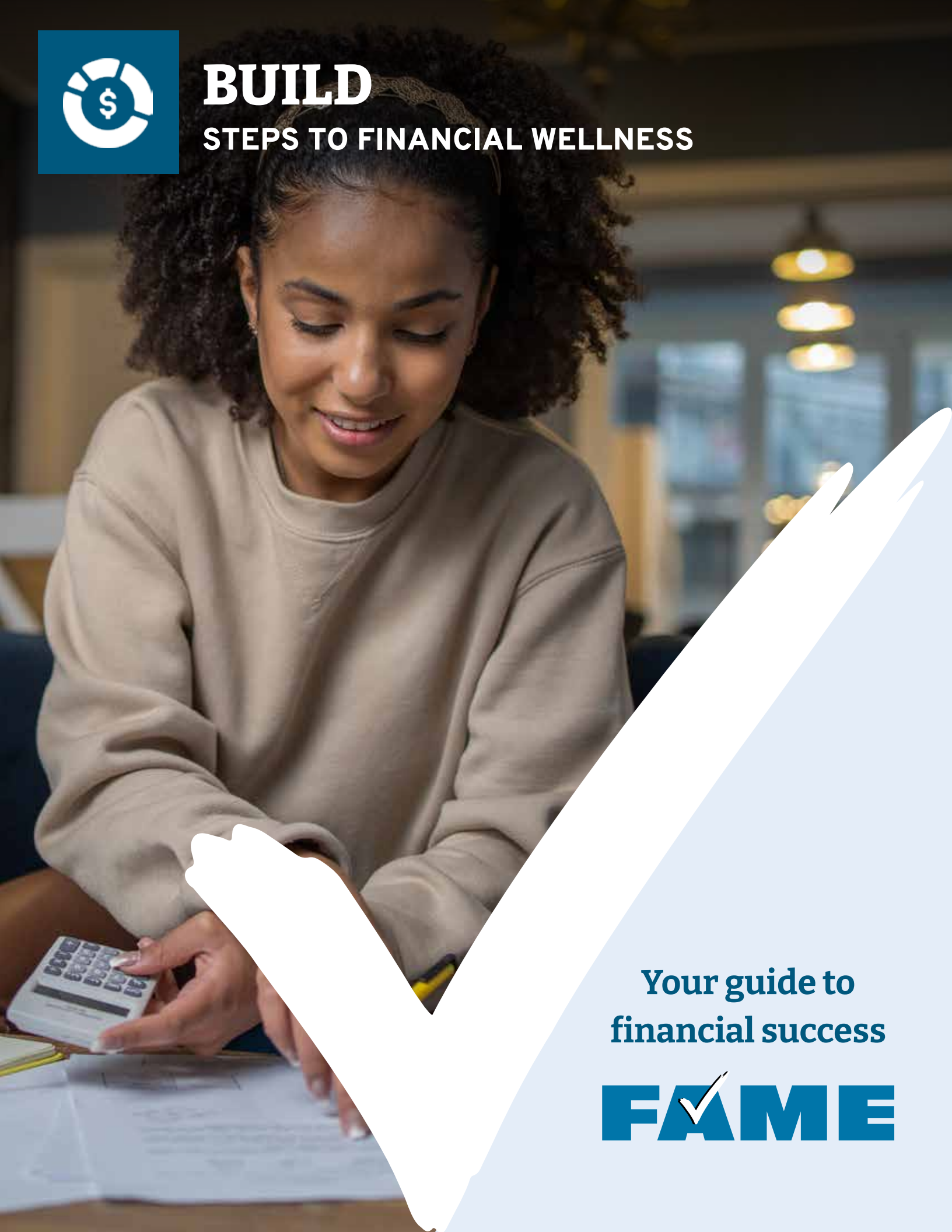




# **BUILD**

## **STEPS TO FINANCIAL WELLNESS**



**Your guide to  
financial success**

**FAME**

# FINANCIAL WELLNESS

Successful money management can bring independence, new opportunities, and a clear path to your goals. **BUILD: STEPS TO FINANCIAL WELLNESS** was developed to arm you with the tips and tools for creating lifelong financial well-being. This guide is intended for consumers of any age. It covers everything from tracking your spending, to creating (and sticking to) a budget, to saving and investing for retirement.

## FINANCE AUTHORITY OF MAINE (FAME)

FAME helps families afford higher education through financial planning tools and programs. No matter where you are on your path to higher education, FAME has the team and the resources to help you succeed.

### ADDRESS

**Mailing:** PO Box 949  
Augusta, Maine 04332-0949  
**Physical:** 5 Community Drive  
Augusta, Maine 04330

### PHONE

1-800-228-3734, TTY: 207-626-2717





### EMAIL

Education@FAMEmaine.com

### WEB

FAMEmaine.com  
NextGenforME.com  
ClaimYourFuture.org

### SOCIAL

 /FAMEmaineorg  
 FAME.Maine  
 /FAMEmaine  
 @famemaine

## ONLINE FINANCIAL EDUCATION

Powered by **iGrad**<sup>®</sup> and **Enrich**<sup>®</sup>, FAME offers free online financial education to support Maine people during high school, college, and beyond.

### How to get started:

- 1** Visit **FAME.iGrad.com** (or **FAME.Enrich.org** if you've finished college) to sign up for a free account.
- 2** Complete your financial wellness assessment.
- 3** Browse recommended videos and articles, or complete a course.





## WHAT'S INSIDE...

Your Goals	4
Get Organized	6
Track Your Expenses	6
Create a Spending Plan	8
Reduce Your Expenses	10
Start Saving and Investing	12
Understand Taxes and Insurance	13
Protect Your Money and Identity	14
Review Your Credit Report	14
Understand Your Credit Score	15
Take Control of Your Debt	16
Manage Your Student Loans	18
Additional Resources	19



# YOUR GOALS

Setting goals helps you identify where you want to go, what you will need along the way, and whether you are on course.

