

CONTROLLING COLLEGE DEBTS

WAYS ON HOW TO CUT ON TUITION FEES
AND OTHER COLLEGE EXPENSES



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Foreword

Don't put away that last suitcase in the car and begin the drive to college until you take the time to go through this book. Here are some tips to help you manage your money so the final 2 months of the semester you won't find yourself eating only stale potato chips in the dorm room or lurking around the coffee shop parking lot looking for dropped change!

Chapter 1:

Keep Track Of Spending

Synopsis

Track your spending for 2 to 4 weeks to learn where your money is going. Are 4 trips to Starbucks a week really essential?

Know Where It Goes

"They do not realize how much they spend on small things," says one financial planner and an associate professor at a Lone-Star State University. "That's the most basic revelation." Commonly, just by tracking expenses, you will begin to cut back expenses.

Keep close track of your spending to make certain your money is being spent the way you want it to be used. Tracking the money you spend forces you to consider where your money is going and shows you where adjustments should be made, resulting in more efficient use of your money and smarter spending habits.

Tracking your spending assists you in answering the following important questions:

- Where and what is my money going?
- In what way can I separate my expenses into categories, so that I may evaluate them?
- What boundaries can I set for myself, so that I can prevent spending on unnecessary things?
- In what ways can I track my personal spending to ensure that my spending stays within my boundaries?
- How will I use money I have "found" by closing monitoring spending to assist me in meeting my long-term goals?

Computer software makes tracking your spending a much easier task than it is done by hand. Quicken or Microsoft Money are fantastic software programs that assist you in tracking your spending in a way you are able to follow.

Think of possibly buying personal budget software. In Quicken, for example, every time you make a deposit or pay a bill, you're asked to apply it to a certain category, such as "paycheck," "clothes," "groceries," "transportation," or "health insurance."

You are then able to subdivide "transportation" expenses into "gas," "auto insurance," and "vehicle maintenance." Along with the program comes categories that handle most of the basics. You are able to change the list or create categories that are convenient for you and your situation.

Even if you choose not to use computer software to track your money spending, make sure to evaluate where your money is going every month.

- Separate the expenses into categories based on the area of need such as food, shelter, transportation, and so forth. Then take things a step further and separate these into subcategories such as vehicle/fuel, vehicle/upkeep, etc.
- Concentrate on the areas where you realize you need to cut back spending.

- Think of your purchases. Are these purchases needed or just wanted?

Observing where your spending goes is an eye-opening experience, especially when you notice an excessive amount of your earnings is going to your vehicle(s), electronic devices, or going out to eat in fancy restaurants. Figuring this all out will help with motivating you to make some changes in these spending areas.

Facing the facts is the hardest part of keeping track of your spending and what it is spent on. It can be vicious to see for yourself where your money is going and if your spending is necessary.

Get rolling. Begin tracking your spending. Pinpoint exactly how your money is being spent.

- Closely look over money spending to ensure it meets the personal priorities you defined earlier.
- Search for ways you are able to cut down: Spending money elsewhere or not as often, or by simply eliminating it.
- For each of your categories, establish spending caps or limits.
- Create a simple process that will work for you so that you can easily keep track your purchases.

- Keep close eye on your ongoing spending to make certain it stays within your personal spending guidelines.
- Revise your spending budget by adding or deducting from each category so that it's a feasible plan for you.

Tracking your spending and making some simple adjustments will provide more spendable cash to you. Soon you will notice that there's a definite gain in making the proper effort to keep track of your personal spending.

Chapter 2:

Make A Plan

Synopsis

The most beneficial way to manage your money over the course of a semester is to sit down and make out a budget. List sources of revenue like scholarships, loans, money from summer jobs and cash from your parents as well as expenses, like tuition, books and groceries.

Budget

A personal budget is a plan for expenses and wages. It would be used for things such as assigning upcoming earnings to bills, trying to get out of debt or maybe even a treat to yourself.

A personal budget is a simple way to monitor your finances and keep them in order and plan for expensive upcoming events. Making a personal budget may prove to be very valuable; it offers management over your finances and supplies an overall analysis of your monetary shape. A personal budget can be simply hand-written or you can make good use of specially designed "budgeting" software. Which ever technique fits your preference will work as well as any so the choice is really up to you.

