

Money Management



29 Money Management Tips Every University Student Should Know

- Financial Planning
- Creating Budgets
- Using Money Wisely

Financial Aid Office
California State University, San Bernardino
5500 University Parkway
University Hall 150
San Bernardino, CA 92406
Phone: 909-537-5227
Fax: 909-537-7024

<http://finaid.csusb.edu>

INTRODUCTION

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FINANCIAL FACTS

- More students drop out of college due to financial difficulties than academic problems.
- The life time earnings of a college graduate are twice those of a high school graduate.

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INTRODUCTION

FINANCIAL EDUCATION IS IMPORTANT

FINANCIAL PLANNING

The decision to attend college is one that will create many opportunities. What lies ahead is full of possibility. Continuing your education is often the first step toward achieving goals pertaining to your career and personal accomplishment, but it can be expensive and full of challenges.

The financial decisions you make during your college career might range from handling a couple of bucks to a few thousand dollars. But no matter how much money you're dealing with, determining your finances helps you determine your future. When you know how to manage your money, you will be better prepared to understanding how money matters and how it impacts the rest of your life.

The goal of this booklet is to help you become financially independent and self-reliant as you continue your education.

IT'S ALL ABOUT MONEY INTELLIGENCE!

FINANCIAL AID

Financial aid is meant to assist you financing your education. It is not designed to be the only source of income while you are in school.

This booklet will give you money management tips in order to meet your expenses while you attend CSUSB.



GETTING STARTED

1. Take Charge of Your Life and Money

The best way to take charge of your money is to have a plan for it. Instead of thinking about your money as just something to spend, think about making your money work for you. This is called “financial planning,” and it starts with defining your financial goals, making plans to reach your goals and taking action until your goals become a reality.



2. Prioritize

To use your money wisely, it helps to set priorities. While you might really enjoy your morning latte, is it wise to spend \$4.50 per day, or \$135 per month on your latte if it means that you won't be able to buy your biology book? A cell phone may be very important to you, but does it make sense to buy a bunch of expensive apps if that means that you can't pay your rent? We all have a long list of things we would like to have and do, but, if you are on financial aid, you probably won't be able to have and do them all. So make a list and decide which things are MOST important to you, and which you are probably going to have to do without.

3. Know the Ground Rules

Have you talked about money with your parents or spouse? Have you discussed what their expectations are for how you handle your money? Do they expect you to get a job or to focus solely on your studies? It is important to know what you can expect of them too. If you get into a financial jam, will they be able to help you out?

Once you know which expenses will be your responsibility, you'll have a better idea of the time, effort and resourcefulness that will be required of you.

GETTING STARTED

4. Get Organized

You probably have a notebook for each of your classes to help you stay organized.

Take a few hours to get your financial life in order.

Creating a filing system to keep track of financial paperwork and other important documents will help you pay bills on time and meet important deadlines.

Here's one way to label your files:

- Bill Payments
- Checking Account
- Savings & Investments
- College
- Financial Aid
- Insurance
- Credit Records
- Receipts & Warranties

5. Create a Budget and Stick To It



One of the best ways to keep track of your money is to use a spending plan or budget. It tells you exactly how much money you have coming in every month, where you must spend it and where you might be able to save a few dollars. Income and expense worksheets are provided at the end of this book for you to plan your budget. Make several copies of them so you can fill out a new one whenever your financial situation changes.

FINANCIAL HELP

6. Look For Financial Resources



Scholarships, grants, Work-Study jobs and loans aren't given only to incoming freshman. You can keep applying for financial aid all the way through the University.

Stay on top of financial aid every year that you're in the University:

- Ask about scholarships in your academic department.
- Apply for on campus scholarships every fall for the upcoming year.
- Circle the dates! The most common mistake students make is missing the deadline.
- Talk to the Financial Aid Office. We are here to help!

7. Submit a FAFSA

To apply for financial aid, you must file the Free Application For Federal Student Aid (FAFSA). It may be completed online at www.fafsa.ed.gov every year. It becomes available January 1st and you should apply as early as possible. The priority filing deadline is March 2nd and students who submit by this date are typically considered first for campus-based funding. Make sure you read the instructions carefully and answer each question. Avoid mistakes by completing all information. The Financial Aid Office conducts FAFSA workshops (dates and times are listed at <http://finaid.csusb.edu>) to help educate students on how to fill out the FAFSA.

