



# Your Bottom Line

Your go-to resource for timely information about personal finance, college planning and student loan management

May 2020

## WHAT'S INSIDE

### Page 2

- Mother's Best Money Advice
- UCanGo2: College Planning Checklists

### Page 3

- Q&A: Oklahoma's Promise

### Page 4

- Cash v. Debit v. Credit

## Finding Money to Save on a Tight Budget

Finding money to save can be difficult while living paycheck-to-paycheck. Even if you make enough to pay your bills on time each month, there may not be much wiggle room for emergencies and other unexpected expenses. Finding an extra \$200 could get most people off to a good start to save, but we all know money doesn't just fall out of the sky. So how do you start saving money when you feel that you don't have money to save? Below are a few strategies that may help.

**Scrutinize Spending:** You may think you don't have any extra money in your budget, but it's important to start with your spending. Start by looking over the last three months of expenses and highlight trends in your budget. You may find your daily routines are coming in at high costs. That daily cup of takeout coffee may be costing you more per month than you think. That isn't to say you have to completely nix your caffeine fix – buying and making your own

coffee at home can save you quite a bit. [Oklahoma Money Matters](#) has a variety of free budgeting materials including an [interactive budgeting tool](#) to help get you started.

**Cancel It:** After looking through your expenses and creating a budget, figure out if there are any expenses you can drop. Do you really need those premium cable channels? How many streaming services do you actually use? Can you lower the data plan on your phone service? Canceling unnecessary services may help you get your savings back on track. Always remember to ask about any cancellation fees or penalties for early termination.

**Gig To It:** The Federal Reserve reported in 2018 that the most common reason people perform informal, infrequent paid jobs - or "gig work" - is for extra income. Think about talents or skills that you have that can bring in extra

Cont. on page 2

income. If you have time and talent to create homemade items, such as paintings or crafts, consider selling them online or at local craft shows. Advertise services on social media for baby-sitting or house cleaning. Whatever you're good at and have time to do could earn you the extra dollars you need to amp up savings.

**Do It Yourself:** Do you have a green thumb? Know how to sew? The trade-off for doing some of these "old school" tasks may be spending more time, but it can save you more money. The cost for a needle and thread is a lot less than paying for alterations or garment repair. Seeds and vegetable plants can save you money on supermarket produce, which can be marked up 75%! Don't be afraid to ask your friends and family if they have the knowledge to help; they might even be willing to do it for free. Do you have gift cards lying around that you haven't used? You may be able to sell them to make a few extra bucks, as well.

Taking the time to analyze your spending habits can help you find the money you need to start saving. Be sure to follow Oklahoma Money Matters on [Facebook](#) and [Twitter](#) for frequent personal finance tips. Also, visit [OklahomaMoneyMatters.org](#) for a variety of free publications, learning modules and other helpful resources.

**In honor of Mother's Day, we asked OCAP staff to tell us the best money advice their mothers' gave them.**

**My mom told me to always have my own bank account. At least one. Single or married, I have done that and am thankful for the advice. – Sarah S.**

**My mom raised me by herself. She filed for bankruptcy when I was in high school. She used the experience of rebuilding her credit to teach me the importance of using credit wisely and always paying cash if you can. – Sara L.**

**Pay God first (10%), pay yourself (even if it's only \$50), then pay your bills. Put God first and he'll bless the rest. Given to me by my mom, and it always works. – Sheniqia H.**

**My mom would say, "Why do you need a new one? This one's already paid for!" - Letha H.**



## College Planning Checklists

UCanGo2, the college access initiative of the [Oklahoma College Assistance Program](#), offers dozens of print and online publications to help students and parents plan, prepare and pay for college.

Some of the most popular publications offered are the college planning checklists. Developed for grades 6-12 and college freshmen, each checklist provides helpful tips for students, parents and educators. Each checklist focuses on a student's current grade level and emphasizes steps that should be taken during the year to prepare them for college.

While there are many steps involved in planning and preparing for college, the process doesn't have to be overwhelming. As students review these checklists throughout middle school and high school, they'll begin to mark off important tasks as they're completed, helping them realize college is indeed within their reach.

As students progress through high school, more emphasis is placed on exploring financial aid and scholarship opportunities. Check out the college planning checklists for each grade below.

- [6th Grade Checklist](#)
- [7th Grade Checklist](#)
- [8th Grade Checklist](#)
- [9th Grade Checklist](#)
- [10th Grade Checklist](#)
- [11th Grade Checklist](#)
- [12th Grade Checklist](#)
- [College Freshman Checklist](#)

For these and other college planning publications and info, visit [UCanGo2.org](#).



# Oklahoma's Promise

*Carol Alexander, Dir. of Scholarship and Grant Administration*  
**Oklahoma State Regents for Higher Education**

Carol Alexander is the Director of Scholarship and Grant Administration for the Oklahoma State Regents for Higher Education. In this month's Q&A, Alexander answers questions about Oklahoma's Promise.

