

CUTTING STUDENT LOAN DEBT

be confident

There are ways to avoid too much student loan debt. While you are likely approved to take out more loans than what is recommended, it is important to consider alternatives. Financial advisers recommend that your monthly student loan payment be no more than 8% of the gross earnings you anticipate to make after graduation. If you choose to take out more than what is recommended, realize you will need to live more frugally until your total debt is repaid.

1

SCHOOL SELECTION:

Compare the tuition of your current school selection with others. Can you achieve the same degree at a school that is less expensive? If you are still in high school, can you start taking dual credit courses?

2

LOCATION SELECTION:

Can you attend school in a location where you can live with family and decrease expenses?

3

STEP INTO THE CAREER CHOICE:

Consider getting a certificate or an apprenticeship and start making money in a job similar to the one you are trying to get. You will likely incur fewer expenses in tuition and fees, but you earn more. Save those funds to continue your education in a year or two. Sometimes employers have education benefits to assist with continuing education expenses.

4

DELAY THE START TIME OF YOUR EDUCATION:

You may choose to work 1-2 years and save before entering school.

5

CUT EXPENSES WHILE IN SCHOOL:

Carefully choosing your living situation, renting books instead of buying them and taking as many classes as possible each semester can help cut college costs.

6

LIVE MORE FRUGALLY UPON GRADUATION:

The recommendation of your student loan monthly payment being 8% or less than your gross earnings is based on what most people can comfortably afford after graduation. There are many ways to live on less money and you may need to do that if you take out more in student loans.