8. Talk to the Financial Aid Office If Your Situation Changes

If an unexpected event changes your financial situation, e.g. job loss, see the Financial Aid Office. We can see if these changes may affect your financial aid award and help you identify other sources of funding.

FINANCIAL HELP

9. Understand Your Financial Aid

Your financial aid package is very important. Make sure you know what you have to do to keep the money coming! Read all the information carefully. Understand what types of financial aid are you being offered? Is it a loan you will need to repay or free money like a grant? Some grants require that you be enrolled full time while loans only require half time enrollment. Also be sure to read Satisfactory Academic Progress Policy to ensure you are academically eligible to receive aid.

10. Think About Working

Many students work part time while going to college. Some even work full time. These students often report that they appreciate their education more because they worked to pay for it. Working doesn't have to interfere with getting good grades, but it does mean that you have to manage your time carefully. Limit work hours until you have adjusted to the academic workload. Then, schedule your study time like you schedule work. A college education will give the biggest payoff down the road. Go to class, participate in discussions, get to know your professors, and make sure you get out of every class what you need to know. After all, you're paying for it!

DON'T FORGET, SCHOOL IS AN IMPORTANT PRIORITY!

11. Use Loans as a Last Resort



Student loans are an investment in your future but they will also put you into debt. Many students spend years repaying their loans. For example, if you borrow \$23,000 in a Federal Stafford Loan, you will have to pay \$282 every month for 10 years (assuming 8.25%). You want to graduate with as little debt as possible. Use your earnings to pay for college expenses. If you do take out a student loan, use it only to pay for school expenses. A student loan isn't money to blow on spring break, pay off your credit card or use a down payment for a car or house. Yet, a student loan with 7% to 10% interest is always a better deal than charging your tuition to your credit card with 16% to 22%.

COLLEGE LIFE

12. Set Rules Regarding Money

Talking to your roommates about money issues is especially important when you have an apartment because there are so many more money issues involved. Make sure you and your roommates are very clear about how you will share the costs of everything involved. Here are some important questions to ask:

- Will you shop together and split the food bill?
- How will you share other household staple items and expenses?
- What if someone wants to turn up the AC and someone else doesn't?
- What happens if one roommate damages the apartment and the landlord refuses to return the security deposit?
- What will you do if you or one of your roommates is unable to pay rent?
- What will you do if one of your roommates moves out before the lease expires?



13. Share Your Costs

Having a roommate provides friendships, companionship and another opportunity to share costs. Set some ground rules to decide how you will share the cost of things needed for your room or handle shared bills.

14. Find Ways To Save



Avoid buying beverages and snacks from vending machines. Buy snacks at the grocery store and keep them in your room. This way you can stash some food in your backpack before heading to class and avoid choosing more expensive, less healthy options when you want them later.

COLLEGE LIFE

15. Compare Costs



Compare costs of an apartment versus a dorm room. College students often think they can save money by living off campus. However, there are a lot of expenses associated with apartment living. Compare rent, utilities, phone, internet, cable, food, laundry, transportation, renter's insurance, furniture, appliances, pets, gas and parking fees before making a decision.

16. Choose Wisely

If you live in campus dorms and have a choice of meal plans, make sure that you are using the right one for you. Most importantly, if you have a meal plan, use it! You've already paid for the food. Don't pay again to eat somewhere else.

If possible, use campus computers instead of buying your own. CSUSB has several computer labs for student use so you may not need to own a computer unless your department requires it.



17. Pay Your Rent On Time

If you have an apartment, pay the rent on time. This will help you build good credit and avoid late fees.

If you are unable to pay on time contact your landlord immediately. Explain the situation and try to make a partial payment. If your lease says there is a penalty for paying late, expect to pay it. Plan ahead so you don't put yourself in the same situation each month.

CUTTING EXPENSES

18. Resist Peer Pressure



Many students report that they feel pressured by friends to spend money they don't have. Don't be afraid to say no. Be willing to say, "No, I can't afford to do that." Many students don't have much money but they may be unwilling to admit it. You are not the only student who is living on a budget. Try to go to free or low cost campus events such as dances, sporting events, and movies with your friends.

19. Be Creative

Think of free or cheaper ways to get services. For example, if you have cable, think of canceling your service and watching your favorite TV shows online. Don't rent movies, check out the local library. It's free to borrow movies from there and you can get to keep them longer. You can also save money by going to schools or training programs for services. If you need a haircut, try out a cosmetology school instead of a salon.

