



# Succeed Before You Start:

Tips from student veterans on planning for the GI Bill, transitioning to school, and dealing with finances and debt.

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## **You joined the military, you served your time, and you hopefully left with your educational and other benefits.**

Many civilians assume our veteran benefits will take care of us financially through school and until we have successfully transitioned into civilian life. As many of us know, this is not the case. Many veterans do not even receive benefits. Others may get the GI Bill but are not able to stretch their benefit long enough to finish their degree. The assumption that the benefits we earned will take care of all we need—or are easy to access and navigate—is inaccurate.

Don't get it wrong, benefits are great if you have them, but getting the most out of them can be challenging. When benefits are not used wisely, or when there are too

many hurdles for veterans to go through in order to access and navigate their benefits, debt and financial problems can result.

This student veteran toolkit will help you deal with and avoid the financial burdens that can occur during school. Taking care of debts, building up financial skillsets and habits—these are things that can make life a little easier even when the going gets tough. We will cover lessons learned for maximizing your GI Bill benefits, dealing with housing and course expenses, getting help on-campus, and staying out of or minimizing debt.

### **Scope**

This toolkit is not exhaustive and not intended to be. This research is peer-based, gathered from those who went through it and learned from their experiences and solutions. We collected this material through our own experience as veterans, through our work with veterans, and through a series of online and in-person focus groups with 152 student veterans from 2018–2020. Along with strategies for getting through school financially intact, we include the pitfalls. A

### When it comes to veterans, peer advice is the preferred advice.

Our research was developed through a collection of focus group interviews, workshops, and other data on veteran education benefits. We wanted to see what student veterans know, how they approach challenges and tackle different issues, and what their recommendations are to incoming students. They informed us so we can better inform you.

So, what did we learn? A lot. It reaffirmed concerns we had and brought new concerns.

### **Financial aid payments are not always timely.**

You can do everything properly, but student loan disbursement, GI Bill living stipends, and other financial aid is not as timely as your rent, bills, and various expenses. It would be ideal for aid to disperse immediately so you can know what to expect month-to-month, but this is not the case.



## Stories from Student Veterans on Problems to Anticipate

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### **Veteran education benefits likely won't cover the full cost of school.**

Benefits are offered for thirty-six school months—and getting your degree may take longer. Additionally, not everyone receives the full GI Bill amount, especially if they are not full-time, which only intensifies financial issues.



### **Expenses not covered by the GI Bill's living stipend are intensified during gaps between classes.**

If you don't attend school in the winter or summer, you will experience a gap in funding. Yet the expenses do not take a break. Seasonal and part-time jobs cannot be counted on to fill the gaps.