**SET REALISTIC GOALS** and consider all aspects of your life—educational, financial, and personal.

**PRIORITIZE YOUR GOALS** and think about what matters most to you.

**MAKE A PLAN** and determine what resources you need to achieve these goals.

**TRACK YOUR PROGRESS** to make sure you are staying on course.

**CONGRATULATE YOURSELF** when you’ve reached a milestone!

## EXAMPLES OF FINANCIAL GOALS

### SHORT-TERM GOALS

(WITHIN 2 YEARS)

- Create an emergency fund
- Get your own apartment
- Pay down high-interest debt

### MID-TERM GOALS

(2-5 YEARS)

- Take a dream vacation
- Start retirement savings
- Go back to school

### LONG-TERM GOALS

(5+ YEARS)

- Pay off student debt
- Buy a home
- Start your own business



## MONEY TIP

### EMBRACING YOUR FUTURE SELF

We think about our future self as someone different from who we are today. Use this to your advantage by embracing your inner adult or senior citizen.

Imagine yourself as a dear relative or friend who is entirely dependent on the financial choices you make today. People who feel close to the person they imagine becoming tend to save more money. Your future self is depending on you!

# THINK ABOUT YOUR FUTURE SELF

Imagine your life ten years from now. If everything goes as planned, what will your life look like? Using the prompts below, take some time to write down your vision. Doing so might help you get there. In the future...

Where do you live? \_\_\_\_\_

Do you rent an apartment or own a home? \_\_\_\_\_

What state or city do you live in? \_\_\_\_\_

Do you live alone or with a roommate or family member? \_\_\_\_\_

Do you have a partner or spouse? \_\_\_\_\_

Do you have children? \_\_\_\_\_

What kind of job do you have? \_\_\_\_\_

Do you work in an office or at home? \_\_\_\_\_

Are you employed full time or part time? \_\_\_\_\_

Are you self-employed? \_\_\_\_\_

What is your schedule like? \_\_\_\_\_

Do you take vacation time? \_\_\_\_\_

What is your annual salary? \_\_\_\_\_

Are you saving for retirement? \_\_\_\_\_

What do you do in your free time? \_\_\_\_\_

What are your hobbies? \_\_\_\_\_

Do you like to travel? \_\_\_\_\_

How much time do you spend with family and friends? \_\_\_\_\_

How much do you volunteer your time or donate money? \_\_\_\_\_

How are you involved in your community? \_\_\_\_\_

# GET ORGANIZED

## 1 GET YOUR FINANCIAL LIFE IN ORDER

by creating a system to track billing statements, financial information, and any other important documents. Staying organized will help you pay your bills on time and remember important deadlines.

## 2 REVIEW your financial records regularly,

including banking and billing statements, and look for any errors or unauthorized charges, as well as any untracked payments.

## 3 KEEP A RECORD when contacting financial or billing companies, including the name of the person you spoke to, the date of the conversation, and any information you discussed—especially any important instructions.

## 4 USE FREE, ONLINE BILL-PAYING SERVICES to help you pay your bills on time.

Designate a time each month to review and pay bills that are not automatically paid through your bank account. Your bank may offer bill-paying services.

## 5 KEEP IMPORTANT PAPERS such as loan documents; shred or recycle the rest, such as credit card offers and other junk mail.

### KEEP TRACK OF FINANCIAL AID AND LOANS

If you are a college student, organize your financial aid and loan information. Know what you owe and when it's due. Track federal student loans online at [StudentAid.gov](https://studentaid.gov).

# TRACK YOUR EXPENSES

Track your daily spending for a month to find out exactly where your money is going. Your bank or credit union may have online services to help, or you can use a mobile app. Don't forget small purchases—they can really add up! Review your expenses and identify whether the purchases or expenses are a “want” or a “need.” Use this information to build your spending plan. Create a list of your fixed monthly expenses such as rent, insurance, utilities, and food.