20. Take Advantage of Student Discounts



Going to the movies, riding the bus, or even ordering pizza might cost less you show your Coyote ID. There may be other perks as well. Ask the bank if it has student checking accounts that do not charge a fee or costs less. If you have a car, find out if the insurance company provides a discount for students with good grades. Will you be flying home for the holidays? Ask about student discounts and make your reservations far in advance to qualify for lower fares.

You can also buy used textbooks online or at the Coyote Bookstore, and receive low cost health care at the campus Student Health Center.

CUTTING EXPENSES

21. Don't Let Your Car Expenses Drive You Crazy

If a car is a necessity, here are a few tips for keeping the costs down:

- Drive safely. Insurance companies charge less for drivers who have no tickets or accidents
- Combine errands so you only take your car out once
- Get routine car maintenance done on time. You'll extend the life of the car and avoid costly repairs.

22. Plug Everyday Spending Leaks



It's often the small purchase you make without thinking twice that drives up expenses over time. To avoid this, keep your money in the bank instead of your wallet. The less cash you have handy, the less you'll be tempted to spend. Here are a few other ways to stretch your money:

- Cut out costly habits like smoking or expensive coffee drinks.
- When possible, bike or walk instead of drive.
- Limit the number of songs, games, apps, and ringtones you download or avoid the expense completely.
- Cut your cable. You can watch many shows online now.

23. Student Loan Obligations

Before you accept a student loan, carefully review it. Make sure you know what you will have to repay and when. Choose the loan that has the lowest interest rate and try to make payments while you are still in school. Remember, a student loan must be repaid. If you don't, it will harm your credit score and prevent you from getting future loans not only for education but for a home or a car. There are several loan forgiveness programs in which part or all of your student loans will not have to be repaid. The Financial Aid Office has information on these types of programs.

CREDIT AND DEBT

24. Build Good Credit



Good credit means that you pay your bills on time and you repay on your loans as promised. Good credit allows you to take out a loan for big purchases like a car or house. Here are five steps for building good credit:

1. Pay basic expenses like rent and utilities on time
2. Make loan & credit card payments on time
3. Pay loans before you spend on other purchases
4. Apply only for the credit you need. If you apply too often, lenders might think you are in financial trouble.
5. Do not apply for credit cards unnecessarily.
6. Do not bounce checks or overdraw your account

25. Avoid Credit Card Pushers

Recently, a major U.S. university reported that it lost more students to credit card debt than to flunking out of classes. Credit card vendors offer free items (like t-shirts and duffel bags) if you apply for a credit card. Many college students fall into credit card traps and acquire these credit cards that are not needed without always fully understanding the fine prints on the application. They often end up head over heels in debt. It can take years to pay off these debts. Don't give in to credit card pushers. If you think you need a credit card, get only one and make sure to pay off the balance each month.

26. Take Control Of Your Credit Card

If you decided that you must have a credit card, manage it wisely:

1. Keep only one major credit card.
2. Shop around for a card that has no annual fee, a low interest rate, and a grace period for payment.
3. Don't charge anything you can't pay for right away.
4. Think of your credit card as a loan.
5. Do not use a cash advance from a credit card unless you have a serious emergency.



CREDIT AND DEBT

27. Get Help If You Get Into Debt Trouble

Are you in debt trouble? You are, if

- You don't know how much you owe.
- You use credit cards to pay normal bills.
- You borrow from one card to pay another.
- You only make the minimum payment.
- Creditors call to you to find out where their money is.



If you find yourself in this kind of trouble, talk to someone! The National Foundation for Credit Counseling (www.nfcc.org or 1-800-388-2227) is non-profit debt counseling organization. Also, talk to your parents. They can be your biggest ally in helping out of a financial jam!

28. Get Into The Savings Habit



Learning to save money requires discipline and a frugal perspective toward spending. It is however, possible to teach yourself how to save money in small increments. If you can learn to save a little bit of money, you may soon realize you don't even miss the amount you are saving. Those small amounts add up over time.

29. Pay Yourself First

One way to get into the habit of saving money is to “pay yourself first.” That means putting money in your savings account before you spend it on other things. It doesn't matter how much you start putting into the saving plan, pretty soon, even saving \$10 a month will add up. Try these tips:

- Include savings as part of your budget.
- Have your employer or bank automatically deduct money from your paycheck and deposit it into your savings.
- Put your tax refund, raise, bonus, or gift into a savings account instead of spending it.

