

## MONEY MANAGEMENT QUIZ

Choose the answer that best describes your financial management practices.

- I develop written financial goals with a date and dollar amount (i.e. I will save \$1500.00 to buy a car in the next two years.)  
3: Almost Always      2: Sometimes      1: Rarely
- I have a written budget plan for spending and saving my money and I stick to it each month.  
3: Almost Always      2: Sometimes      1: Rarely
- I have an emergency fund that covers at least three months of living expenses.  
3: Almost Always      2: Sometimes      1: Rarely
- I comparison-shop and look for ways to trim expenses and save money.  
3: Almost Always      2: Sometimes      1: Rarely
- I have a plan to save for long-term goals such as paying for my education, home ownership or starting a business.  
3: Almost Always      2: Sometimes      1: Rarely

### SCORE

**12-15 POINTS** Congratulations, you manage money very well.

**8-12 POINTS** You are doing a fair job of managing your money. However, you may want a refresher by reviewing the article, Money Management, on page 1.

**7 OF FEWER POINTS** This may be an indication that you are not managing your money well and need to develop some good money management habits. Read the article, Money Management, on page 1 for ideas on budgeting and saving.

Source: [www.financialeducation.org](http://www.financialeducation.org)



**Financial Aid Awareness Day**  
March 25, 2009  
10:00am - 6:00pm  
Richard Harris Terrace

Discover many different resources available to help pay for college:

Grants / Loans / Work-Study / Scholarship

Explore the financial aid web site and print resources

Speak to a financial aid counselor one-on-one

Learn how to navigate PANTHER

File your 2009 - 2010 FAFSA application on-the-spot  
Bring your (and your parents if required) 2008 income documents

## WHAT'S NEW

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close attention to the independence questions (56-60).

- The income information section has been reduced and your family no longer needs to report the annual amount for several federal and state funded programs and credits.
- Answer the dislocated worker question (85) if either of your parents were laid off from their job.
- Veterans need to indicate the type of Veterans educational benefit received for the year.
- Make certain to indicate if your family has received benefits from one of the federal or state funded programs listed on question 77.

### PBS

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years of age by the first day of classes, not live with parents as determined by the office of Financial, be enrolled for a minimum of 6 credits, eligible for a Federal Pell grant and be in need of at least one remedial/developmental course.

MDRC would like to determine the ways in which this scholarship can help students stay enrolled and succeed in college and therefore will utilize a process called "random assignment" to place participants in either the scholarship group or non-scholarship group. In the coming semesters the Office of Financial Aid will reach out to potentially eligible students and invite them to apply to participate in this study.

Source: [BMCC website](http://BMCC website)

Did you know that **BMCC** has a Financial Aid Computer Web Lab for your use?

The Financial Aid Web Lab provides students who don't have access to the internet the ability to both search and apply for a variety of financial aid programs online.

The lab provides web access to some of the following:

- Apply for aid
- Make corrections to filed applications
- Check award status
- Complete loan entrance/exit counseling

**Financial Aid Web Hours**  
Monday through Thursday  
10:00 am - 6:00 pm  
Friday  
9:00 am - 12:00 noon

## TAX SEASON?? TAX BENEFITS MAY EASE YOUR BURDEN

The New Year has arrived and the time is a "beginning" for several items related to students and parents. For millions of Americans, it's time to prepare to file your income tax returns. The federal government has provided some benefits to assist families that contribute to the student's educational expenses. College students and parents should take advantage of these benefits which can add up to some serious savings.

### Federal Tax Benefits:

Two education credits that can be beneficial are the *Hope Scholarship* or the *Lifetime Learning Tax Credit*. Do not get confused by the name, the Hope Scholarship is actually a credit and not a scholarship. The

Hope Scholarship and the Lifetime Learning Tax Credit are credits that you can subtract in full from the federal income tax, not just deduct from taxable income. For the tax year, your family may claim a tax credit up to \$1,650 for each eligible dependent. The actual amount of the Hope credit de-

pends on several factors such as: your family's income, the amount of qualified tuition and fees paid, and the amount of certain scholarships and allowances subtracted from tuition. To be eligible for this credit, your family must file a federal tax return and owe taxes.



The Lifetime Learning credit is a tax credit available to individuals who file a tax return and owe taxes. A student or family may claim a tax credit of up to \$2,000 per tax year for the taxpayer, taxpayer's spouse, or any eligible dependents for an unlimited number of tax years. The Lifetime Learning credit differs from the Hope Scholarship credit in that the Lifetime credit is available for an unlimited number of years while the Hope Scholarship is only available for the first two years of postsecondary education. More information on qualifications and eligibility is available on the Internal Revenue Service's Student Page at <http://www.irs.gov/individuals/students/index.html>

Information for the article was obtained through the IRS, CUNY, and NASFAA

## POST-HOLIDAY REMORSE

Opening gifts is a ton of fun.

