



ALASKA'S SOURCE FOR COLLEGE & CAREER FUNDING & EDUCATIONAL PLANNING RESOURCES

Borrowing the Right Amount

Investing in your education by borrowing loans can be a sound investment, when it helps you get a degree and positively impacts your quality of life, and earning potential, for decades! However, it is also a very real financial obligation you need to repay. Make sure you only borrow what you need!

Complete the FAFSA

FAFSA (Free Application for Federal Student Aid) is the application students need to complete to gain access to funding from the Federal Student Aid (FSA). Overseen by the US Department of Education - FSA provides more than \$120 BILLION in student financial aid annually. The FAFSA is an essential step for students to determine how much financial aid they can receive towards their educational expenses.

By submitting the FAFSA, students gain access to:

- Federal & State Grants
- Federal Work Study
- State & Institutional Scholarships
- Education Loans (Federal & State)

How much do you need?

Estimate your total cost of attendance at each college you're considering. This should include tuition, fees, housing, food, transportation, and other personal expenses.

Then, add up the (gift aid) grants, scholarships, and tuition waivers or discounts offered at each institution you're considering attending. Reduce your original cost estimate by the amount of non-loan aid to create your budget for each school. This will let you know how much you would need to borrow.

What can you afford in the future?

Find current salaries and job prospects for your intended career. Your monthly student loan payments should not exceed 8 - 10% of your monthly salary. Keep in mind that starting salaries can be quite a bit lower than mid-career earnings and plan accordingly.

For more in-depth information about salary, in-demand jobs, and much more visit akcis.org.

Borrow wisely

When you are considering an education loan, start with the lowest rates available. Typically these rates are offered by the Federal government and State education lenders, like ACPE. Through education loan solutions, like ACPE's, students can save over \$13,000 over the life of their education loan repayment.

acpe.alaska.gov/managing-your-finances