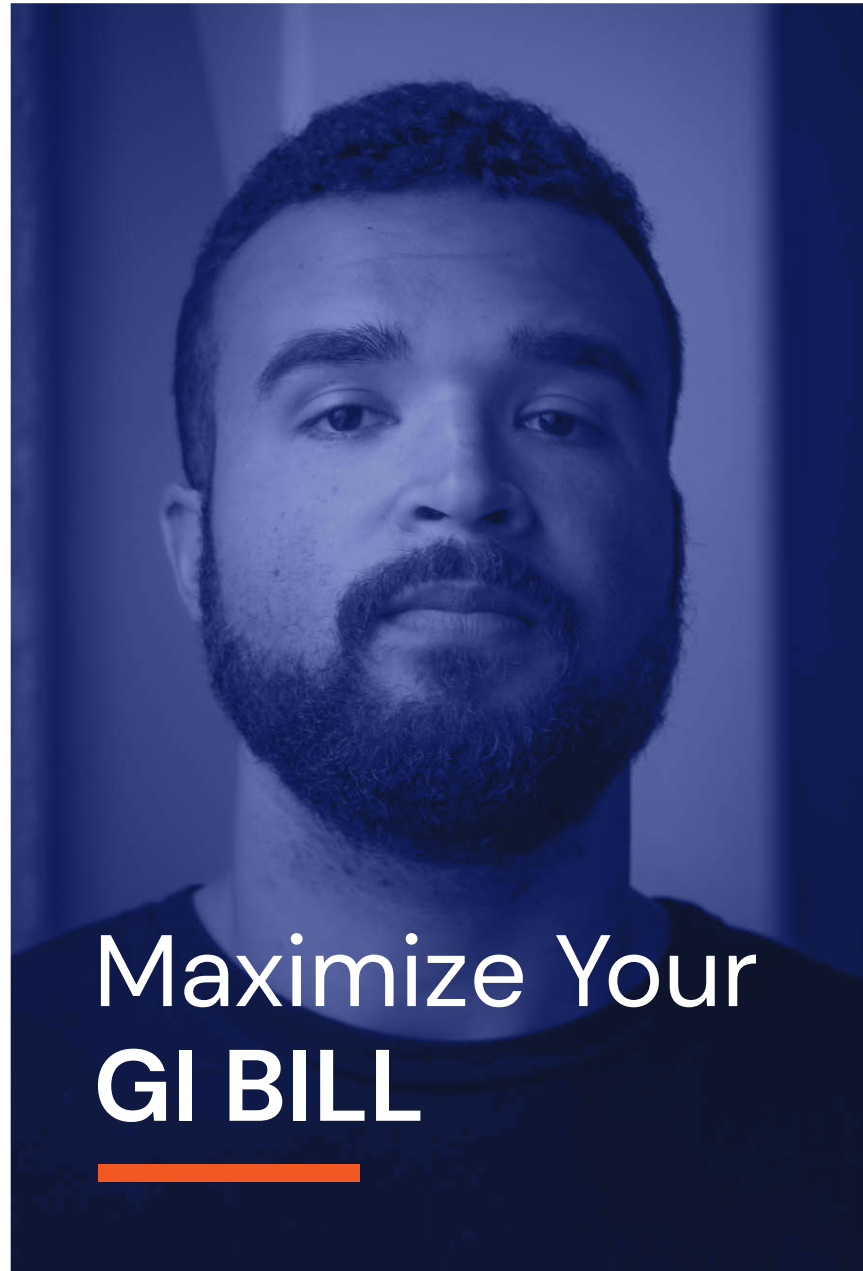


### **Commutes cause a heavy toll.**

The Basic Allowance for Housing (BAH) is never enough, especially in high cost of living areas. This means that for many student veterans we talked with, commuting is a critical part of the higher education experience. Some live in an affordable area but commute to school in a more expensive area where parking and gas prices are much higher.

In cases like the Bay Area, it makes sense that you may commute a longer distance due to the outrageous cost of living. Whether by car or public transit, there is a balance between what you are willing to spend and the time you are willing to sacrifice. Other times, you may not have a choice and will have to spend both time and money.

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A common misconception is that the GI Bill will cover any and all costs associated with your education once you separate from the military. The truth is that it does not account for all expenses you will incur; however, with careful planning, it does cover for most of them. Shortfalls in funding mean expenses will likely come out of your own pocket, so it's important for you to maximize your use of your GI Bill.

What does this mean? Here are some tips:

**If you are still in the military, use tuition assistance.**

Tuition assistance for active duty is unfortunately something many vets do not take advantage of. Many bases have community colleges that teach coursework on base. If you take even a few classes while you are in the military, you could save thousands of dollars. If you want to finish school quicker when you get out, you should look into this.

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### Attend community college first and save your GI Bill for later.

Attending community college is more affordable than going straight into a four-year university. Many states offer tuition waivers, which means veterans go to school for free. Financial aid may fully cover the cost of community college, and you can hold off using your GI Bill until you feel it is necessary. In addition, this is an ideal place to get all your general education requirements done, so you do not pay a higher cost when you transfer. This buys you time and maximizes resources.



### Prepare with the living stipend in mind.

As we mentioned, the living stipend will not cover all your basic needs. The lack of a stipend during school breaks, notably winter and summer, can cause struggles if money is not saved during the school year. The stipend does not provide enough for childcare or transit costs either. Income can get delayed as a result even though expense and bills do not, which may put veterans in at-risk situations where they need to incur debt, such as credit cards or payday loans.



### Only take more than the minimum course load if it won't cause added stress.

Veterans we talked to emphasized that when you are using your GI Bill, taking more than the minimum full-time course load—and making sure to pass every single one of those classes—can maximize your benefit, especially if you're trying to get as much done in the thirty-six-month window of benefits. However, doing more than the minimum courses can be a strain, especially if you are working full-time or have other obligations in addition to school, so be realistic about the course load you can take on and maintain good grades. This becomes a financial balancing act, doing a smaller course load may make your time in school longer than the thirty-six school months allotted by the GI Bill, and may result in taking more loans or finding other ways to cover the financial difference.



