
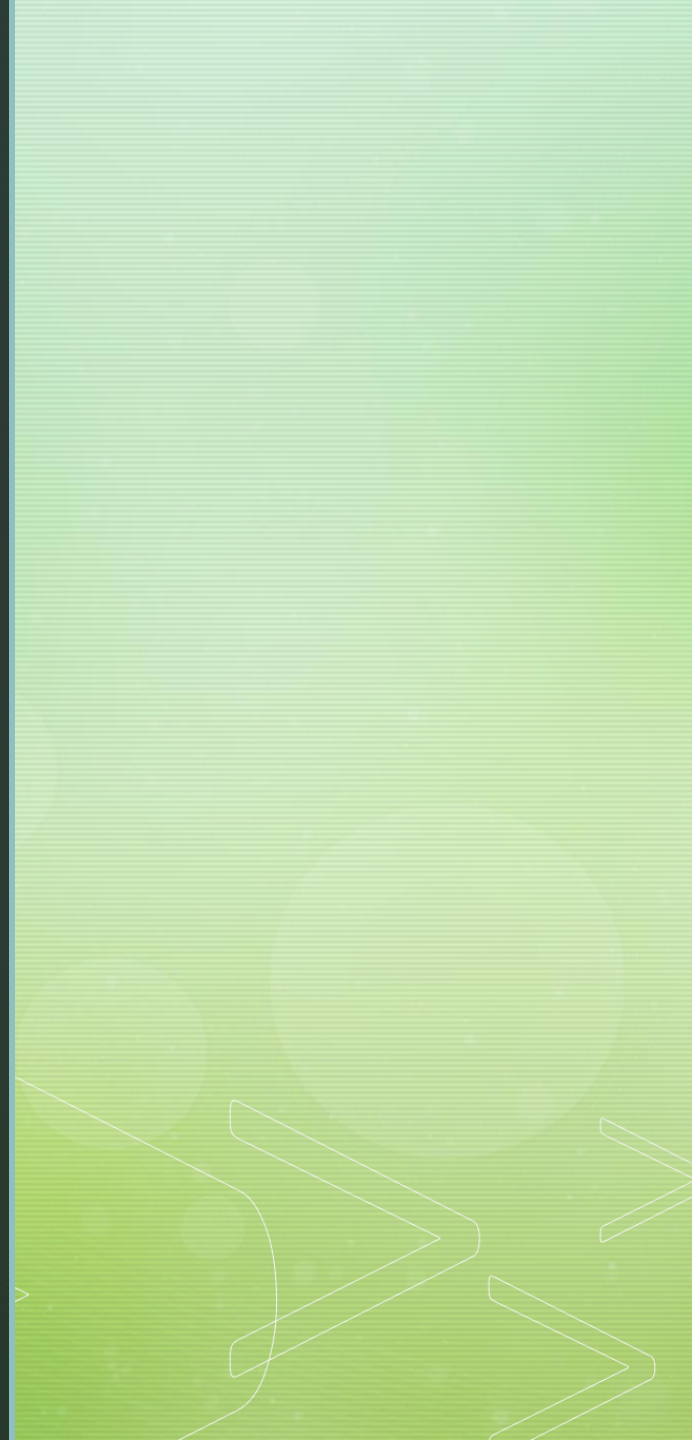




Alumni Blog- October



Smart Money Moves for College Students



▶ We are about a little over a month into the fall semester, and quite a few students have received their financial aid refund checks or are working part-time jobs. Before leaving for school, how many of you had the money talk with your parents? If not, I know that the nice refund check is burning a hole in your pocket right now. Not knowing how to properly manage money could possibly lead you to making mistakes that could be detrimental to your financial future.

Here are some tips to help first-time college students avoid such errors and instead get in the habit of good money management.