### SPENDING LEAKS

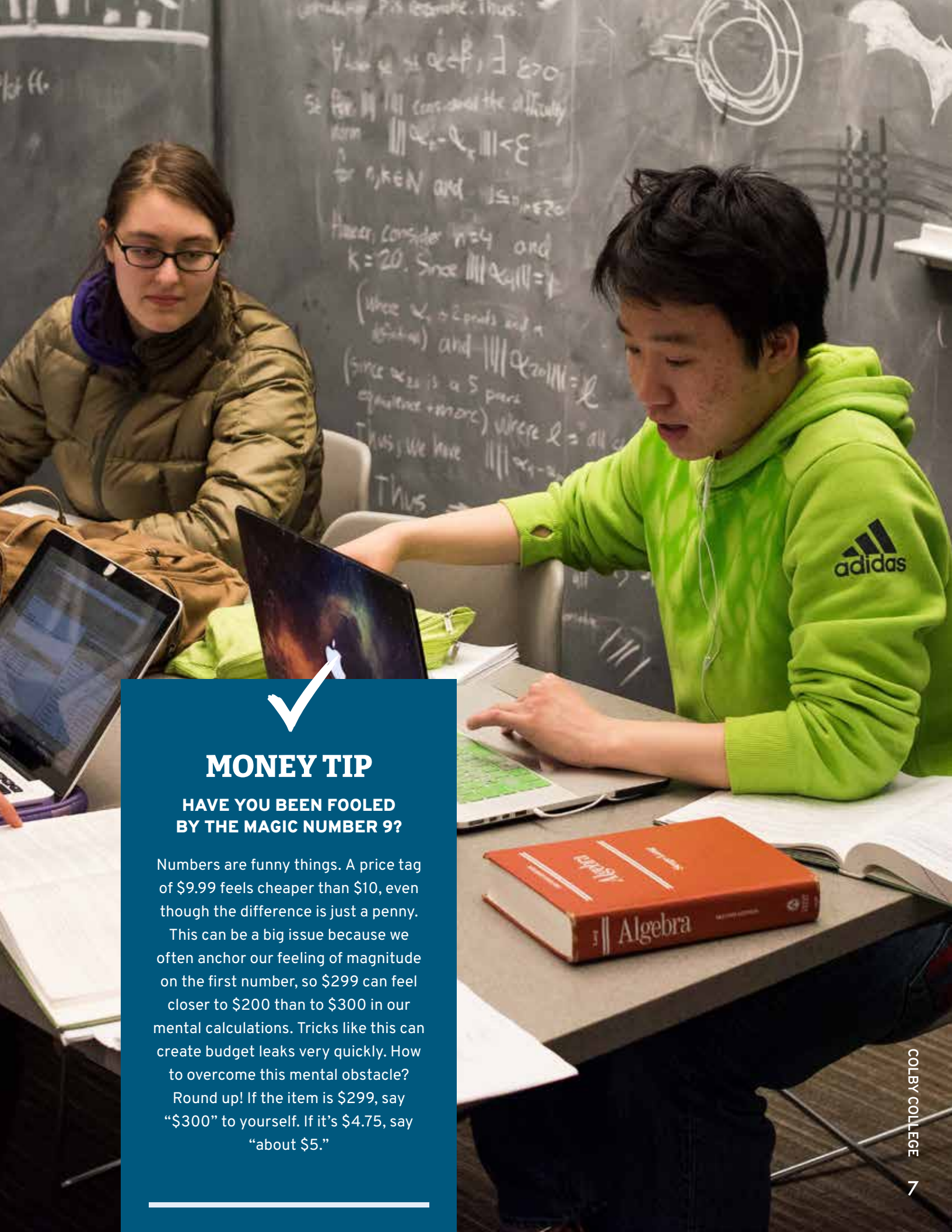
- Daily coffee purchases, lunches out
- Avoidable bank fees (overdrawn account fees, fees for using ATMs through other banks, etc.)
- Impulse buying at the supermarket, convenience store, or clearance rack

### PLUG THOSE LEAKS

- Make your own coffee and lunches at home.
- Stay away from clearance sales or impulse buying.
- Unfollow your favorite stores and unsubscribe from emails that advertise sales.

- Cancel subscriptions to streaming services you aren't using.
- Set a “low balance” alert for your accounts, and beware of the fees associated with overdraft protection. Look for banks or credit unions that offer ATM fee refunds and no-fee checking accounts.

If you eliminate your daily \$3 cup of coffee, make coffee at home, and put the remainder each day in a savings account with a 2% return, you will save over \$10,000 in just ten years!



## MONEY TIP

### HAVE YOU BEEN FOOLED BY THE MAGIC NUMBER 9?

Numbers are funny things. A price tag of \$9.99 feels cheaper than \$10, even though the difference is just a penny.

This can be a big issue because we often anchor our feeling of magnitude on the first number, so \$299 can feel closer to \$200 than to \$300 in our mental calculations. Tricks like this can create budget leaks very quickly. How to overcome this mental obstacle?

Round up! If the item is \$299, say "\$300" to yourself. If it's \$4.75, say "about \$5."



## CREATE A SPENDING PLAN

Now that you have established your goals and tracked your spending, you can begin to create a plan for your money. A spending plan can help you manage your income and expenses but is less rigid than a budget. Give your dollars a purpose by following these steps:

- 1 **DETERMINE** available income and resources.
- 2 **MAKE A LIST** of monthly and annual expenses and then categorize them.
- 3 **IDENTIFY** whether expenses are “wants” or “needs.”
- 4 **COMPARE** income and expenses.
- 5 **CREATE** a spending plan that includes savings.
- 6 **EVALUATE** periodically and make adjustments.



### MONEY TIP

#### ARE YOU TRYING TO KEEP UP WITH THE JONESES?

For some, financial happiness is all about comparisons. It’s not about how much we have that makes us happy, but how much we have in comparison to those around us.

Think about who you compare yourself to and how that affects your spending habits.

# SPENDING PLAN WORKSHEET

## EDUCATION

Tuition and Fees \$ \_\_\_\_\_  
 Course Fees \$ \_\_\_\_\_  
 Books and Supplies \$ \_\_\_\_\_  
 Student Loans \$ \_\_\_\_\_

## HOUSING

Dorm, Rent, Mortgage \$ \_\_\_\_\_  
 Insurance (Renters/Homeowners) and Taxes \$ \_\_\_\_\_  
 Phone/Internet/Cable \$ \_\_\_\_\_  
 Heat \$ \_\_\_\_\_  
 Utilities (Water, Electricity, Sewer, Garbage) \$ \_\_\_\_\_

## FOOD

Groceries \$ \_\_\_\_\_  
 Dining Out \$ \_\_\_\_\_  
 Campus Meal Plan \$ \_\_\_\_\_  
 Beverages \$ \_\_\_\_\_

## TRANSPORTATION

Car Payments \$ \_\_\_\_\_  
 Maintenance \$ \_\_\_\_\_  
 License and Registration Fees \$ \_\_\_\_\_  
 Auto Insurance \$ \_\_\_\_\_  
 Gas \$ \_\_\_\_\_  
 Parking \$ \_\_\_\_\_  
 Other \$ \_\_\_\_\_

