

One Stop

Student Services



Undergrad
Admissions



Financial Aid



Registrar

Your Money Matters



Presented By:
One Stop Student Services

Training Topics

- ***Financial Plan***
- ***Budgeting/Cash Flows***
- ***Saving***
- ***Debt***
- ***Helping Others/Giving***
- ***Investing***



- ***Banking***
- ***Credit vs. Debit Cards***
- ***Credit Report vs Credit Score***
- ***Interest Rates***
- ***Student Loans***
- ***Important Sites***



Financial Plan

A financial plan is a comprehensive overview of your financial goals and the steps you need to take to achieve them.



Why is Budgeting Important?

Budgeting helps you:

- *Control your spending*
- *Meet your financial goals*
- *Minimize debt, and over borrowing*
- *Feel financially organized*
- *Prepare for emergencies*
- *Save and give*



Positive vs Negative Cash Flow



Income - **Expenses** = Available Funds

Available Funds can be:

* **Positive cash flow** - money left over after expenses have been paid

* **Negative cash flow** - expenses exceed cash flow; sometimes causing individuals to turn to borrowing and credit card use

Amy's Budget – Positive Cash Flow

Amy's Monthly Income = \$2,500

- ✓ Rent: = (\$850.00)
- ✓ Groceries = (\$300.00)
- ✓ Student Loan Payment = (\$200.00)
- ✓ Electricity/Wi-Fi = (\$200.00)
- ✓ Gas= (\$140.00)
- ✓ Car Insurance = (\$100.00)
- ✓ Cell Phone = (\$100.00)
- ✓ Entertainment = (\$100.00)

Amy's Total Expenses = \$1,990.00

Funds Remaining : \$510.00



Dakota's Budget – Negative Cash Flow

Monthly Cash Flow

Dakota's Monthly Income = \$2,000.00

- ✓ Cell Phone = (\$100.00)
- ✓ Groceries = (\$500.00)
- ✓ Transportation = (\$200.00)
- ✓ Apartment Rental = (\$1,000.00)
- ✓ Student Loan Payment = (\$300.00)
- ✓ Electricity, Cable & WiFi = (\$150.00)

Dakota's Total Expenses = (\$2,250.00)

Overspent: (\$250.00)



Top Reasons to Save



- *Emergencies*
- *Your Future/Retirement*
- *Major Purchases*
- *Help Others/Give*
- *Avoid Debt*

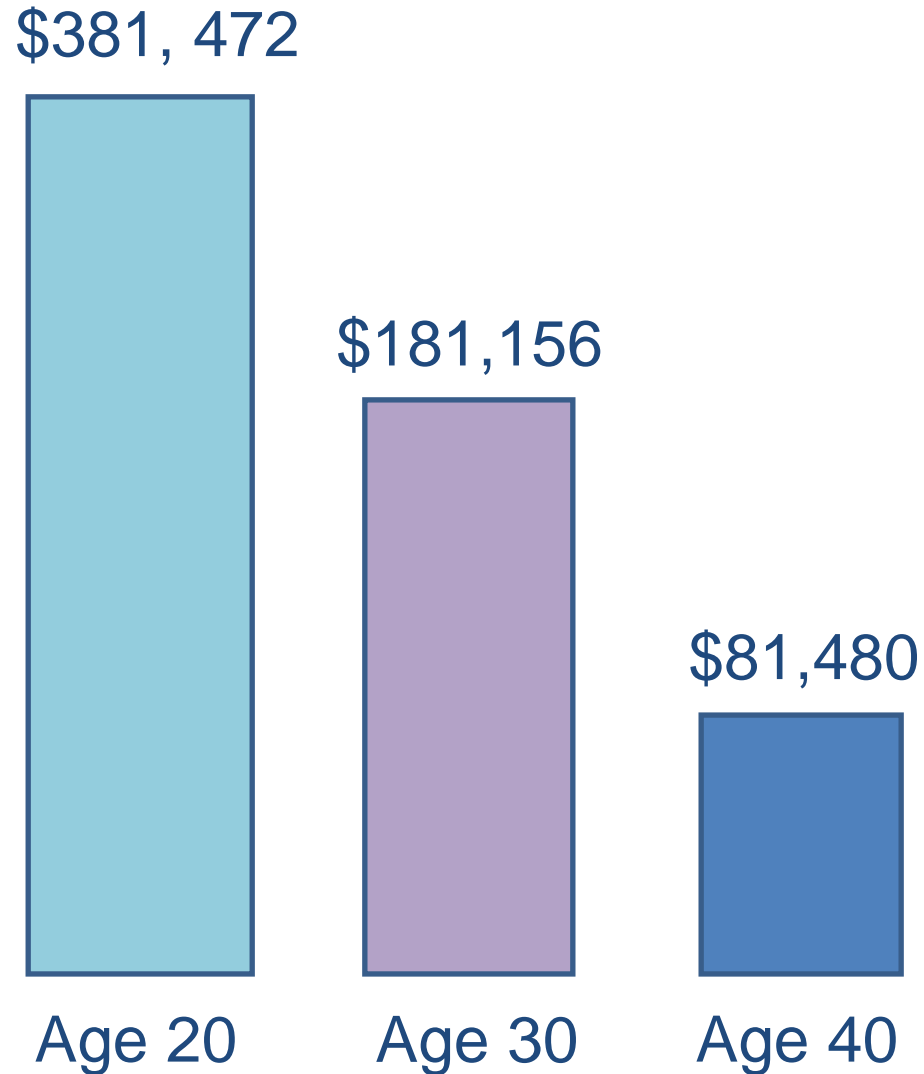
Saving for the Future

Example:

