College is expensive, and many students turn to long-term loans to pay their way through one or more years of higher education. In the fall of 2011, the Financial Aid Office at MU required students to make appointments with financial counselors in the Office for Financial Success in order to pursue long-term university loans and private loans given by the university after federal loans have been exhausted. Prior to the meeting, students must fill out budgets to be reviewed. “We offer suggestions and ask if they have considered options for decreasing expenditures or increasing income,” explains Thomas Duffany, financial counselor and president of the Office for Financial Success student organization. “Many students have never budgeted at all so we discuss some techniques that can make budgeting easier and help them avoid or minimize taking out these loans in the future.”

Duffany advises students to make goals and designate funds for a specific purpose, such as rent or books, so that it doesn’t become “the same” as any other money in their bank accounts and gets spent unwisely. Also, “knowing what you expect your income to be, what percentage of your future income you want to limit your loan payments to, knowing that you want to buy a house, etc., can all guide decisions on how much to take out and if purchases now are really worth it,” he says. “Also, as unpleasant as it may be, consider contingency plans in case things don’t go exactly as planned – basically it comes down to thinking about the future, not just the present.”

DIVISIONS