## HEALTH

Health Insurance \$ \_\_\_\_\_  
 Gym Membership \$ \_\_\_\_\_  
 Prescriptions \$ \_\_\_\_\_  
 Dental and Eye Care \$ \_\_\_\_\_  
 Co-pays \$ \_\_\_\_\_

## PERSONAL CARE

Toiletries \$ \_\_\_\_\_  
 Hair \$ \_\_\_\_\_  
 Laundry and Dry Cleaning \$ \_\_\_\_\_  
 Clothing, Shoes, Accessories \$ \_\_\_\_\_  
 Other \$ \_\_\_\_\_

## FAMILY

Day Care \$ \_\_\_\_\_  
 Veterinary Care \$ \_\_\_\_\_  
 Other \$ \_\_\_\_\_

## ENTERTAINMENT

Digital Subscriptions (Streaming Services, Newspapers/Audiobooks, Gaming) \$ \_\_\_\_\_  
 Live Events (Concerts, Plays, Movies, Sports) \$ \_\_\_\_\_  
 Admission (Museums, Parks, Cover Charges) \$ \_\_\_\_\_

## OTHER

Retirement \$ \_\_\_\_\_  
 Life Insurance \$ \_\_\_\_\_  
 Credit Card Debt \$ \_\_\_\_\_

**TOTAL MONTHLY INCOME** \$ \_\_\_\_\_  
 (Your monthly income)

**SAVINGS** -\$ \_\_\_\_\_  
 Pay yourself first! (10% of income)

**TOTAL MONTHLY EXPENDITURES** -\$ \_\_\_\_\_  
 (Use this worksheet to help you calculate.)

**ENDING BALANCE** =\$ \_\_\_\_\_  
 (If negative, you will need to adjust your spending.)



## REDUCE YOUR EXPENSES

After you have tracked your expenses and created a spending plan, think carefully about whether there are any expenses you can control. Here are some things to consider:

### MOBILE PHONE, INTERNET, AND TV

Evaluate your phone plan—how much data do you really need? What features are truly necessary in a phone? A streaming service that’s “only” \$6.99/month may seem like a deal, but it’s not when you have several of them! Look at your total annual cost for phone, internet, and TV. Are you getting your money’s worth?

**PERSONAL EXPENSES** Beyond paying for the necessities, how much do you spend on your wants? Are there other ways you can satisfy those wants? Shop at a thrift store for a new outfit, or host a potluck instead of an expensive meal out.

**HOUSING COSTS** Are there ways that you might be able to reduce your rent or mortgage costs? Have you considered a roommate? Are you getting the best deal for renters or homeowners insurance?

**FOOD COSTS** Do you eat out regularly? Pack a lunch or make your own coffee? Buy in bulk when possible, cut coupons, and shop for sale items? There are many apps for your phone with coupons or deals.

**UTILITY COSTS** Are there ways to reduce your electricity, heat, water, or other utilities? Do you turn down your thermostat when you’re not at home? Can you install an automatic thermostat?

**BANKING** Look for financial institutions that offer free checking accounts, and be sure to keep accurate records so that you do not incur overdraft fees. Ask your bank how your checking and/or savings accounts can earn interest.

**CREDIT CARDS** Stick to cards without annual fees. Also, consider an alternative to a standard credit card—a secured credit card. These are accounts based on an up-front cash deposit, which establishes your credit limit. This eliminates the risk of overspending while still providing the convenience of a credit card and the ability to help build or rebuild your credit score. Finally, with credit of any kind, avoid using it for convenience and budgeted expenses, as this can create a “minimum payment” mindset, which in turn can lead to paying interest on interest and increasing debt.

**TRANSPORTATION EXPENSES** Can you carpool or use public transit? Are you getting the best deal on car insurance? Can you ride a bike or walk? One of the biggest financial mistakes/traps for young people is getting into a cycle of car payments for more car than they need. Pay close attention to the new car vs. used car decision. After a house, buying a car(s) is one of the most important financial decisions you’ll make.

## WAYS TO DISCOVER “FOUND” MONEY

Interested in reducing your spending and increasing your income? Check out these tips for increasing the amount of money that you have available each month.

**DECLUTTER YOUR LIFE.** Sell unwanted items at a yard sale or online.

**CONSIDER A SIDE HUSTLE USING YOUR SKILLS AND TALENTS.** Babysitting, dog walking, yard work, photography, and tutoring are great ways to earn extra cash.

**SEARCH FOR UNCLAIMED PROPERTY.** Many Americans have some form of unclaimed property. Examples include checking or savings accounts, insurance policies, or other financial assets. Take steps to claim your unclaimed property at [maine.gov/upsearch](http://maine.gov/upsearch), or to search another state, visit [unclaimed.org](http://unclaimed.org). These services are free—don’t pay anyone to locate unclaimed property.

# MONEY TIPS FOR COLLEGE STUDENTS

- 1 APPLY FOR FINANCIAL AID** on time every year at [StudentAid.gov](https://studentaid.gov).
- 2 CUT LIVING EXPENSES** by living at home and commuting to school or by splitting costs with a roommate. You may also want to consider applying to become a Resident Assistant (RA).
- 3 MEAL PLAN? USE IT.** Every time you purchase a meal at a restaurant or drive-thru, it's like paying for that meal twice!
- 4 IF YOU LIVE ON CAMPUS, LEAVE YOUR CAR AT HOME.** Gas, insurance, car repairs, parking permits, and parking tickets can add up.
- 5 TAKE ADVANTAGE OF STUDENT DISCOUNTS** for computers, travel, or entertainment.
- 6 UNDERSTAND STUDENT HEALTH INSURANCE** requirements and options offered through your school.
- 7 CONTINUE SAVING MONEY,** as even small amounts can help reduce debt.



