Endowment for Financial Education® (NEFE®). *The Money Manual* provides information and guidance to help you get a handle on your personal finances during your college years and beyond. It also provides a section aimed specifically at your parents. We encourage you to share this manual with them.

The Hispanic Scholarship Fund and the National Endowment for Financial Education congratulate you on your choice to plan for and attend college. This is a wise path—but it won't always be an easy path. No great journey is easy, but your determination, persistence, and vision can lead you to a life of vast possibilities. We know you will succeed in your goals, and we wish you the very best.



**William L. Anthes, Ph.D**

President and CEO,  
National Endowment for Financial Education

# Introduction

Your family probably has been the cornerstone of your life. They have taught you so much. Lessons on working together, being loyal, and sharing your feelings are all part of growing up. It may be difficult to think about going to college—especially if your school is in another city or state. The tug of home can be strong, but your desire for a college education must be stronger. Also realize that you represent the hopes and dreams of your family. They want what is best for you. They want you to have a bright future.

Leaving home for college doesn't mean cutting ties with your family or changing your values. It just means that your strong family bonds must stretch a little farther.

## **Addressing the future**

These are exciting times for Hispanics. The number of Hispanics in the United States grew 58 percent in the last 10 years. You are part of the fastest growing ethnic group in the country. This growth is expected to continue. By 2020, 22 percent of the U.S. population likely will be Hispanic. (Source: U.S. Census, 2000.)



Hispanics are becoming a major influence on American culture, economics, and political policies. Your college education can help position you to affect all of these areas—as well as advance your own career desires.

That's where the Hispanic Scholarship Fund comes in. HSF scholars have a 97 percent bachelor's degree graduation rate, with more than 30 percent going on to graduate school. (Source: Hispanic Scholarship Fund.)

For many students, money challenges are as much a part of college life as exams. The Hispanic Scholarship Fund and the National Endowment for Financial Education hope you will use this manual to help you meet the money challenges along the way to fulfilling your education dreams and goals. Your sound money skills, combined with academic achievements, make a formidable team for accomplishing any goal. So, with your goals clearly in mind, let's get started!