



## Money Saved Now is Money Saved Later

### By Nick Paganelli

College isn't just the next level of your education; it becomes your life. You may not have been friendly with everyone in your high school, which makes sense, but now you will live with your classmates. Your personal address and school address will become the same. We are not at an inexpensive school, regardless of how much merit scholarships are helping you out. And I'll be honest in saying that housing, in particular, is pricey. At Loyola you must live on campus for your first year so here's how to make the most of it.

### LIVING ON CAMPUS

The cost that we pay for housing here isn't just for a living space and a bed. To change your perspective on this cost, you have to look at what else is gained by living on campus. First, you have the greatest opportunity to meet new people than you might ever have had before. College is a unique experience because it is one of the only times in your life where you are constantly surrounded by people your age. Living on campus also makes everything more accessible, often within just a 10-minute walk. Loyola also hosts so many events on campus that help first-years have an unforgettable experience here—it's no wonder they want you to live on campus. You'll be able to join any [club](#) you can think of and maybe happen to live in the same building as someone you meet at it. Finding new friends is one of the most important parts of college, so living on campus is a great starting off point.

### A POTENTIAL WAY TO SAVE

Any faculty member here would agree that college is a transformative experience, hopefully making you a more complete person by the time you graduate. In my opinion, financial literacy, although not required by the university, is essential in preparing you for the working world. At first it may seem ideal just to pay a large sum of money for a large package deal of education, meals, housing and so on. But a financially literate person understands there is money to save here. This is why many people choose to find off-campus housing as upper-classmen. It is often much cheaper and bridges the gap between college and the real world.



### TIME IS MONEY

So why should you put so much energy into finding where you can save during your time at Loyola? Well, most students attending college in

general take out loans to cover the expenses that they don't have the money for yet. This means paying interest on the money you take out until you repay the bank. A rate of 6% annually is common, which adds up quickly, especially for college students on starter salaries. So what does this have to do with trying to save money while you are at school? Essentially, the less your education costs the less you need to borrow for it. If you have the money now, spend it, instead of borrowing more than you need. It may seem counterintuitive because it sounds like exactly the opposite of saving, but we have to think long term. For example, If you were to save \$3000 in housing by moving off campus for junior and senior year, allowing you to take out \$114,000 instead of \$120,000, you would thank yourself later. Assuming the 6% interest rate and paying this back over 20 years, you not only are saving \$6000 up front, but another \$4000 in interest. It's important to understand how the effects of interest might impact you. Money saved now is money saved later.



## A PROFESSIONAL OPINION

Dr. JP Krahel, Accounting Professor in the Sellinger Business School, makes a compelling argument for this on a smaller scale. Every day we make purchases that seem small now, but are not contributing to paying back student loan debt. Dr Krahel poses the question: "If you can just barely justify spending, say, \$50 of 6% student loan money on a concert ticket in your freshman year, is it worth the \$63 that debt will become by the time you graduate, or the \$70 it'll become two years out?" This puts into perspective what spending now can do to your finances when you have taken out loans. Making intelligent financial choices doesn't mean that you can't have fun. Financial literacy does not mean living as cheaply as possible either. It is deciding where you need to save so you can have a higher budget for activities that make the college experience more worth it.



## LESS WORRYING, MORE DOING

If it feels like you are dealing with a lot right now, it's because you are, and there's nothing wrong with that. I felt the most apprehensive leading up to my first week here. I couldn't move in yet, I was leaving home, I hadn't met anyone here. Thinking about going somewhere else was worse than actually moving in. You will find people faster than you think and a couple weeks after you move in life here becomes very normal. Best of luck during your first year at Loyola!