## MONEY TIP

### WHAT CAUSES THE DESIRE FOR “RETAIL THERAPY”?

Everything we own becomes a part of our sense of identity. This is why “retail therapy” is such a strong temptation for many of us. Be wary! This habit can be hard on your wallet. A better idea? Spend five minutes thinking about the qualities you most admire in yourself.

You may find that you are closer to the ideal you than you thought!

# START SAVING AND INVESTING

It's never too early (or too late) to start saving for future goals such as a house, college, or retirement. Saving each month is important, even if it's just a small amount, and can help you reduce dependency on credit cards and other types of borrowing. Start by saving at least \$500 to \$1,000.

## FOLLOW THESE HELPFUL TIPS:

**OPEN A SAVINGS AND A CHECKING ACCOUNT**, especially if you are responsible for paying regular bills.

**PUT YOUR SAVINGS ON AUTOPILOT**. Set up a direct deposit to a special savings account designated as "savings only," and don't connect it to your checking or debit account. Watch the money grow over time.

### TALK WITH A QUALIFIED EXPERT ABOUT YOUR RETIREMENT PLANS.

Be sure to check with your employer; many companies will match your retirement savings. You may also be able to discuss investment options with your bank or credit union.



Want to learn more about saving for retirement?

Visit: [consumerfinance.gov/consumer-tools/retirement](https://consumerfinance.gov/consumer-tools/retirement)

## SAVING FOR HIGHER EDUCATION

**REDUCE DEBT BY SAVING**. Using savings and investment plans for higher education may help reduce the need to borrow. Families who have college savings are always in a better position when it comes to paying for college. Remember, every dollar available from savings is a dollar that doesn't have to be borrowed and repaid with interest.

**A COVERDELL EDUCATION SAVINGS ACCOUNT (ESA)** is a tax-advantaged investment account designed to encourage education savings. Contributions are limited to \$2,000 per year, per child.

**A SECTION 529 PLAN** is a tax-advantaged investment plan to help students and families prepare for qualified education expenses. To learn more about NextGen 529<sup>®</sup>, Maine's Section 529 plan, visit [NextGenforME.com](https://NextGenforME.com).

**EARLY TRADITIONAL AND ROTH IRA WITHDRAWALS**, before age 59½, are allowed without the 10% early withdrawal penalty if funds are used for qualified education expenses. These withdrawals may still be taxed as ordinary income. See IRS Publication 970 for more information.

# UNDERSTAND TAXES AND INSURANCE

There are a few expenses in life that you simply can't avoid—taxes and insurance top that list. It is important that you understand the basics.

**TAXES** Individuals and most businesses are required to pay a portion of their income to the federal government and to most state and some local governments.

Many factors influence how personal and business income is taxed. Following is a list of resources available to help you get a better handle on the taxation process:

- [IRS.gov/individuals](https://www.irs.gov/individuals)
- [FAME.Enrich.org/topics/taxes](https://www.fame.enrich.org/topics/taxes)
- [Maine.gov/revenue/](https://www.maine.gov/revenue/)

In Maine, the CA\$H Coalition provides free IRS-certified tax preparation for households and individuals who meet certain income requirements. Visit [CashMaine.org](https://www.cashmaine.org) for more information or to locate a CA\$H site near you.

**INSURANCE** serves as a tool to help individuals manage risk in the event of an accident or injury and is a critical component to a sound financial plan. To obtain insurance, you must pay insurance premiums.

In Maine, all drivers are required to carry a minimum amount of car insurance coverage. Many colleges require students to have health insurance and automatically charge for coverage. If you have health insurance (through your parents, for example), be sure to waive the school's option.

There are a number of free resources available to help you learn more:

- [Healthcare.gov](https://www.healthcare.gov)
- [CoverME.gov](https://www.coverme.gov)
- [Maine.gov/pfr/insurance/consumers](https://www.maine.gov/pfr/insurance/consumers)



Did you know that Maine offers a Student Loan Repayment Tax Credit? This refundable tax credit of up to \$2,500 is available to eligible Mainers who live and work in Maine and are repaying student loans. Visit [liveandworkinmaine.com/opportunity-maine/](https://www.liveandworkinmaine.com/opportunity-maine/) to learn more!



# PROTECT YOUR MONEY AND IDENTITY

Identity theft occurs when someone uses your personal information to make purchases, withdraw money, access credit cards, receive tax returns, or secure loans without your approval. Victims of identity theft are often left with debt and credit problems.

## TIPS TO PROTECT YOUR MONEY AND IDENTITY:

**WATCH OUT** for companies that charge to apply for scholarships, help with student loans, or file the FAFSA. Free help is available at [FAMEmaine.com](http://FAMEmaine.com).

**SHRED FINANCIAL DOCUMENTS** before discarding, including credit card offers that you receive in the mail. Take advantage of paperless billing.

**SECURE AND PASSWORD PROTECT** your smartphone and computer. Install antivirus software, don't click on links in unsolicited/unknown email messages, and don't use obvious passwords.

**CONSIDER** placing a security freeze or fraud alert on your credit report. Visit [Consumer.FTC.gov](http://Consumer.FTC.gov) to learn more.

### **AVOID HIGH INTEREST RATES AND FEES.**

While payday loans, rent-to-own, or other financial products may offer cash advances, furniture, or electronics, they usually come at a very high price.

**HOLD YOUR MAIL** at the post office when you're away.

**USE CAUTION** when shopping or banking online and when sharing information on social media.

**MONITOR YOUR FINANCIAL INFORMATION**, including your bank statements and credit report, and act quickly if you suspect identity theft. Memorize your Social Security number for when you need it.