### Apply for scholarships and grants.

So many students don't take advantage of grants and scholarships available to them while in college. Many scholarships and grants are specifically focused on veterans and are intended to assist them on their college path. Take advantage of them. It will save time and more importantly money in the long run. If you don't know how to find a veteran-specific scholarship, ask your veteran resource center or academic advisor. (More on that later.)



### Remember that your book stipend likely won't cover the costs of books.

The funds you receive for books is not enough for most students. Typically, books on science, mathematics, or computer science are the most expensive, but all subjects are truly difficult to afford. Given that most students will have to purchase more than one book per class, how will you pay for this expense?

An unorthodox but not absurd approach is to simply tell the teacher you are having

difficulty affording your books. Some professors have additional copies that were given to them and may be willing to loan/give them to you. Do not be afraid to ask.

Also, reach out to resources in the community. Some veterans we spoke with shared books with classmates. Others bought them used. Your campus may have programs for low-income students who need assistance buying books. Veteran Service Organizations may also be willing to donate to veterans who need books.





### **Apply for paid internships, fellowships, and work study while in school.**

Working full or part-time can often be a stressor while in college. With many vets supporting families while they attend college, it is difficult to avoid.

Internships and fellowships often provide more flexibility and while not all of them are paid, they can provide work experience you will need later when you graduate. There is a certain value in that, though the veterans we spoke with strongly encourage students to seek paid opportunities. You should also look into the VA work study program. If you are full-time or  $\frac{3}{4}$  time student, you will get a wage that is equal to the federal minimum or the state minimum, whichever is greater. If the school typically pays employees higher, they could even pay the difference.

### **If you are not service connected, look into it.**

Having been in the military, there is a possibility you may have a service-connected disability, considering what our minds and bodies have been put through. A service-connected disability rating not only gets you the benefits you earned, it will connect you to Vocational Rehabilitation and Employment if you have a disability rating of at least 10 percent. This opens a world of additional resources and services that can assist you in higher education and in getting employed.

### **Be cautious with private schools.**

If you go to a private school, expect to take on additional loans. Veterans we talked to thought that private schools, whether for-profit or non-profit, present a large risk for taking on debt. The maximum you can get covered through GI Bill at a private school is not its tuition cost, it is the maximum highest tuition in-state at a public school, and you will have to cover the difference. The Yellow Ribbon Program can help buffer some of this cost and is a great program, but it is not available at all private colleges. Other forms of financial aid, most often student loans, often become necessary.

**Understand that how each school provides services to veterans can be vastly different—even though the process for the GI Bill is the same.**

There are different knowledge bases, resources, and staff at each college, so you can be in a community college with a great support system and transfer into another college where it could be the opposite. Some schools have veteran resource centers, others do not. In either case, it is important that you actively seek out and talk to staff, find out who knows what, and make sure you feel as confident as you can about the college you are either at or you are planning on going to.

**Make an appointment with your academic advisor early on.**

So many veterans mentioned that they took unnecessary courses because they did not understand prerequisites or how to manage their coursework properly. Your academic advisor can help you set a course for how you will complete your



# Get Connected on Campus

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degree, plan your classes in advance, determine where you would like to attend school, and avoid taking unnecessary courses. Your GI Bill will only give you thirty-six academic months, and mapping your coursework is crucial in order to make sure you are able to fulfill most of your degree units using your benefit.

### **Do not rely on your certifying official—you need to make sure all your paperwork is complete.**

Certifying officials have more work than they can handle and do their best with limited resources, often juggling hundreds of claims on a less than full-time schedule. Make sure you complete all your paperwork and get it in order, and be your own advocate, in order to make the process for applying for education benefits much easier.

While there are currently less delays in processing GI Bill benefit claims than in previous years, many veterans in our focus groups mentioned they did not understand all of the paperwork needed for the claim, and how paperwork errors led to delays in initial payments.

### **Connect with your Veteran Resource Center.**

If you are at a school that has a Veteran Resource Center then you are lucky, as their staff is more familiar with your background and can tailor your support needs in a way other services may not be able to. Staff can help you navigate services and benefits on campus while providing you with an additional layer of support and can even connect you with community resources as well.





