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# Young, Broke and Fabulous: Budgeting and the College Student

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## BUDGETING & STICKING TO IT

### 6 Steps to Creating a Realistic Budget

- 1) **Know Your Income.** Look at a few pay stubs and see how much you get after Uncle Sam, the State and Local taxes.
- 2) **Determine Your Fixed Expenses.** These are the expenses that don't change dramatically. (For example: rent, car payment, insurance, etc.)
- 3) **Determine Your Flexible Expenses.** These are expenses you have some control over,



either directly or indirectly. For example, groceries, phone bill, water bill, clothes, entertainment, etc...

- 4) **Find the Fluff.** Once you know what's important and necessary, you can start looking for expenses you can get rid of and maximize your savings.
- 5) **Follow Your Spending & Review It Monthly.** Keep a close eye on how much you're swiping your card for in order to stay under the limit you set on your budget.
- 6) **Keep Track.** Find something that works for you in order to keep track of your expenses. Some ways to do that are:
  - A spreadsheet
  - Budgeting Apps: (Free)
    - Mint.com, Mvelopes, Level Money, Good Budget, Expensify
  - Pen & Paper

## FINDING THE 'FLUFF': SAVING ON EXPENSES

### Vehicle Maintenance



- ❖ Use Public Transportation
  - Less Wear & Tear on personal vehicle
  - Usually Free or Discounted Fair
- ❖ Keep Up with Routinely Scheduled Maintenance
  - Save you from more expensive vehicle troubles down the road.
- ❖ Check for Sales or Coupons on Services
- ❖ Save on Fuel
  - Get a rewards card from your favorite gas station or shopping center. It can reward you with savings per gallon you pump.
  - Some Gas Stations have their own debit cards which can be an additional savings per gallon.
  - Join a carpool and save even more on fuel.

### Save On Everyday Shopping

- ❖ Buy the Store Brand. It's about 20% cheaper before sales and/or coupons.
- ❖ Get a Store REWARDS Card
  - Sometimes you can preload coupons. No clipping or printing necessary.



- ❖ Check your favorite Stores' weekly ads and subscribe to their email list to be alerted of special offers and deals.
- ❖ Clip & Print Coupons
  - Both online and on paper.
- ❖ Check the Clearance Rack
- ❖ Go Thrifting or Consignment Shopping
  - Sell old clothes on consignment. That's easy, extra income.



### Social Outings & Events (Movies, Concerts, Vacation, Etc...)

- ❖ Ask about Student Discounts
- ❖ Go with Friends
  - Group Discounts
  - Split Cost to save
- ❖ Look for Free Events
- ❖ Find Deals Online or In the Local Newspaper
- ❖ See New Movies during Matinee times
- ❖ Going for Drinks? Go during 'Happy Hour'. You can save as much as 50% on beverages.



*What Do You Do with All These Savings???*

**Open A Savings Account**

## CREDIT & WHY YOU NEED IT

### The Importance of Credit

- ❖ Getting a job. Some companies use credit scores to determine a candidate's employment eligibility. If the level of debt is higher than the amount being offered for the job, it's possible the employer may not offer you the position.
- ❖ Getting an apartment or renting a house. Many landlords will use credit scores because your lease to be considered to be a loan.
- ❖ Getting a loan for a (New) Car. Car loans are not only affected by whether or not you qualify but it also determines the interest rate and how much money the lender can offer you. The same goes for loans on a house or even a small business loan.
- ❖ Getting Utilities turned on for Your New Place. Most Utility companies or Wireless Carriers look at your credit to predict financial responsibility. The lower the score, the higher the fees to get these services turned on.



### Ways to Build Good Credit

- ❖ Open a Checking and/or Savings Account. It helps provide financial history on your behalf.
- ❖ Become an Authorized User on your parents' accounts. If they have good credit, it could really boost your score.

- ❖ Make your payments on time. If you can, pay more than the minimum. Doing this increases your creditworthiness. So can paying off your balance each month.
- ❖ Keep Credit Card balances under the limit. Using up more than half of your limit is a Red Flag. So avoid buying big-ticket items unless it's an emergency.
- ❖ Don't Co-Sign for Your Friends. If your friend slips up, you're on the hook and so is your credit score. The same goes for making friends authorized users on your account(s).

### How Do I Check My Credit Score?

#### 3 Different Credit Bureaus:



Each one gives you a score. There are 3 ways to check your score

- ❖ Online- AnnualCreditReport.com; Myfico.com; CreditKarma.com
- ❖ By Mail
- ❖ Order over the phone



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## BUDGETING FOR THE COLLEGE STUDENT