Opening the resulting bills is not. Yet every holiday season millions of consumers use their credit cards to finance gifts they don't have the cash to pay for. About the second week of January, those bills start rolling in and a strong case of post-holiday remorse will begin to set-in. When faced with the post-holiday blues, debt can seem insurmountable. To help you get a handle on the situation, consider the following:

- Realize that there are only two legal ways out of debt-cutting expenses or increasing your income. Decide which works

for you and truly commit to it.

- Create a damage sheet. List the names of your creditors,



amount owed each and current interest rates, then total it all up. Update that sheet monthly and tape it wherever you will see it regularly.

- Create a budget and a repayment plan. Track your expenses for one month so that you can be sure every expense is included.

- Periodic expenses can break a budget so allocate an hour each week to address your finances. Staying on top of your expenses will help you stay in budget.

- Shelve your credit cards. Take them out of your wallet and leave them at home. If you have to use credit cards, don't charge anything you can't pay off within 90 days. Establish a 2009 holiday savings account so that this holiday season, relying on credit won't be necessary. Factor it in as an expensive.

- Take a good hard look at your spending habits. Credit is not an extension of your income! Finally, treat this past year's holiday charges as a learning experience and

resolve to do better this year; so that in January 2010, you can focus on starting the new year debt free.

Source: [www.moneymanagement.org](http://www.moneymanagement.org)



### The 10 Rules of Smart Credit Management

The Basics of Responsible Credit Management are:

- Know What You Owe
- Live within your means
- Borrow Only What You Can Afford
- Maintain a good credit report annually
- Check your credit report annually
- Use credit wisely
- Recognize the warning signs of financial difficulty
- Know a scam when you see one
- Guard against identify theft
- View bankruptcy as a last resort

**LIVE@BMCC**  
are you on it?

Log in at <http://stu.bmcc.cuny.edu> and take advantage of the new e-mail service now available at BMCC.

**MONEY MANAGEMENT**

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**Not saving for your future.**

It can be tough to scrape together enough money to pay your regular expenses each month. But it is also important for young people to save money for their long-term goals, too, including perhaps buying a home, owning a business or saving for your retirement (even though it may be 40 or 50 years away). Start by "paying yourself first." That means even before you pay your bills each month you should put money into savings for your future. Even if you start with just \$25 or \$50 a month you'll be significantly closer to your goal.

**Not taking responsibility for your finances.**

Do a little comparison shopping to find accounts that match your needs at the right cost. Be sure to review your bills and bank statements as soon as possible after they arrive or monitor your accounts periodically online or by phone. You want to make sure there are no errors, unauthorized charges or indications that a thief is using your identity to commit fraud. Finally, even if you are fortunate enough to have parents or other loved ones you can turn to for help or advice as you start handling money on your own; it's really up to you to take charge of your finances. Doing so can be intimidating for anyone. It's easy to become overwhelmed or frustrated. And everyone makes mistakes. The important thing is to take action.

Source: [www.moneymanagement.org](http://www.moneymanagement.org)

**ASK A FINANCIAL AID COUNSELOR**

**Q:** How do I apply for Financial Aid? Can I submit my application to the Financial Aid Office? (*Sharon, Brooklyn*)

**A:** You can apply for financial aid by completing a Free Application for Federal Student Aid (FAFSA) on the Web. Students do not submit applications to the Financial Aid Office; they submit their applications online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). The FAFSA on the Web is a free application and if a student needs any assistance in completing a FAFSA, the student can attend an application workshop provided by the BMCC Financial Aid Office. The hours and locations of the workshops are available at the on-line BMCC Financial Aid Office at [www.bmcc.cuny.edu/finaid](http://www.bmcc.cuny.edu/finaid).

**Q:** If I do not qualify for any federal or state grants, what are other options to pay my tuition? (*Michael, Manhattan*)

**A:** If you do not qualify for any federal or state grant funds, you have other avenues that can assist with the expense for your education:

- **Tuition Pay** an interest-free, debt-free way to spread tuition payments over a number of

months. Visit [www.tuitionpay.com/cuny](http://www.tuitionpay.com/cuny) for more information, and to enroll.

- **Direct Student Loans** program provides low interest, long term loans to you or your parents to help pay for college. Once you have completed your FAFSA application you can visit [www.bmcc.cuny.edu/finaid](http://www.bmcc.cuny.edu/finaid) to link to both the entrance counseling and loan request page.