## *What is Oklahoma's Promise?*

Oklahoma's Promise is a scholarship program for Oklahoma residents that pays tuition at public Oklahoma colleges and universities, as well as Oklahoma CareerTech programs, and a portion of tuition at accredited private colleges and universities in the state. The program is funded by state taxpayers.

## *Who's eligible to apply for the scholarship and when should they apply?*

Oklahoma students in the 8th, 9th, or 10th grade whose family Adjusted Gross Income (AGI) is under \$55,000 are eligible to apply for Oklahoma's Promise (homeschool students must be ages 13, 14 or 15). Special income provisions may apply to: children adopted from certain court-ordered custody; children in the custody of court-appointed legal guardians; families receiving Social Security death or disability benefits.

## *What documents are needed to submit the application?*

The program requires a copy of the parents' most recent federal returns (pages 1 and 2 of the 1040 form). Additional documentation may be required.

## *How will students know if they've received the award?*

We send out correspondence to the student via email or regular mail to confirm enrollment in the program. We also try to correspond with them by text and email several times during high school to remind them of the requirements of the program. After graduation, the high school submits final paperwork and transcripts to our office and once this is reviewed, we mail a letter informing the student whether or not they've met the high school requirements to receive the scholarship. This correspondence occurs the summer after high school graduation.

## *How do colleges know a student has received the scholarship?*

We have an online eligibility list that institutions access to confirm eligible students. Students are also encouraged to notify their financial aid office that they are Oklahoma's Promise students upon enrollment.

## *What are the requirements to keep Oklahoma's Promise while in college?*

Students must meet the yearly second income check (AGI not exceeding \$100,000) and maintain Satisfactory Academic Progress (SAP) according to their school's policy.

## *Can you explain the income updates to the program?*

In 2017, the Oklahoma Legislature raised the application income limit from \$50,000 to \$55,000 which began

in the 2017-18 application year. The legislation also set another increase in the income limit to \$60,000 beginning with the 2021-22 application year. Beginning with the 2018-19 academic year, all OKPromise students became subject to the \$100,000 second income limit each year of college. In addition, students graduating high school in 2018 and thereafter may not receive total award payments for more than 129 semester credit hours during their five years of scholarship eligibility, unless their degree program requires more hours.

## *Are students required to submit a FAFSA for Oklahoma's Promise?*

Yes, we utilize the FAFSA information to check the \$100,000 second income limit each year. Failure to submit a FAFSA will delay the student's award.

## *Who should students contact if they have questions about Oklahoma's Promise?*

If students have questions about award disbursements, they may contact their financial aid office. For any other questions/concerns, they may contact our office by email: [okpromise@osrhe.edu](mailto:okpromise@osrhe.edu); or by phone: (405) 225-9152 or (800) 858-1840. We also have a very useful FAQ page on our website: [www.okpromise.org](http://www.okpromise.org).





## Cash v. Credit v. Debit

Everything costs something. The cost of items listed as free is often built into the price of something else. If you don't think about which method you'll use to pay for purchases as you shop, consider the following pros and cons of using cash, debit or credit.

### - Cash

Although you may not have to carry quarters around for an emergency pay phone call anymore, cash is still king. Some retailers still only accept cash to avoid paying 1-3% fees on all credit card purchases.

Cash can make it easier to stick to your budget by either using the envelope system or just keeping track of what's gone from your wallet. If you withdraw \$200 from each paycheck for discretionary spending, when that money is gone, you know your spending is done until your next pay cycle.

Using cash can also save you from getting into debt. According to the Consumer Financial Protection Bureau, the average American has more than \$5,700 in credit card debt. A "cash only" policy can help you avoid large amounts of credit card debt.

### - Debit

Using a debit card is a popular option for everyday spending. A debit card is tied to your checking account, so you can't spend more than the funds in your account. Using a debit card can be a great balance between cash and credit.

If you've struggled to pay your bills on time, setting up automatic payments using your debit card is a good way to manage recurring expenses.

### - Credit

Credit cards offer both extreme positives and debilitating negatives. Credit cards provide excellent protection against fraudulent charges. You don't have to worry about losing cash or fighting unapproved debit card charges.

Using credit cards can also be a great way to help raise your credit score. If you're careful and pay your balance off each month, the combination of multiple on-time payments and low credit utilization affect 65% of your credit score.

The biggest risk of using credit cards is the high potential for debt. If you continually make purchases that you can't pay off, you can get yourself deeply in debt.

Regardless of how you choose to pay for your purchases, it's important to make informed, deliberate financial decisions. For more information about the envelope system, saving and banking, budgeting and other personal finance resources, visit [OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org).



The Oklahoma College Assistance Program, an operating division of the Oklahoma State Regents for Higher Education, provides college access and financial aid awareness, financial literacy and student loan management programs and services that benefit students, parents, schools and community partners.



[OKhigher.org](http://OKhigher.org)