



# STEPHEN F. AUSTIN STATE UNIVERSITY FINANCIAL AID

APRIL 2016

## SUMMER 2016

High school seniors who plan to enroll in college summer courses after graduation must complete the 2015-16 FAFSA application online and use 2014 student and parent tax information. The 2015-16 FAFSA application closes June 30.

## COST OF ATTENDANCE

In January 2016, the National Association of Student Financial Aid Administrators released a worksheet to help students and parents compare the cost of college attendance expectations to the actual estimated cost of attendance.

The actual cost of attendance is unique for each student at each school. While some expenses are fixed (like tuition and fees), others are influenced and controlled by the student's lifestyle (like housing and personal expenses). When considering the award package from a particular school, or in comparing packages from multiple schools, this worksheet may be useful in comparing the cost expectations to each school's estimated total COA. The goal of this comparison is to help families decide if the resulting difference is realistically manageable given the resources available to the family and the aid being offered by each school. The worksheet is attached.

## CONTACT YOUR COUNSELOR

(by first letter of student's last name)

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## FINANCIAL LITERACY MONTH

Just in time for financial literacy month, a San Diego State University study indicates that young Americans could use help when it comes to managing their money.

When answering the three basic financial knowledge questions below, most respondents could answer only 1.8 correctly, and only 25 percent answered all three questions correctly.

(1) Do you think the following statement is true or false? Buying stock from one company usually provides a safer return than a stock mutual fund. Correct answer: False

(2) Suppose you had \$100 in a savings account and the interest rate was 2 percent per year. After five years, how much do you think you would have in the account if you left the money to grow? Would you have more than \$102, exactly \$102, or less than \$102? Correct answer: More than \$102

(3) Imagine the interest rate on your savings account was 1 percent per year and inflation was 2 percent per year. After one year, would you be able to buy more, exactly the same, or less than you could one year ago? Correct answer: Less than

Perhaps most troubling was what the research indicated concerning how respondents manage their money. The average young person surveyed demonstrated responsible behavior in only one of three categories. The categories were: paying off debts on time, budgeting and living within one's means, and having retirement savings. Furthermore, only 2 percent of respondents demonstrated responsible behavior in all three categories.

The study, led by SDSU professors Ning Tang, Andrew Baker and Paula Peter, found that young people manage money poorly, even when they know better. However, there is hope for America's youth, Tang said.

"Our findings suggest that if you want to improve your own financial behavior, the best thing you can do is be open to the influences of others," Tang said.

Though the study did not examine the influence of peers, its results suggest both family and financial professionals could play an important role in improving young people's financial habits. The researchers found that being close with parents was correlated

with better money management among women—and that higher self-reported levels of being "thorough" and "careful" was correlated with better financial behavior among men. Between both sexes, higher self-reported levels of being "self-disciplined" was correlated with better money-management habits.

That suggests educators and financial planners should focus on getting young people to be more self-aware in general and more motivated to improve their organizational habits across the board—not just when it comes to finances, Tang said.

One element the study did not explore is gender differences. For example, the authors did not address whether parents tend to treat daughters differently than sons.