- **1098 Tuition Payment Statement** provided at the end of the year by the Bursar's office to student's who have paid their tuition out-of-pocket.

**Q:** When do I pay back my direct student loan? (*Manuel, Queens*)

**A:** You have a six month grace period after you graduate, leave school, or drop below half-time before you begin repaying your loan. If you are still a registered student but fall below half-time, your six month grace period begins. During the grace period, you do not have to make payments on the principal and you are not charged any interest.

*-Information for the article was obtained through BMCC*

**THE BMCC ON-LINE FINANCIAL AID OFFICE**

Access everything the Financial Aid Office has to offer at anytime, 24 hours a day, 7 days a week, 365 days a year.

- Obtain information on federal, state and city funded financial aid programs.
- Printable forms and guides with new "fillable" feature.
- A new media page with an online video tutorial on the application and awarding process.

Contact us with your suggestions, comments or questions at [finaid@bmcc.cuny.edu](mailto:finaid@bmcc.cuny.edu)

**PANTHER**, the student information system, is available to all current students and can help you save time throughout the semester. You may have utilized Panther to register for classes. Did you know that you can also check your financial aid application status, Federal Work-Study earnings and learn how much aid you have been awarded? To access Panther, log in at [www.bmcc.cuny.edu/j2ee/panther.jsp](http://www.bmcc.cuny.edu/j2ee/panther.jsp)

Have you filed your **2009-2010 FAFSA** yet? The priority filing deadline is **April 15, 2009**. If you miss this deadline you can still apply at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) but some programs with limited funding may be unavailable.

**BMCC Financial Aid Newsletter**

**MONEY MANAGEMENT**

**COMMON MISTAKES YOUNG ADULTS MAKE WITH MONEY & HOW TO AVOID THEM**

Everybody makes mistakes with their money. The important thing is to keep them to a minimum. And one of the best ways to accomplish that is to learn from the mistakes of others. A few common mistakes are:

**Buying items you don't need...and paying extra for them in interest.**

Every time you have an urge to do a little "impulse buying" and you use your credit card but you don't pay in full by the due date, you could be paying interest on that purchase for months or years to come. Ask yourself if you really need the item. Even better, wait a day or two, or just a few hours, to think things over rather than making a quick and costly decision you may come to regret.

**Getting too deeply in debt.** Being able to borrow allows you flexibility in making necessary purchases. But taking on too much debt can be a problem, and each year millions of adults of all ages find themselves struggling to pay their loans,



credit cards and other bills. If you believe you're experiencing debt overload, try taking corrective measures. For example, try to pay off your highest interest-rate loans (usually credit cards) as soon as possible, even if

you have higher balances on other loans. For extreme cases there are reliable credit counselors you can turn to for help at little or no cost. Unfortunately, you also need to be aware that there are scams masquerading as "credit repair clinics" and other companies, such as "debt consolidators," that may charge big fees for unfulfilled promises or services you can perform on your own."

**Not watching your expenses.**

It's very easy to overspend in some areas and take away from other priorities, including your long-term savings. It is a good idea to find a system that works for you (computer based programs or hand-written notes) that can help you

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keep track of your spending each month. This will also enable you to set and stick to limits you consider appropriate based on your income. A budget doesn't have to be complicated, intimidating or painful just something that works for you in getting a handle on your spending.

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**WHAT'S NEW IN 2009-2010**

The new upcoming academic year brings about a new FAFSA and new changes that may affect you and your financial aid. Congress has passed legislative bills to assist families and students in the cost of a higher education. The 2009-2010 FAFSA is available on the Web at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).



You may notice that several questions have been added, changed, and others eliminated. When completing your 2009-2010 FAFSA, remember to keep these things in mind:

- "Sign up" you and your parents for a Federal Student Aid PIN; the instantly acquired and usable PIN can be utilized as an electronic signature for FAFSA on the web.
- Major changes to definition of independent student-pay

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**PBS- PERFORMANCE BASED SCHOLARSHIP**

In early 2008 BMCC was chosen by MDRC, a nonprofit, nonpartisan research firm, to receive \$1.4 million to participate in a performance-based scholarship study that will measure the impact of such scholarships on degree completion. This study is made possible by MDRC with grants from the Bill & Melinda Gates Foun-

datation along with support from the Robin Hood Foundation and the BMCC foundation. The study will evaluate how performance-based scholarships affect students' persistence, credit accumulation, grade point average and progress towards a degree. BMCC currently has 742 students participating in the study, and hopes to

have a total of 1,100 students over the next three semesters. Each student participating in the study will receive up to \$1,300 per semester for two semesters based on their academic performance, number of credits taken, and attendance. To be eligible for the scholarship, students must be between 22-35

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