

Financial Tips for College Students



A student going off to college no longer has mom and dad watching over their shoulder. That freedom allows you to make your own decisions and learn as you go, but it's also tempting to spend frivolously without parents there to tell you no. A budget is a responsible step into adulthood that allows you to take control of your spending. Instead of mom and dad telling you that meal out is too expensive, your budget tells you that the extra \$25 is too much to stay on track financially.

Here are some valuable tips to help ensure a successful financial future:

1. Create a simple budget

Yep, a budget is the first step. Once you give each dollar a purpose and ensure you're meeting essential needs, you can spend on things you value and feel confident that you can afford them.

The 50/30/20 approach is a good budget starting point.

- Spend 50% on needs like rent, groceries and minimum loan payments.
- Spend 30% on splurges like trips, takeout and concert tickets.
- Spend 20% on savings and extra payments on high-interest debt.

2. Make a money priority list

You can't do everything at once when you're saving money and repaying debt. Prioritize in this order:

- Save \$500 for emergencies in a savings account.
- Grow your emergency fund. Aim for three to six months' worth of expenses.

3. Work on your credit

You may be hard-pressed to name a benefit of student debt, but here's one: Consistent on-time payments reflect positively on your credit. And a credit score in the high 600s or above is essential to accessing the best rates on loans, insurance and a mortgage. Some employers and landlords check credit, too.

Review your CREDIT REPORT to see where you stand. With TVACCU's Free ID Protection, you can check your credit score and get instant alerts regarding any change in your credit file. Chances are you don't have much of a file. To start working on your score, apply for a secured credit card or a basic credit card. TVACCU's Visa Credit Card has no annual fee and with your UChoose Rewards points you can get CASH BACK, travel, and awesome merchandise from top retailers.

4. Use credit cards as a tool

Having a credit card doesn't mean you have to carry a balance.

Instead, pay off your card on time every month and use less than 30% of your available credit. If your card limit is \$3,000, for example, limit your balance to \$1,000 or less.

5. Make your money work for you

Earning credit card rewards is a prime example of making money work for you.

Another example: If you have good credit and relatively low debt compared with your income, you can refinance loans to a lower interest rate. This will free up money to invest, spend on a vacation or save for a down payment.