

## Tips for Smart Money Management

### Manage Your Finances While in School.

**Spend Within Your Limits:** Don't run out of money before the end of an academic term. Try to avoid overusing credit cards, spend within your means and do not carry a balance.

**Personal/Living Expenses:** If you live in campus housing, save money by using your meal plan instead of eating out. For example, buying one "super-duper" latte a day will cost you \$3,360 by the time you graduate.

**Transportation and Travel:** If you have a car, figure in gas, insurance, registration, maintenance and parking fees. If possible, take advantage of the campus shuttle, public buses. Ride a bike or consider carpooling.

**Entertainment:** Prioritize your recreational activities and take advantage of free and low cost activities on campus. Bands and comedians, local and well-known, frequent college campuses. As a student you can see many for free (or discounted with a student ID).

**Books and Course fees:** Budget for extra costs that can arise for a class or lab, as course fees can vary. If possible, try to purchase used books and sell back your textbooks at the end of the semester! You may want to consider renting books or ebooks. Always be sure you're purchasing the correct and current edition of a book.

### Which card is best for you?

**Automatic teller machine (ATM) card:** Used to withdraw cash from your savings or checking account.

- + Directly tied to your bank account so you don't overdraw.
- Usually cannot be used for direct purchases, simply used to withdraw or deposit cash.

**Debit/Check card:** Used for store purchases, to get cash back after a purchase and to get cash from ATM machines, depending on the network (look for the Star, Plus or CO-OP logo on the card).

- + Secure, usually need PIN to authorize transactions, as it is tied to your checking account.
- + Flexible, able to use it at most places.
- Check all applicable fees carefully
- Overdrawn account can result in fees and penalties.

**Pre-paid credit card:** Allows you to load it with your own cash and use it as you would a credit card.

- + No interest rates
- + Not possible to overdraw
- + Helps to build good credit history
- There are usually fees associated with this card

**Credit card:** This card allows you to buy things without having money available immediately. Consider it like a loan that you must repay. It is not free money.

- + Widely accepted.
- + Great for emergency situations (like car repairs).
- + Making payments on-time can boost your credit rating.
- Some cards carry an annual fee or may be difficult to get without a cosigner if under 21 years old.
- With interest/fees over time, your purchases will cost more (so avoid carrying a balance).
- Highest incidence of ID theft found with credit cards.
- When handled irresponsibly (balances never paid, accrues interest), this can hurt your ability to buy a home or a car or to get a job or rent an apartment!

### Manage Your Finances for the Rest of Your Life...

**Maintain a budget.** Keep track of how much you're spending versus how much you earn. Stick to your budget.

**Pay bills on time.** Pay loans and other bills on time. Poor payment habits can result in a damaged credit rating, garnished wages and loss of loan deferment or forbearance eligibility. These negative consequences can affect your ability to make large purchases, like a car or home, and your ability to get a job or join the military! Sign up for auto-debit to avoid a late payment.

**Take advantage of all banking services offered.** If your budget allows, split up your money between a checking and savings account. Deposit paychecks directly into your bank accounts and make sure you can utilize online banking and bill payment features without added fees.

**Decide how you will use a credit card before you apply.** Pay off your bill in full each month (recommended), look for a card with rebates or no annual fee. If you will carry a balance from month to month, look for a card with a low interest rate. It is always best to pay off your balance each month.

**Don't be a social spender.** Don't let friends pressure you into spending money. If you can, avoid lending money.

**Have a substantial cash emergency fund.** You never know when you may have to pay for an unexpected expense or a minor emergency. Keep at least 3-6 months of expenses in a savings account for true emergencies.