## REVIEW YOUR CREDIT REPORT

Your credit report is a snapshot of your financial life; think of it as your financial report card. You should review your credit report annually to make sure the information is accurate.

### **WHAT IS ON MY CREDIT REPORT?**

- Your name, Social Security number, date of birth, address, and employment history
- Your credit account information, including total amounts owed, length of credit history, whether certain credit is new, and types of credit
- Late payments, bankruptcy, foreclosure, unpaid taxes and, in some states, overdue child support

### **WHAT'S AT STAKE?**

Negative information can impact your ability to borrow money, get a job, and rent or buy a home.

### **WHO MIGHT LOOK AT MY CREDIT REPORT?**

- Potential creditors
- Landlords
- Current or potential employers
- Insurance companies

### **HOW LONG DOES INFORMATION STAY ON MY CREDIT REPORT?**

- Positive information remains indefinitely
- Most negative information remains for seven years
- Some bankruptcies and foreclosures may remain for as long as ten years

## HARD VS. SOFT CREDIT CHECKS

A credit check is considered **"HARD"** when you apply for additional credit, such as loans and credit cards. Those specialty cards they ask you about at the checkout line? That's a hard credit check, and those do have a temporary impact on a score. A **"SOFT"** credit check means that credit information is being reviewed, but additional credit is not being requested. This type of credit check does not impact your score.



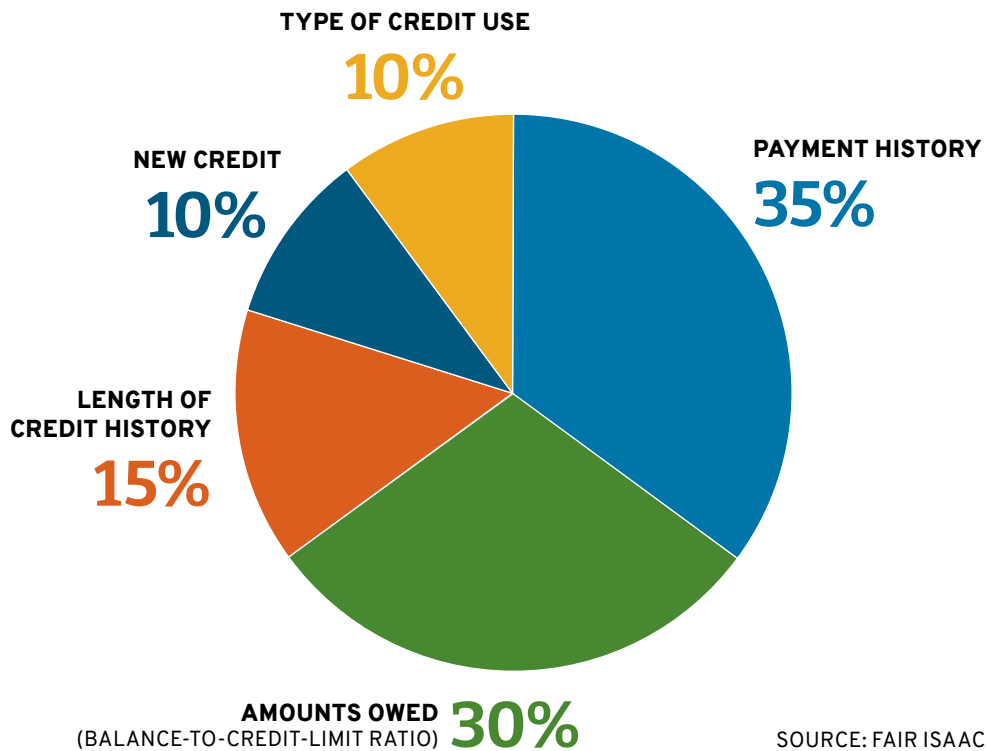
Register for a free Social Security account at [ssa.gov/myaccount](http://ssa.gov/myaccount) (you must be 18). With your free account, you'll not only be able to view your Social Security statement, but you'll also prevent someone else from creating an account in your name and using your Social Security number to gain access to your personal information.

# UNDERSTAND YOUR CREDIT SCORE

If your credit report is your financial report card, think of your credit score as your GPA. Your credit score is calculated based on your past habits and activities. A FICO score, which is the most commonly used score, ranges from 300 to 850 and is used as a measure of your credit-worthiness. A score above 700 usually suggests good credit management.

## HOW IS IT DETERMINED?

Your credit score is based on your past use of credit, such as through loans (auto loans, student loans, mortgages) and credit cards and is calculated based on the following:



## FIVE GOOD HABITS FOR BUILDING AND REPAIRING CREDIT

- 1 Pay your bills on time, every time.
- 2 Don't get too close to your credit limit.
- 3 Pay credit cards in full each month.
- 4 Avoid payday loans and other "fast cash" options.
- 5 Reduce your outstanding debt as much as possible, and fix errors on your credit report. The Consumer Financial Protection Bureau can help: [ConsumerFinance.gov/consumer-tools/credit-reports-and-scores](https://ConsumerFinance.gov/consumer-tools/credit-reports-and-scores).

Review your FREE credit report from each of the three bureaus annually at [annualcreditreport.com](https://annualcreditreport.com).



## TAKE CONTROL OF YOUR DEBT

While some level of debt may be necessary, such as borrowing for a home or for higher education, borrowing for things like vacations and meals leaves you with debt and little reward. You should only borrow what you can reasonably afford to repay. If something takes longer to pay for than it lasts, don't borrow money to buy it.

**WATCH OUT FOR THE MINIMUM PAYMENT TRAP**, as it could take years to pay off your credit card balance, and you'll end up spending a lot more than the original amount you charged.

**ONLY SPEND ON YOUR CREDIT CARD WHAT YOU CAN PAY OFF AT THE END OF THE MONTH.** Don't fool yourself into thinking you will pay it off next month.

