

# Budget 101

*Financial mistakes made while a student can have a negative impact on your future career. The key to keeping control is creating, and living on, a budget. Try some of this advice for managing your money effectively while in school.*

# # #

As a student, your financial situation is very different than someone just starting out in the workforce. You have not yet started making real money and your focus is mostly on your studies. However, it is important to take these times seriously, because the financial mistakes you make in college can follow you through your life.

## **Save money**

While you are in school, make saving a priority. Even a few dollars set aside each week or month will add up to a tidy sum in a few years. If you are paying for your own education, your first concern will be to save for your tuition each semester or quarter. You may be working primarily summer jobs, or part time, but setting money aside can really make a difference in the amount you may have to borrow.

Having a job while in school has several advantages – it helps build your resume, especially if you have a job in your field of study. You could also benefit from tuition assistance and other employee benefits offered by your company. One of the biggest advantages: The more money you make, the less you have to borrow and you can build up an emergency fund for those pesky, unexpected expenses like a car repair. Put off large purchases like a car or a down payment on a home until you're done with school and have landed better-paying job to help stabilize your finances.

## **Credit card usage**

Credit cards have the potential to negatively impact your life – during school and after your graduate. You don't need a credit card to make it through school. Live on a budget – if you use a credit card, the money should be in your budget to pay it off. This will help you pay off your card in full each month and not run up major debt.

## **Create a budget**

Create a budget with your current earnings right away. Even if you have financial help, you should have a budget and follow it religiously. It becomes a habit – and this habit will serve you well throughout your life. It doesn't mean you can't have fun, or buy yourself a treat from time to time – just be sure to add in “fun money” to your budget.

## **Student loans**

Research any means available to help you lower your educational costs. Student loans should be the last option used. Start with filing for federal aid and make full use of any financial aid your school offers as well as scouring for grants and scholarships from public and private sources. Remember, student loans are not

forgiven in a bankruptcy and the debt will follow you until it's paid. If you have to resort to a student loan, borrow the minimum needed and have a plan to pay it off as soon as possible.