

Office for Financial Success – Financial Tip of the Week
A service of the Personal Financial Planning Department
College of Human Environmental Sciences
University of Missouri-Columbia
(07/31/2009)

Reaching the Summit

I survived the 11 day trek at Philmont with my son Jimmy and even managed to climb [Mount Baldy](#). It rained on us 10 of the 11 days, as is typical for the monsoon season in the mountains of New Mexico. A couple of us had a short bout with a stomach issue, one scout had the worst case of blisters I've ever seen, I had to buy brand new boots the very day of our departure on the trail (another story), and I lost 10 pounds over the 14 days I was gone. It was great!

Why do I mention this? One reason is the what is learned during a 11 day trek. It is not about getting to the day's destination first or the fastest. It is about reaching the day's goal as a crew, while working to provide for each others' basic needs of shelter and food in a safe environment. (Yes, we saw bears and signs of mountain lions. Our sister crew came across a five foot diamond-back rattlesnake. With proper behavior, however, the biggest threats to life are lightning, exhaustion, and dehydration.) In the process, leadership is developed, boys and a few girls (in Venture clubs) evolve ever closer to being men and women, and everyone overcomes challenges - personality clashes, personal physical limits, or an ego that can't let go fast enough. One lesson rings true: "Slow and steady wins the race".

Most of the readers of the Financial Tip are college and high school students and it is the time of year that student are beginning a "trek" into the wilderness of another school year. Being successful in this trek requires financial resources, particularly for college students. Remember that tuition, while expensive, is providing an investment in the student that has an [average financial return much greater than most investments](#) in the market. (Of course, the one in whom the investment is being made must work hard to assure that the investment is blue-chip and not simply a parental paid expenditure allowing a four year (or five or six year) membership to Country-Club U!) So, what are the sources we can use to pay for college?

Personal Savings – If one has had the foresight to save for college expenses, use it. We won't go into the preferred ways to save for college in this "Tip" but it is sufficient to say that the return on liquid accounts in today's markets is much less than the expected return on a quality education; whether it be college or a technical school.

Work – Make sure you fill out a Free Application for Federal Student Aid (FAFSA) form. You might be eligible for work-study programs at your school or, perhaps, a subsidized student loan that does not accrue interest, until you are no longer in school. Besides, the FAFSA form has gotten much easier to complete and I am shocked by the number of eligible students that don't bother to contact their financial aid office to complete the task.

If you don't qualify for work-study, look for off-campus employment. While working at a job that supports your academic interests is great, sometimes a job in sales, waiting tables, or providing child-care for a family can provide higher earnings. I recently talked with a talented student who made over \$60,000 in one summer selling knives! (This is not typical. It is, however, clearly possible.)

Loans – First, of course, if you qualify for a subsidized student loan, exhaust it as a resource. Then, if you need additional money, look to private lenders. Be certain to understand the expected salary you will be able to earn with your degree, prior to borrowing a lot of money. I’ve seen too many MIZZOU journalism students that have borrowed their entire four year degree and they all can’t be the next Joe Kernen (CNBC’s Squawk Box) or [Walter Cronkite](#). (I provide a link, as our younger readers likely don’t know who Mr. Cronkite is and what he meant to the American public. He is recently deceased and represents journalism from time when news was reported and not made, as it is by much of the media.)

Ask – Talk to your school and see what they can do to help you. If your parents have recently lost their job, gotten divorced, or experienced any change in their economic situation, do not be too proud to ask for help. This is particularly true for better students or the most promising students. The worst that can happen is that they will say “No” and you’ll be right back to where you are now – except that you have tried and you have learned.

The bottom line is that your “summit” is graduation and you must employ the resources you have in support of that goal. You’ve a crew to help you - your family, friends, and other institutions - or you’re on the trail alone. Regardless of your circumstance, do not be dissuaded from taking the next step on the trail, as each step takes you closer to “financial success”.

“Many people think they could do much better if they only had the opportunity that they don’t realize they already have.” – Waite Phillips

- Robert O. Weagley, Ph.D., CFP(r)
Chair, Personal Financial Planning
University of Missouri
Columbia, MO 65211

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- E-MAIL: financialsuccess@missouri.edu