**SHOP WISELY TO ENSURE YOU GET THE BEST DEAL** when purchasing a vehicle, home, or when financing any major purchase.

**TAKE A FEW DAYS TO THINK ABOUT A PURCHASE** before you follow through with it. This will give you time to decide if you really need the item.

**PAY OFF YOUR HIGHER-INTEREST-RATE LOANS AND CREDIT CARDS FIRST** to reduce the total amount of interest you pay over time. Then pay off debt with lower interest rates.

**CONSIDER "SNOWBALLING" YOUR PAYMENTS.** Once you pay off one debt, use the money you had budgeted for that payment to pay off another. This can be a satisfying way to pay down debt.

**GET HELP IF YOU NEED IT.** Reach out to a reputable debt counseling agency or talk to your bank or credit union.

**REVIEW YOUR CREDIT CARD STATEMENT** to see how much you are paying in interest and fees. Try to pay off your balance monthly to reduce your interest. Keep the money yourself!

# STUDENT LOAN TIPS FOR STUDENTS

**APPLY FOR FINANCIAL AID** such as grants, scholarships and work-study before you take out student loans by filing the FAFSA (Free Application for Federal Student Aid).

**RESEARCH YOUR FUTURE SALARY** before you borrow. We recommend that student loan payments be no more than 8-10% of your gross earnings. Limit your total debt to the amount you can expect to earn in your first year of employment. Visit [CareerOneStop.org](https://www.careeronestop.org) to calculate your future salary.

**RETURN LOAN FUNDS** if you borrowed more than you need in a semester or year. Talk to your financial aid office about the process for returning loan funds.

**CONSIDER FEDERAL STUDENT LOANS FIRST**, as the repayment and forgiveness terms are more flexible than with private student loans.

For more information about managing student loans, visit [FAMEmaine.com](https://www.fameinmaine.com) or [StudentAid.gov](https://www.studentaid.gov).



Visit [TheLoanforME.com](https://www.theloanforme.com) to become a more informed borrower and for more information about some Maine private loan options.



## MONEY TIP

### DETERMINE WHAT YOU CAN AFFORD

Determine how much you can afford to borrow and how much you can realistically repay. Use FAME's salary/student loan calculator:

[FAMEmaine.com/calculators](https://www.fameinmaine.com/calculators)



# MANAGE YOUR STUDENT LOANS

## 1 LOCATE your student loans.

- a. Locate your federal student loans by logging in to [StudentAid.gov](https://studentaid.gov) with your FSA ID (the username and password you used to file the FAFSA).
- b. Private loans? Request a copy of your free credit report at [AnnualCreditReport.com](https://annualcreditreport.com).

## 2 UNDERSTAND federal student loan repayment.

- a. Multiple repayment plans exist. Research options and estimate your monthly payment at [StudentAid.gov/loan-simulator/](https://studentaid.gov/loan-simulator/).
- b. FAME has partnered with ECMC to help borrowers manage loan repayment. For assistance, contact one of their loan counselors at: [ECMCsolutions.org](https://ecmc-solutions.org).
- c. Explore federal student loan consolidation. If you have multiple federal student loans, you may be able to combine them into one loan. Learn more: [StudentAid.gov/manage-loans/consolidation](https://studentaid.gov/manage-loans/consolidation)  
If you have loans that are delinquent or in default, visit [FAMEmaine.com/ManageStudentLoans](https://fameinmaine.com/ManageStudentLoans) for more information about resolving.

## 3 INVESTIGATE assistance for repaying federal student loans.

- a. Forgiveness programs:
  - Under the Public Service Loan Forgiveness Program, forgiveness may be available if you are employed by a government or not-for-profit organization: [StudentAid.gov/manage-loans/forgiveness-cancellation/public-service](https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service)
  - To learn more about other forgiveness programs, visit: [StudentAid.gov/manage-loans/forgiveness-cancellation](https://studentaid.gov/manage-loans/forgiveness-cancellation)
- b. The federal student loan interest deduction may let you deduct up to \$2,500 from your taxable income if you paid interest on student loans. For details, including eligibility, see: [IRS.gov/pub/irs-pdf/p970.pdf](https://irs.gov/pub/irs-pdf/p970.pdf)

## 4 LEARN MORE about Maine-based assistance for federal and private student loans.

- a. The Student Loan Repayment Tax Credit (also referred to as Opportunity Maine) provides a credit that can be claimed on the Maine state income tax return. Learn more about eligibility: [LiveandWorkinMaine.com/opportunity-maine](https://liveandworkinmaine.com/opportunity-maine)
- b. The Alford Leaders Student Debt Reduction Program provides student loan repayment assistance to people who live and work in Maine in a STEM-designated occupation at a Maine-based employer. You can learn more here: [AlfondLeaders.org](https://alfondleaders.org)
- c. Employer programs—some employers offer student loan repayment as a recruiting tool or an employee benefit. Check with your Human Resources office.

## 5 RESEARCH student loan refinancing. Learn more and determine if it is right for you at: [FAMEmaine.com/refi](https://fameinmaine.com/refi)

For more information: [FAMEmaine.com/ManageStudentLoans](https://fameinmaine.com/ManageStudentLoans)

# ADDITIONAL RESOURCES

## ONLINE FINANCIAL WELLNESS

Powered by iGrad® and Enrich®, FAME offers free online financial wellness tools to support Maine people during high school, college, and beyond.

### HOW TO GET STARTED:

- Visit [FAME.iGrad.com](https://www.fameigrad.com) (or [FAME.Enrich.org](https://www.fameenrich.org) if you've finished college) to sign up for a free account.
- Complete your financial wellness checkup.
- Browse recommended videos, articles, infographics and more.
- Complete a financial wellness course. Topics include smart borrowing, budgeting, investing and credit scores.

