

### ***Questions to ask yourself before taking on student loan debt***

Many families are not in a financial position to pay for their child's education and living expenses up front. In order for these families to send their students to college, they may have to utilize student loans. Student loans were created to allow students access to higher education now, with a promise to repay later. [This is a GOOD thing, especially when you consider the long term benefits of a college degree.](#)

However, it is imperative for students and parents to clearly understand the costs and benefits of student loans before borrowing. Specifically, students should think about how repaying student loans will affect their lifestyle upon graduation.

Ask yourself these things when considering taking on student loan debt:

- How much will you need to borrow this semester to attend? ***Make sure to calculate how much you really need to fill the gap– don't just blindly accept the maximum loan offered to you.***
- How much will this equate to over time - how much will your total loan debt be upon graduation?
- What loans should you utilize first? [Rule of thumb – always use federal loans before taking out a private loan.](#)
- Will you run out of [federal loan eligibility](#) and have to rely on private loans at any point to finance your degree? [If so, be sure that you understand the terms of the loan \(fees, interest rate, type of interest rate \(fixed/variable\), and repayment schedule\).](#)
- How much will your student debt actually cost you, including the interest that accrues over time?
  - Use the repayment calculator at [www.studentaid.ed.gov](http://www.studentaid.ed.gov) to estimate this amount.
  - How long will it take you to pay the loans in full?
  - What will your estimated monthly payment be?
- How much does an entry level position in your field pay per month (take home pay)?
  - After making your student loan payment, how much money will you have left over for living expenses, saving for emergencies, and other financial goals? What kind of lifestyle will that afford?

Evaluate these questions to determine the long-term consequences of borrowing, and make sure that you and your family are making fiscally sound decisions when making your college choice.