CREATE A BUDGET

Step 1: Identify Income

Example: Cory Coyote is an undergraduate student living off campus.

Sources	Monthly Budget	Quarter Budget	School Year Budget
From Jobs	\$600	\$1,800	\$5,400
From Parents/Spouse	0	0	0
From Scholarships	\$300	\$1,200	\$3,500
From Grants	\$1,259	\$3,777	\$11,331
From Student Loans	\$253	\$760	\$2,290
Miscellaneous Income	\$50	\$150	\$450
TOTAL	\$2,462	\$7,687	\$22,971

CREATE A BUDGET

Step 1: Identify Income

Use this worksheet to estimate your monthly income. If you receive financial aid in a lump sum payment, divide the total amount by the number of months it must last.

Sources	Monthly Budget	Quarter Budget	School Year Budget
From Jobs			
From Parents/Spouse			
From Scholarships			
From Grants			
From Student Loans			
Miscellaneous Income			
TOTAL			

CREATE A BUDGET

Step 2: List Expenses

Example: Cory Coyote is an undergraduate student living off campus.

Expenses	Monthly Budget	Quarter Budget	School Year Budget
Tuition and Fees	0	\$1,680	\$5,040
Books	\$100	\$300	\$900
Rent or Room and Board	\$550	\$1,650	\$4,950
Groceries	\$150	\$450	\$1,350
Car Payment/ Transportation	0	0	0
Insurance	\$80	\$240	\$720
Gas and Oil	\$120	\$360	\$1,080
Entertainment	\$100	\$300	\$900
Eating Out/Vending	\$100	\$300	\$900
Telephone	\$70	\$120	\$630
Utilities	0	0	0
Miscellaneous	\$100	\$300	\$900
TOTAL	\$1,370	\$5,790	\$16,470

Tuition and Fees (for 10/11 school year)

- Undergrad \$5,049
- Graduate \$6,033
- Credential \$5,727
- Doctoral \$10,365

CREATE A BUDGET

Step 2: List Expenses

Use this worksheet to estimate your monthly expenses. If you are not sure how much you spend every month, start a spending notebook. Write down what you spend on everything for the next two or three months, including small purchases such as coffee or magazines. At the end of the time, add up what you have spent, divide by the number of months and use the results to complete the worksheet.

Expenses	Monthly Budget	Quarter Budget	School Year Budget
Tuition and Fees			
Books			
Rent or Room and Board			
Groceries			
Car Payment/ Transportation			
Insurance			
Gas and Oil			
Entertainment			
Eating Out/Vending			
Telephone			
Utilities			
Miscellaneous			
TOTAL			

CREATE A BUDGET

Step 3: Compare Income and Expenses

Example: Cory Coyote is an undergraduate student living off campus.

Sources	Monthly	Quarterly	School Year
Write down your total income (from Step 1)	\$2,462	\$7,687	\$22,971
Write down your total expenses (from Step 2)	\$1,370	\$5,790	\$16,470
Subtract expenses from income and list amount here	\$1,192	\$1,987	\$6,501

NOTE: Cory Coyote has some left over money. She should save that money for an emergency or borrow less money in student loans.

Use this worksheet to compare your income and expenses.

Sources	Monthly	Quarterly	School Year
Write down your total income (from Step 1)			
Write down your total expenses (from Step 2)			
Subtract expenses from income and list amount here			

CREATE A BUDGET

Step 4: Set Priorities And Make Changes

Was there money left over at the end? Congratulations! If you treat it wisely, (for example, putting it into a savings account), you will be on your way to reach your goals. If you came up short, review your spending plan to figure out where you can cut some expenses or increase your income or both.



RESOURCES

California Council on Economic Education
California State University, San Bernardino
<https://www.ccee.org/>

Credit Reporting Agencies:
www.equifax.com
www.experian.com
www.transunion.com

National Endowment for Financial Education www.nefe.org

National Foundation for Credit Counseling
www.nfcc.org

Office of Financial Aid
California State University, San Bernardino
<http://finaid.csusb.edu/>

Smart About Money
www.smartaboutmoney.org

Free Application For Federal Student Aid (FAFSA)
www.fafsa.ed.gov

U.S. Department of Education
www.ed.gov



Division of Student Affairs