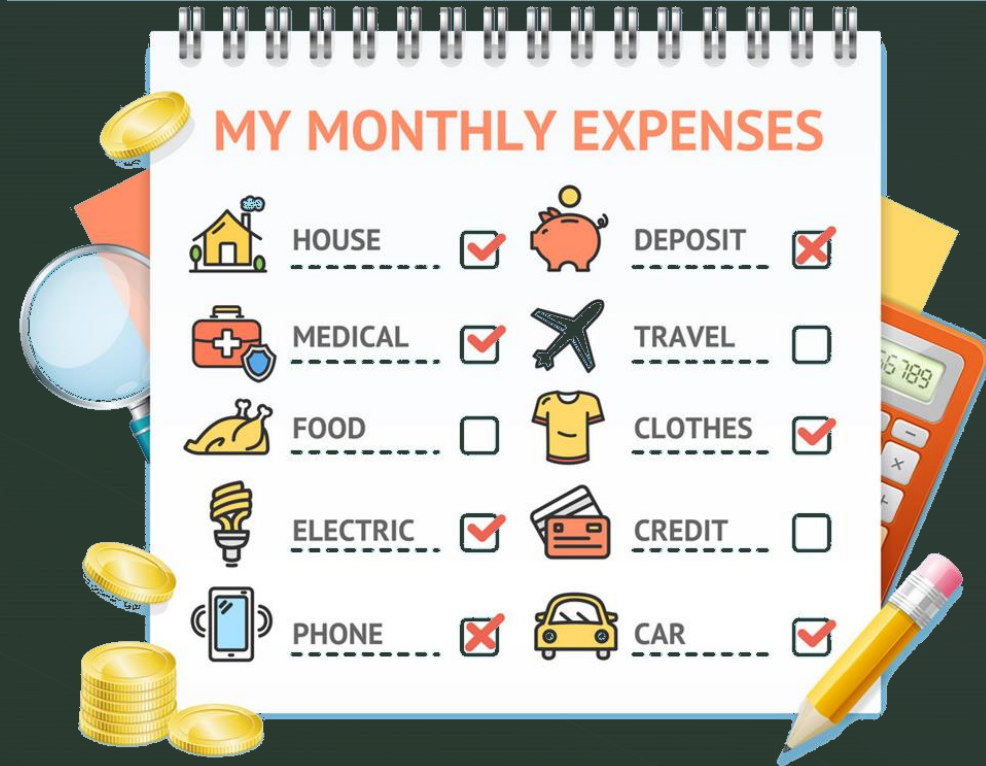
Make a Plan for Your Money

Are you expecting your financial aid to cover your living expenses? If so, once you have an estimate of how much aid will be, immediately begin working on a spending plan that will stretch your money for the duration of the semester, or until your next refund check comes through. A lot of students make the mistake to blow through the money by mid-semester and find themselves relying on ramen noodles for food. Discipline is a must in order to make a budget or spending plan work.



Determine Your Month's Expenses

To get started, you have to know how much you are going to have to spend in bills. Split them up into different categories like rent, utilities, groceries, entertainment, eating out, and other. Then set a spending goal for each category so that you can make sure that you don't exceed in one category or take away from another.



