MONEY MANAGEMENT

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Learning to manage your money is the most important step toward financial independance.

When was the last time the amount of change in your pocket was the deciding factor in what you would have to eat? The last time you swiped your debit card, did you hope the transaction would clear without any overdraft fees? Many college students encounter these financial situations all too often and get caught in a world of debt. Managing your money is the best way to reduce the chance of experiencing this kind of pain.

Tip #1 :
Break down your Needs and Wants

A **Need** is a required purchase needed to pay bills. They are the essential items you "must have" each month (rent, utility bill, groceries, etc.).

A **Want** (entertainment, new clothes, going out, etc.) is something you would like to purchase after you have paid for your Needs.

To avoid damaging your credit, pay off your **Needs** before planning how to spend for your **Wants**.

Tip #2 :
Create a Spending Plan for Needs and Wants
Work it out with our spending plan chart on the next page!

Here's how to find how much you have for Wants:

1. First, add up all of your monthly income. Include money from work, stipends or allowances from family/friends

2. Take your monthly income and subtract your Needs throughout the month, both fixed expenses and any variable expenses.
- Fixed expenses include recurring bills like rent, car payments, or cable and internet bills that don't generally fluctuate and are constant every month.
- Variable expenses include cell phone bills, utilities, etc. in which the amount is a function of your usage and the monthly rate varies.

3. Once you have subtracted your Needs from your monthly income, you have your available cash remaining. This can be used to cover anything you may want once all your needs are addressed. This category can cover trips to the movies, or going out on the weekends. Being able to only spend a certain amount ensures you won't lose control of your money and spend more than you realize.

Tip #3 :
Cut down your expenses

Reduce your Utility expense by
- Getting a roommate
- Turning off the lights when not in use.

Reduce your food costs by
- Buying off brand items. Compare Prices.
- Buying only what is on your list.
- Treating eating out as a luxury & learning to cook for yourself.

Find inexpensive ways to entertain yourself by
- Participating in sports in local parks.
- Seeing matinee movies or seeking discount movie tickets.
- Renting books and DVDs from the library.
- Take care of yourself, but look for deals.

Save Money on Transportation by
- Finding an alternative to driving a car.
  - Ride the bus, carpool with friends, ride your bicycle, or walk.

Save Money on Wearable Items by
- Shopping at discount outlet stores, consignment stores and thrift shops.
- Not buying and wearing clothes that must be dry cleaned.
- Considering a clothing swap with friends.
- Invest in durable, timeless pieces.

Save Money on Banking by
- Avoiding ATM fees, checking fees, designer checks, etc

A SPENDING PLAN

First, estimate your income and expenses for this month. Then, track your actual income and expenses. Use your actual figures for this month to budget your income and expenses for next month. Determine which of your expenses are Needs and which are Wants so that you can realistically determine which expenses must be paid and which expenses you can cut back on.

Income	Estimate	Actual	Budget		
Refund Check					
Work Income					
Parental Contributions					
Other					

Fixed Expenses	Estimate	Actual	Budget	Need	Want
Rent					
Internet/Cable					
Loan Payment					
Car Payment					
Insurance					
Emergency Money/ Savings					
Other					

Variable Expenses	Estimate	Actual	Budget	Need	Want
Groceries					
Cell Phone					
Gas/ Transportation					
Electricity/ Gas					
Water/Sewage/Garbage					
Credit Card					
Book/Supplies					
Entertainment					
Clothing					
Dining Out					
Travel/Vacation					
Bank/ATM fees					
Doctor/Dentist/Medicine					
Pet Expenses					
Other					

Summary	Estimate	Actual	Budget	Need	Want
Total Income					
Total Expenses					
Balance					