- *You are age 20*
- *Retirement age 65*
- *Monthly saving of \$100, \$200, or \$400*
- *Years to save, 45 years*
- *Your investments are earning 7%*



Saving – Start Early



Example:

Save \$100 a Month

Start age 20, 30, 40

Annual Interest rate 7%

Total saved by Age 65



Limit Debt

Impact of too much debt:

- *Hard to pay bills on time*
- *Can damage your credit score*
- *As interest accrues on loans or credit card balances, debt increases*
- *Difficult to achieve your financial goals*
- *Can cause stress or anxiety*



Helping Others: Give



Helping Others: UConn Departments

Community Outreach

Careers for the Common Good



Investing

- *To invest is to allocate money in the expectation of some benefit in the future. In finance, the benefit from an investment is called a return.*
 - *Retirement accounts, education savings plans, stock market accounts*
- *Investor / Investment Company*
- *Choosing a Financial Advisor*



Banking

- *Banks safeguard and lend money*
- *Products:*
 - *Checking Account*
 - *Savings Account*
 - *Certificate of Deposit*
 - *Home Mortgage*



Credit Card vs. Debit Card

Credit Card Charges:

- *Must be repaid*
- *May accrue interest charges if a balance exists, typically after 30 days*
- *Credit Limit based on credit rating, FICO score*



Debit Card:

- *Connected with a bank account.*
- *Comes directly out of the account balance.*
- *Account balance is \$100. You make a purchase for \$10, now your account then has \$90 remaining*

Credit Score vs. Credit Report

FICO Score:

- *Fair Isaac Corporation (FICO) was founded in 1956 by Bill Fair & Earl Isaac.*
- *3 digit number which determines your credit limit and eligibility for lending.*
- *Primary score used by lenders.*

Credit Report: a record of your history managing and repaying debt.



FICO Credit Score



Credit Score

- 😊 Excellent
- 😐 Average
- 😞 Poor

Credit Reporting Agencies



Interest Rates

- *A fixed rate is a set interest rate that remains at the same level for the duration of the loan period*
- *A variable rate is a changing interest rate over the duration of the loan – the rate may increase or decrease depending on interest rate environments*



Your Student Loans

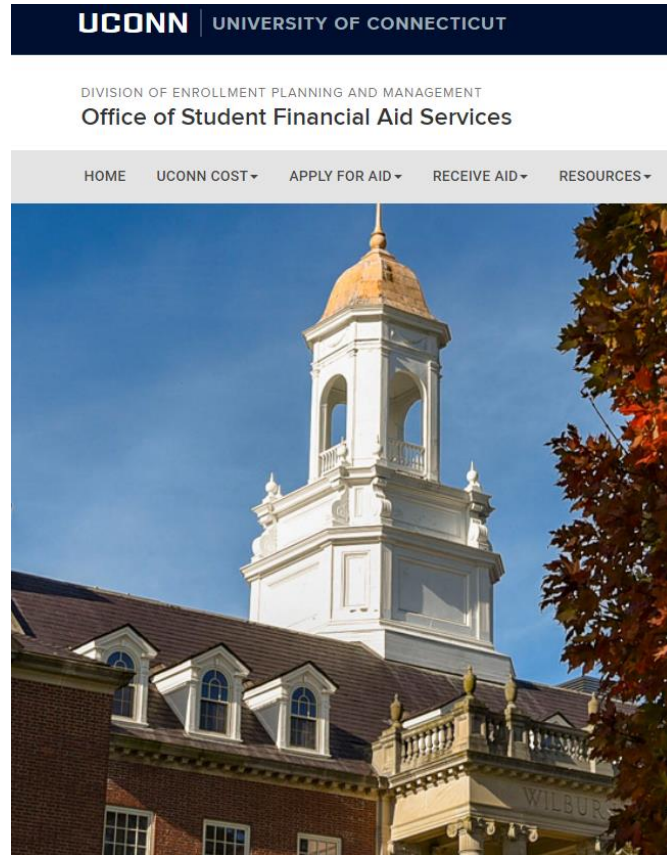


- *A Federal Direct Subsidized Loan does NOT accrue interest while you are in school*
- *A Federal Direct Unsubsidized Loan accrues interest from the point of disbursement*
- *Your annual federal student loan eligibility is based on your year in school and dependency status*
- *Borrow only what you need*

Undergraduate Loans at a Glance

Program	Borrower	Credit Check Required?	2023-2024 Interest Rate	Repayment Begins
Federal Direct Subsidized Loan	Students with financial need enrolled at least half-time	No	5.50%	Six months after graduation
Federal Direct Unsubsidized Loan	Students enrolled at least half-time	No	5.50%	Six months after graduation
Federal Direct Parent Loan for Undergraduate Students	Parents of undergraduate students enrolled at least half-time	Yes	8.05%	Sixty days after second disbursement unless deferred
Private/Alternative Loans	Students with a creditworthy cosigner	Yes	Variable or fixed; usually depend on borrower/cosigner credit scores	Varies by loan product

Important Sites



- [*OneStop.uconn.edu*](https://onestop.uconn.edu)
- [*Yourmoneymatters.uconn.edu*](https://yourmoneymatters.uconn.edu)
- [*Studentaid.gov*](https://studentaid.gov)

Questions? Contact Our Office!

**Our office is open 12 months a year;
Monday through Friday, 8am-5pm**

No appointment is necessary!



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