

## College Students Should Budget Too

It is true, college students are not known for having a lot of money, but that does not take away the need for a budget. In fact, it may be even more important to know how much is coming in and going out of the bank account.

No matter a person's age, building a budget is generally the same: Income minus expenses equals the amount that can be saved or spent on extras. However, having a plan and working that plan can help students better manage their often limited funds.

"Goals provide direction," said Cindy Clampet, Oklahoma State University Cooperative Extension assistant state specialist, family resource management. "Deciding what's most important helps people use their money and resources to the best advantage."

For college students, examples of goals may include paying for school or saving for a car. After establishing clear goals, the next step is to create a spending plan.

Developing an effective spending plan involves taking a close look at income and expenses as well as credit use and any reserve accounts where funds are set aside for quarterly, semiannual and annual expenses such as car insurance.

"To get a good idea of your financial picture, it's important to figure out how much money is available and where funds are being spent," Clampet said.

Write down all sources of income and all expenses, finalize the plan then put it into action.

"Be prepared to make adjustments to the plan as you go along," Clampet said. "This may take some time and require changes in some of your financial habits. Just keep your goals in mind for motivation and encouragement."

Finally, one unique consideration for college students may be the order in which they spend financial aid.

Students should spend "free money" such as grants and scholarships first before using funds earned or saved through working or the federal work study program. Finally, they should use money gained through loans.

"Spending school funds in this order will keep the amount you borrowed as low as possible, which in turn should allow you to pay off the debt faster," Clampet said.

## Getting Out The Door

**Organize your entryway:** Create an area in your entryway (nearest the door you use most often) for everyday life accessories (keys, cell phone and charger, bills to be mailed, etc.). An over-the-door clear plastic shoe holder makes a perfect storage spot for these items. (Use lower pockets for small children so they can get their own belongings.)

**Bag it:** Have a dedicated 'borrowed basket' so you can easily find a library book or movie on the day it is due. Use colored tote bags to store equipment, one bag per activity, for example a blue bag for scouting and a red bag for ballet, you can easily grab the right bag on the right day. No more emptying and refilling a single bag.