

# Credit smarts

## PREPARING YOUR FINANCES FOR LIFE DURING (AND AFTER!) COLLEGE

By Anne Chaconas



Making sure your finances are in order before you go to college is something that is just as important as making sure you've packed everything you need and have registered for classes. And "finances" doesn't just mean making sure your tuition is paid and your financial aid is in place! Being familiar with your personal finances—how you handle money, how you budget, and where you spend your cash is essential, too.

So, what steps can you take to make sure that you keep on top of your finances during college, and set yourself up for financial success after you get your degree?

### Get a job

Nothing makes you start caring about where your money goes like getting a job. When you have to work hard for every dollar you get, you start paying closer attention to how it is spent. Consider getting an after-school job while you're still in high school (and continue it through the summers, working more hours, so that you can save up for when you leave for college). Once you're in college, consider getting a campus job. Colleges love employing their own students, and often pay them much nicer hourly wages than you could find off-campus. If your college doesn't have campus jobs or you can't find one, get an off-campus job. Every college town has plenty of jobs for college

students, ranging from waiting tables to part-time office work. Start weaning yourself from your parents' pocketbooks, and start earning your own cash. Not only will it make you feel like a self-sufficient adult, it will also let you value and understand money a lot more.

### Get familiar with your finances

Do you have a checking account? If you don't, get one. Start putting money in it. Get online banking, and get in the habit of periodically checking your account. Know how much money there is in there at any given time, and know where your money is going. Once you have a checking account, consider starting to pay for some of your own bills, like your cell phone or your gas (after all, your parents can't pay for those things forever!).

Get familiar with how banking works, what incentives your bank offers (many college town banks waive checking or ATM fees for students with a certain GPA, for example, or give you bonuses or freebies if you make Dean's List). Consider getting a debit card so that you can start making purchases on your own. Debit cards work like credit cards in that you can make purchases wher-

ever credit cards are accepted—but only let you use the money you actually have in the bank. It's a great way to start getting used to using "plastic"

instead of cash. Consider opening a savings account, too, and putting a small amount of money in there every month. Even something as small as \$25 every month can quickly add up (by the end of a year, you'll have saved \$300!).

### Learn how to budget

Budgeting isn't just for moms and families—it's for anyone who wants to keep their bank account in the black! It's not hard to do—budgeting is just a fancy word for planning ahead. Sit down and write down all your expenses, and then compare them to your income. Make sure your expenses don't exceed your income, and plan ahead for big purchases (like a spring break trip with your new college friends). There are great (and free!) online budgeting tools like Mint.com and BudgetSimple.com that let you follow everything online, and keep on track with what you earn and what you spend. Use your parents as a resource to help you get started with budgeting, too—after all, they've been doing it for a long time, and will have great insight and tips to share!

### Understand credit cards

Credit cards can be dangerous if you don't know how to use them correctly—not only can you end up owing a lot of money very fast, but if you don't pay that money off in a timely manner, it can end up impacting your credit score, which can hurt your chances of being able to get a car or house down the road! Chances are pretty good you don't need a credit card while you're in college—but if you want to have one, then talk to your parents about it first. They have experience using credit, and can give you guidance on whether a credit card is a good idea for you, and help you get one if it is. Spend wisely (and frugally!).

### Think about what you purchase, and whether you really need it:

- That expensive cell phone with all

the bells and whistles? Remember that there's also an expensive monthly cell phone plan that comes along with it—it's not just the cost of the phone you have to save up for.

- That super-advanced laptop? You probably don't need such a fancy one unless you're going into architecture or video game design—get the cheaper one instead.
- Have a university meal plan? Use it! Don't eat out unless you absolutely have to—and you shouldn't if you have a meal plan. Don't have a meal plan? Go grocery shopping! Eating at restaurants can quickly add up to hundreds of dollars a month. You can buy a week's worth of groceries for what you'd spend on two or three meals at a restaurant.
- Going out with friends? Cover fees, entry costs, food and drinks can add up fast. Make your outings sporadic rather than constant—you'll save a ton

of money, and they'll be more special, too!

### Depend on yourself

Most importantly, learn to pay your own way. You'll find that once you get into the hang of being a money-conscious adult, being smart about your finances, your credit and your money is easy! 🙌



**Anne Chaconas** is the director of admissions counseling for PowerScore Test

Preparation ([www.powerscore.com](http://www.powerscore.com)). Every year, she answers countless questions about college admissions and helps many students get into their top choice schools.



### GET IT NOW!

Need help planning for college? Watch this video! [www.NextStepU.com/College](http://www.NextStepU.com/College)



# GET THE INSIDE STORY

When I first arrived on campus for my tour, it just felt right being here.

Jessica Voglewede, junior, Holland MI

# HILBERT COLLEGE

### COME FOR A VISIT

Our campus is just 10 miles south of Buffalo.

Hilbert College  
5200 South Park Avenue  
Hamburg NY 14075  
716-649-7900 or 800-649-8003  
[www.hilbert.edu](http://www.hilbert.edu)