PHOENIX – (Oct. 18, 2016) – Despite near-constant warnings about the student loan crisis, debt continues to rise. On average, 2016 graduates carried more than $37,000 in debt – up six percent from 2015 – and the upward trend shows no signs of flattening.

“Many students feel they have no other choice but to borrow money for college,” said Sarah Hamilton, student loan supervisor for Take Charge America, national nonprofit credit counseling and debt management agency. “But, there are plenty of options for getting through college with minimal debt. The trick is a responsible, eyes-wide-open approach to student loans.”

Hamilton offers five tips for funding college:

1. **Find “free” money:** College-bound students should start looking for scholarships during their junior year of high school. Beyond institutional scholarships offered by universities, students can scour sites like studentscholarshipsearch.com and collegescholarship.org.

   Then, students should complete the Free Application for Federal Student Aid form every year they attend college for additional help finding loans, grants and work-study funds.

2. **Pick the best loan:** Students should ensure they understand contract terms, interest rates and repayment schedules before signing on the dotted line. In general, federal loans are a better choice than private loans for several reasons:
   a. Interest rates on federal loans are fixed, while private loans’ are variable. A private loan rate may be lower at first, but it may jump up without warning, offering no protection from high interest rates over the long-term and no predictability in payment schedules.
   b. Rates on federal loans have dropped in recent months, making them an even better option.
   c. Repayment terms on federal loans are usually better. For example, borrowers may defer payments while in school or unemployed, while some private loans require students to make payments immediately.

3. **Do the math:** Students must realistically consider the earning potential in their chosen field of study along with the amount of debt they could accrue to pay for their education. They can use an online calculator to get a sense of how long it will take to pay off loans, aiming for 10 years or less. Loan payments exceeding 15 percent of the student’s post-college monthly income may become financially burdensome.

4. **Consider community college:** Students can supplement their university coursework with community college classes to fulfill degree requirements at a lower tuition cost. They should be
sure to review their state’s articulation agreements to ensure their community college coursework will transfer to their four-year college.

5. **Live like a starving college student:** Students of generations past lived lean during college, but that trend has gone by the wayside. Today’s students can take a page from their grandparents’ playbook by mitigating expenses with a part-time job, cooking meals at home, and forgoing a car in favor of public transportation. This will help them keep loans to a minimum.

For more tips and information on student loans and other financial resources, visit [Take Charge America](https://www.takechargeamerica.org).

**About Take Charge America, Inc.**

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. To learn more, visit [www.takechargeamerica.org](http://www.takechargeamerica.org) or call (888) 822-9193.

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