**Find other veterans in your school and talk to them about their experiences—they will be in a better position to help you navigate through the system.**

Veterans we spoke with emphasized how they did not really feel connected to their school community until they reached out to veteran peers. Student veterans tend to be older with different life circumstances and experiences than other classmates, and as we said, peer advice is often the best advice. Some schools have veteran groups, others have veteran resource centers, but some schools have neither. Find the best way to connect with veterans in your school community. Talking with other veterans about resources—or about student life in general—will help you better acclimate to your school.



**Access disability and support services for necessary accommodations.**

Whether or not you are service connected, you need to check in with disability and support services on campus for any necessary class accommodations. These services can provide you with additional time for homework and tests, can help with different accessibility concerns, can provide tutoring, and can connect you with a ton of other resources you may be unaware of. It is better to do this early on than when an emergency arises or you find yourself stressing towards the end of a semester.

Some veterans we spoke with showed resistance to getting accommodations, mentioning it may be a handout or a sign of weakness. Other veterans pointed out that it is about access and equity, and it provides additional help when needed, especially when an unexpected stressor comes up.

You do not need to disclose your disability information with faculty, all they will know is that you have an accommodation. It also helps protect you in the event a conflict arises with faculty. The classification will not harm you; it is there to protect you.



# Manage Your Finances, Loans and Debts

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Knowing how to manage your benefits and finances, budget, carefully spend, avoid unmanageable debt, and build credit is a skillset with a big learning curve, but so many veterans in our focus groups said they wish they knew these tools prior to going to school in order to avoid financial pitfalls.

### **Commit to a monthly budgeting plan.**

Many veterans in our focus groups attested to budgeting as their key survival tip. Those who did not budget struggled significantly more with debt. So many veterans said they wished someone could have explained budgeting tools and how to incorporate benefits and other aid into a solid financial plan. They recommended to learn to budget monthly and annually, then commit to making the budget work. Make a spreadsheet of your expenses,

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make sure it is realistic to your spending, reflect on your recent spending patterns, and see where changes are necessary. Track your spending every month to see how you have kept to it and see whether adjustments are necessary. Prioritize bills and debts. Try to build emergency savings. If you can succeed at this, problems you are anticipating will be more easily dealt with as they come. We recommend that you search online for more in-depth courses.



### **Avoiding financial slipups is impossible, but make sure you stay on top of your spending.**

Debt may be manageable at first but can quickly get out of hand. Perhaps an emergency puts you into debt and you thought you were managing it properly, but the next thing you know, you are struggling to manage payments and pay it off.

Student veterans we talked to who were successful at budgeting mentioned being able to flag their own slipups and financial errors quickly before they become irreversible. Some degree of debt is unavoidable, but there is safe debt and there is bad debt. It is important for you to discern for yourself what the best approach is.



### **Weigh the pros and cons of student loans.**

It would be disingenuous to say student loans are bad and should be avoided at all costs. Dismissing loans as bad does not consider that loans may be necessary. If going to school is a means to improve your quality of life, there are uncomfortable financial decisions you may have to make so that you may achieve your academic goals. Student loans are exactly that. It must be understood in terms of pros and cons.

### PROS:

1. **It is financial help you can count on and budget on.** Scholarships and grants are great, but it is hard to plan out if you will be able to consistently receive scholarships and grants for the duration of your academic career.
2. **They are sizeable.** Sometimes the only non-loan financial aid available is not enough, not that it is something to discredit, but it may only make a small difference in your financial situation.
3. **They tend to be a safer debt option when compared to other loans.** For example, if you were concerned about living expenses and loans seemed to be where you are going, taking a student loan is preferable to taking out a personal loan for living expenses. You can defer payments till after graduation, you can set up income-driven repayment plans, the rates are better, and you are not obligated to a shorter payoff period.

### CONS:

1. **A loan is a loan.** You are paying it back with interest. There may seem like work arounds or options for dealing with the debt, such as Public Service Loan Forgiveness, but do not count on it. Alternatives to loans are preferred; the problem is they are more difficult to secure.
2. **It is easy to take too much out.** Maxing out student loans may appear, at the time, the best way to ensure some degree of financial comfortability while you are in school, but a decade down the line, monthly payments can hamper your livelihood.

For some people, the question of debt and getting an education are at odds with each other. Some people feel the debt they received was not worth it, but others disagree. There is no text out there that can provide that analysis for you—it is something you must answer yourself. But know that there are acceptable amounts of debts to take, and if you do well in your career, you can consider it an investment well spent.



