

Handling your Money in College

Going to college is not only one of the biggest steps in your life; it is probably the most expensive up to that point. But going to school and working for a higher education doesn't mean that you also have to be the typical, poor student. If you follow these tips, you should be able to keep a handle on your money and live a life of relative comfort and enjoyment.

Track your funds via a monthly budget.

Whether you have to create it on an Excel spreadsheet or want to use a computer program to do this, it is a lot easier and more useful than using your check book. I use Excel and keep track of each month's income and expenses that way. One column shows the money I have coming in, another shows my set expenses (i.e.: bills), and a third keeps track of the extraneous purchases that I make during the month.

This is useful because you can see how you will end up at the end of each month and at the end of the year. By pre-entering your estimated income and expenses for future months, you can see whether or not you are making good financial decisions. It also allows you to see the benefits of small changes in your budget, which you might not see otherwise. An example is the money you might spend on the weekends to go out. If you spend about \$20 a week on alcohol and bars, it adds up to over \$1000 a year. So, if you cut back and make an effort to spend half as much or not go out as often, you will save hundreds each year.

Utilize coupon booklets or campus saving programs.

Almost every campus out there has offers that allow you to save money in one way or another (i.e.: coupon booklets, student discount cards, businesses that offer reduced prices for students, etc.). With coupon booklets, the best practice is to gather a large amount of them—some schools have two or three different booklets—and tear out the ones that you know you will use sooner or later, like haircuts, restaurants, mechanics, clothing stores, print shops, and anywhere else you might utilize through the semester. Lots of bars and restaurants offer free appetizers or buy one get one free entree coupons, so definitely take advantage of those. Especially if you are dating, be sure to use the savings offered by your campus because having someone else in your life can get expensive.

Have a steady source of income.

In order to calculate your income, you definitely need to have a source-aka, a job. Don't let others fool you and say that you shouldn't have a job while you are in college. The truth is that students who are more involved or have a busier schedule, are more productive and successful. At the very least, find a job that you can work at least 15 hours a week. As a side note, try to find a position that fits your area of study and can get you some "real world" experience.

If you do the math, you can figure that working 15 hours per week at minimum wage will earn you just over \$100/week. If you are living in the dorms or if your parents pay for many of your bills, this would be a decent income. You should be able to go out, enjoy college, and not have to bum off friends or stay in all the time because you can't go out.

However, if you have to pay your own bills (rent, phone, car payment, groceries, etc.) then you know that living on under \$500 a month is just about impossible. So, you'll definitely want to work at a job that offers above minimum wage and probably 20+ hours per week.

Watch your expenses.

Your budget will show the amount of money you have coming in and going out each month. Keeping track of your outgoing money and realizing that you can't get it back once spent is very important. Understand that you will probably have a set of predetermined expenses like rent and car payments, which will leave you with a certain amount of disposable income to do with what you wish. Personally, I limit my disposable income spending to \$200-300 per month after bills are paid. This leaves me with money left over which I place into my savings account. The biggest pieces of advice I can offer you on this topic is to live below your means, don't splurge, and steer away from impulse buying decisions.