**FAME** can help you save for college, learn about financial aid, and manage your student loans. You'll also find financial wellness activities for kids. Visit [FAMEmaine.com](https://www.famemaine.com).

**CLAIM YOUR FUTURE®** FAME's online game helps students explore education after high school: [ClaimYourFuture.org](https://www.claimyourfuture.org)

### HIGHER EDUCATION TAX BENEFITS

- [IRS.gov/individuals/students](https://www.irs.gov/individuals/students)
- [LiveandWorkinMaine.com/opportunity-maine](https://www.liveandworkinmaine.com/opportunity-maine)

### CREDIT BUREAUS AND REPORTS

- [AnnualCreditReport.com](https://www.annualcreditreport.com)
- [Equifax.com](https://www.equifax.com)
- [Experian.com](https://www.experian.com)
- [myFICO.com](https://www.myfico.com)
- [TransUnion.com](https://www.transunion.com)

### SAVINGS

- [AmericaSaves.org](https://www.americasaves.org)
- [CollegeSavings.org](https://www.collegesavings.org)
- [MilitarySaves.org](https://www.militarysaves.org)
- [NextGenforME.com](https://www.nextgenforME.com)
- [SavingforCollege.com](https://www.savingforcollege.com)

### FINANCIAL EDUCATION AND MONEY MANAGEMENT

- [360FinancialLiteracy.org](https://www.360financialliteracy.org)
- [ABA.com](https://www.aba.com)
- [Bankrate.com](https://www.bankrate.com)
- [CashMaine.org](https://www.cashmaine.org)
- [ConsumerFinance.gov](https://www.consumerfinance.gov)
- [FTC.gov](https://www.ftc.gov)
- [MEJumpStart.org](https://www.mejumpstart.org)
- [Mint.com](https://www.mint.com)
- [MyMoney.gov](https://www.mymoney.gov)
- [NEFE.org](https://www.nefe.org)
- [PracticalMoneySkills.com](https://www.practicalmoneyskills.com)

## Take Advantage of Grants for Maine Residents.<sup>1</sup>

Get \$100

### Open a NextGen 529<sup>®</sup> Account

Add just \$25 and get the \$100 Initial Matching Grant.

### Make it Automatic

Set up and make six consecutive automatic contributions from your payroll or bank account and get a \$100 Automated Funding Grant.

Get \$100

Get \$300

### Add to Your Account

Make contributions and get a 30% NextStep Matching Grant up to a \$300 match per year.

## It's not too late to start saving!

Even small amounts saved now can help reduce student loan debt. Every dollar in a NextGen 529 account is a dollar that doesn't have to be borrowed and repaid with interest.

Start today at [NextGenforME.com](https://www.NextGenforME.com)

<sup>1</sup> Grants for Maine residents are linked to eligible Maine accounts. Upon withdrawal, grants are paid only to institutions of higher education. See Terms and Conditions of Maine Grant Programs for details about eligibility and other conditions and restrictions that apply at [NextGenforME.com](https://www.NextGenforME.com). Grants may lose value.

May-2023



## Open a NextGen 529<sup>®</sup> account today

Start saving for higher education. Visit [NextGenForME.com](https://www.NextGenForME.com)



Amaryn and Sophia, Augusta and Vassalboro

*NextGen 529 is a Section 529 plan administered by the Finance Authority of Maine (FAME). You may obtain the NextGen 529 Program Description by requesting a copy from your financial professional, visiting [NextGenforME.com](https://www.NextGenforME.com) or calling the program manager at 1-833-336-4529. The Program Description should be read carefully before investing.*

*The Program Description contains more complete information, including investment objectives, charges, expenses and risks of investing in NextGen 529, which you should carefully consider before investing. If you are not a Maine resident, you also should consider whether your or your designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan.*

*NextGen 529 accounts are not bank deposits and are not insured by the Federal Deposit Insurance Corporation (FDIC). Returns on investments in NextGen 529 accounts are not guaranteed or insured by the State of Maine, FAME or any NextGen 529 service providers. NextGen 529 participants assume all investment risk of an investment in NextGen 529, including the potential loss of principal and liability for tax penalties that are assessable in connection with certain types of withdrawals of amounts invested in NextGen 529.*

*Vestwell State Savings, LLC is the program manager, The Bank of New York Mellon is the program custodian, BlackRock Advisors, LLC is the program investment manager, and BlackRock Investments, LLC, Member FINRA, is the program distributor and underwriter.*



© 2023 Finance Authority of Maine. All rights reserved.

USRRM40523US-2908333-1/1



FAMEmaine.com



## THANKS TO THE CONTRIBUTING EDITOR

**FAME** would like to thank content contributor Sarah Newcomb. Sarah is an author, behavioral economist, and national speaker whose work is focused on the psychological barriers to sound financial management. She received her PhD in behavioral economics from the University of Maine.

### **Finance Authority of Maine**

**Mailing:** PO Box 949  
Augusta, Maine 04332-0949

**Physical:** 5 Community Drive  
Augusta, Maine 04330

1-800-228-3734

TTY: 207-626-2717

The Finance Authority of Maine (FAME) does not discriminate in the administration of any of its programs or in its employment practices on the basis of race, color, national origin, age, gender, religion, physical or mental disability, political affiliation, marital status or sexual orientation. FAME is an equal opportunity employer, provider and lender.

FAME provides links to other websites as a convenience and does not endorse or guarantee the content, accuracy or usability of such sites.

© 2024 Finance Authority of Maine.

All rights reserved. BLD-2024

**FAMEmaine.com**