“If you do find yourself needing a cash advance loan, make sure you **pay it off immediately** within the next week”

**When it comes to bank loans, do your homework.**

Bank loans vary, not just from loan to loan, but bank to bank, bank to credit union, and credit union to credit union. If a loan ever seems necessary, thoroughly research whatever options you may have, and study their respective interest rates and what they offer. Personal loan repayment begins immediately (compared to student loan deferment), the rates are significantly higher, and there is a shorter payoff period. There are times where a personal loan may be unfortunately necessary, but you do not

have to take the first thing you find. You do have power over what you choose.

**Understand how terrifying credit card debt can be.**

Unlike our friend student loan debt, credit card debt is terrifying in a more immediate way. Credit cards have a purpose. Say you get a flat tire at the end of one paycheck, you need your car or truck up and running, and you do not have the funds to cover it. The credit card comes into play! Then you just have to deal with paying it off over the next check or two.





### What is the problem, then?

The easy access to credit cards, combined with the burden of monthly payments and wildly varying interest rates, create a cocktail for disaster. The next thing you know, your finances are now subject to a bad credit score for seven years, all because of some small purchases that did not seem like a big deal at the time.

Again, credit cards have a purpose. They are vital to building up your credit score, which will allow you to do a host of things (like, say, buy or rent a house, buy a car, etc.). They are also just a nice emergency backup. But the convenience of credit cards also creates the conditions for them to be easily misused.

To build good credit, avoid having multiple credit cards (score ratings look at a variety of lending, such as car and home loan, credit card, etc.), try to keep one for a long time (which will build up your credit score), and if you can't pay off your credit card in full every month (which is also good for your credit score), then at least pay the monthly payment (or else you will get dinged for seven years if you are past due) or commit to only keeping it for emergencies you can't pay for on your own.



### **Avoid predatory lenders, especially payday loans.**

If credit cards can be terrifying, payday loans are the horror show. This is one of the few loans that should be absolutely avoided at all costs. Not only should you avoid these, you should encourage everyone you know to avoid these. Predatory lenders take advantage of specific situations (maybe your check did not come in, or you are going to miss rent, or you are otherwise desperate financially) and they provide immediate financial relief. Veterans mentioned cash advance lenders are known to target service members and some even mentioned they set up shop next to bases.

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If we think of a payday loan as an emergency loan that you can just quickly repay when your next check comes in, it does not sound like a bad idea. You may be out a bunch of money, you need funds as soon as possible, and maybe the credit card does not cover your expense (especially if you need a cash advance). There is a catch, though, and the catch is what makes these loans predatory, and downright horrifying. The interest rates for payday loans can be absurdly high. We are talking triple digit percentages. Many states are moving forward with laws to

trim down interest rates, but even then, they still have the highest interest rates. And they require rapid repayment. Credit cards look painless by association.

If you do find yourself needing a cash advance loan, make sure you pay it off immediately within the next week, otherwise, as many veterans we talked to have experienced, the amount you pay back may be triple the amount you withdrew. And if you can, just avoid them altogether. The debt to the payday loan will be more than the initial debt you are trying to cover, anyway.



## Now What?

We covered a lot of bases here, and each topic is significantly deeper than what we provided in this toolkit, but we gave you a direction to head down. No one can take your situation, break it down for you, and make you adhere to a budget better than yourself.

This is about your future and financial wellbeing, and it will take your research, analysis, and planning to decide your next course of action. We encourage you to talk to veterans you know who have gone through these experiences and reach out to people who do this work for a living with the intent to help.

## Resource List

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Here is a broad list of resources to help you find out more on specific topics:

1. GI Bill resources: <https://benefits.va.gov/gibill/>
2. Business resources: <https://www.sba.gov/business-guide/grow-your-business/veteran-owned-businesses>
3. Budgeting resources: <https://psycharmor.org/courses/budgeting-debt-management-and-investing/>
4. Debt resources: <https://www.va.gov/debtman/>
5. Home loan resources: <https://www.benefits.va.gov/homeloans/>
6. Educational financial aid resources:
  - <https://studentaid.gov/understand-aid/types/military>
  - <https://www.finaid.org/military/veterans.phtml>
7. CalVet has multiple programs and guides for vets: <https://www.calvet.ca.gov/>
8. Working Wardrobes helps veterans with clothing and employment. <https://workingwardrobes.org/>
9. Our own guides for dealing with common veteran benefit issues: <https://www.swords-to-plowshares.org/guides/>