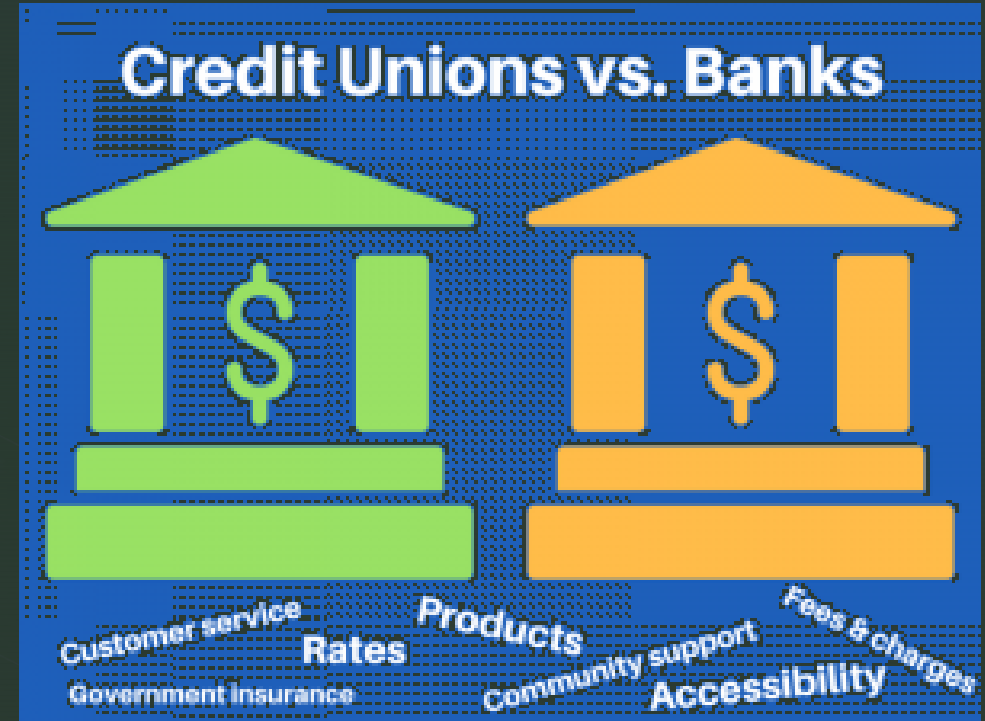
Build a Cushion

The saying of “life happens” is very true, so it would be best to start setting some money aside just in case. You may face a situation of delayed financial aid payments. Mistakes occur and that can hold up the process. There is the possibility that your car breaks down and you may have to have repairs done. There may also be medical expenses if you end up sick or hurt. Having some extra money in savings will help you out in those difficult and unplanned emergencies.



Consider a Local Credit Union

Joining a credit union has many benefits. As member-owned they are usually more customer oriented than the bigger banks. Credit unions frequently offer free checking accounts with no minimum balance requirement to maintain each month. If you did not need to take out a loan in the future, credit unions offer lower loan rates.



Find Part-Time Work

College is the time to explore without putting yourself in too much of a financial bind. So have a part-time job, do work-study or find an internship. Having a part-time job has many benefits for students including helping build community and sharpen organizational skills. But be very careful about attaining a full-time job. Even though this means you earn more money, this can quickly add to your stress and burn out will happen. So if you are in a position to do so, take full advantage of the financial aid, work study awards, and scholarships to help with college costs.



Be Careful When it Comes to Credit Cards

High credit balances and missed payments can hurt your chances of getting on your feet financially. It can jeopardize job searches, apartment rentals, and home purchases. Paying your bills and credit card statements on time will help build your credit, which in turn will make future loans and purchases for a car or apartment a lot easier to secure.

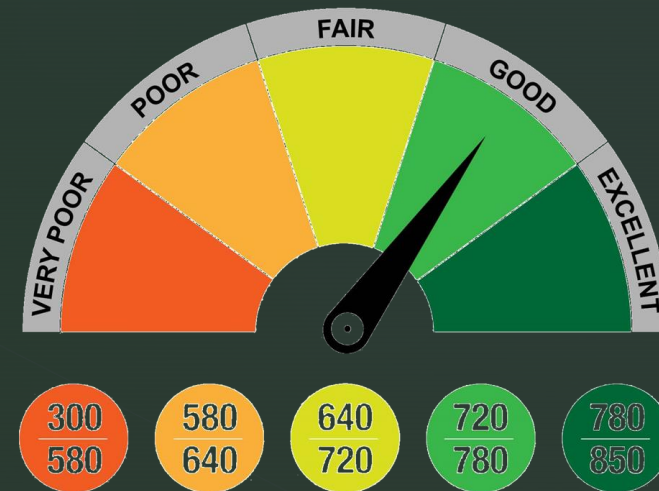


If you are thinking about signing up for a credit card for the first time, remember:

Start with a prepaid card to get into the habit of budgeting a small amount of money. Keep an actual credit card handy in case of emergencies. Take the time to research. Look at what they offer for spending limits, interest rates, and terms to make the best choice for yourself. You may want to check out credit cards that are designed specifically for college students. They may include benefits such as lower interest rates and cash rewards. Just always be aware of the cons like high fees for late payments. And finally, build responsibly. Only spend what you can afford to pay back and paying your card off each month will keep those nasty fees away and build your credit score.

Monitor Your Credit Score

There are three major companies that provide free annual reports: Experian, Equifax, and TransUnion. Get a credit report from all three companies at least once a year to check for errors or identity theft. You can use free sites like CreditKarma and FreeCreditReport.com to find this information.



Be Ready to Use That Student Discount

It's important to have fun and relax in college but too much fun can make a huge dent in your pocket. Take full advantage of the free and discounted on-campus events or ask if restaurants or movie theaters offers a discount. That student ID has power so use it!



As a college student, you may still be shielded from a lot of financial responsibility that you will have to face as an adult but if you take the time to develop good money skills now, you will already know what to do when you graduate. Establishing yourself as a responsible adult at a young age will help lay the foundation for a secure financial future.