A budget is created from your past income as well as past expenses. Budgets can have a certain target to be reached by a certain date. Examples of this could include things such as paying off a personal debt, saving money for a vacation, a trip or maybe even something as big as buying a home or retiring from your career. This can be difficult, but it doesn't have to be.

Typically you would want your budget to be simple to follow and abide by. If your budget is unrealistic and complicated, the chances of you sticking to it greatly decrease. When making your personal budget you want to be flexible

because your conditions could easily alter from month to month. A budget is not necessarily "written in stone" and you ought not to be deterred if you do not make it each month. This is a regular part of budgeting to be anticipated.

Utilize practical figures when you design your personal budget. Whenever you have to calculate your income, don't put a sum of money greater than you anticipate. While addressing unknown expenses, calculate over the sum needed rather than under to ensure the proper finances will be there.

The most proficient technique to acquire precise figures is to utilize genuine previous bills, expenses and profits. You should keep copies of each of your known expenses and incomes to create a practical and useable personal budget. Set your budget up in a format you will be able to easily access. You can always use a pocket-sized calendar that you carry with you, a laptop, a worksheet or your mobile phone just to identify a few. Remember: The less complicated it is to get to your goal, the more liable you are to persist in achieving it.

The most difficult portion of a budget isn't preparing it, but staying with it. The word "budget" is discouraging to a lot of people. This is why it's of significant importance to develop a simple to follow personal budget. You are able to accomplish this with discipline and determination. You will surely be

amazed at how simple it is to put one together as well as follow one.

A personal budget gives you a financial map to assist you in following all of your personal money transactions. Naturally it won't work if you don't utilize it. The more you utilize it, the more it turns into a part of your regular everyday routine.

Chapter 3:

Entertainment Money

Synopsis

If you recognize you need to purchase a new CD or go to concert or a party each week, establish room for that in your budget.

Making The Budget

So, you are prepared to construct a budget for yourself or your household. Making a budget for college expenses and each of life's additional essentials is a sensible financial move, but you do not want to draw a blank about all of those things that aren't "essentials" per se.

Sustaining a budget for your amusement expenses will aid you to integrate these expenditures into your overall budget plans.

1. Specify how much of your overall budget you would like to use for amusement purposes.

2. Get together your check book, relevant bills, receipts and bank statements for the past three months. Look through these items and circle any entertainment-type spending to get an estimation of what you spend income on and how much money is being spent.

3. Take a pen and paper and write down all of your personal entertainment expenses for the past three months. Then list the items as well as how much you spent on each one. This would include things such as eating at restaurants, attending a movie, internet for your computer and cable television. Then add together the dollar amounts and divide the total by three to acquire a monthly average.

4. Cut down spending wherever possible if the monthly average you estimated equals more than the original budget amount you set to the side for entertainment. A couple examples of simple things to cut back include dining out less often and cutting back on cable for a while. Since entertainment is not a necessity in life, it should be fairly simple for you to find certain things you'll be able to cut back on.

5. Determine how much of your money you would like to commit to each category of your expenses, such as eating out or going to the movies, after evaluating the total amount you actually spend in a month's time compared to your entire monthly entertainment budget.

6. List every category with the allotted dollar amount next to it for your final budget. Include a "mixed" category for unexpected or one-time expenses, such as a birthday party for your better half or one of your friends.

Remember that it is very important to stick to your personal budget. Fight through the urge and resist temptation. You will thank yourself in the long run.

Chapter 4:

Pace Your Spending

Synopsis

If you spend, spend, spend at the outset of the semester, you may be tapped out later. Give yourself a spending limit for every week. Stick to it and you won't have to eat hot dogs or macaroni and cheese day-after-day in December.

Pace It

Now that you are finally in college you have the freedom to do, and spend, whatever you want. Before you blow a whole semester's allowance in 3 weeks, review these budgeting tips for students.

Keep close track of your spending - Make sure to write down every single thing that you spend on and how much it was. At the end of each week review this list and you will find that by keeping track of your weekly spending you can identify your spending trends.

Do you really need to eat at your favorite fast food restaurant everyday? Do you really need to go to Starbucks instead of making coffee at home? Out of all of the budgeting tips that exist this is the one to pass on to students. Once you have done this and taken time to go over it you will be shocked at the amount of money you spend on everyday items.

Pace Your Spending - Did you obtain a Stafford Loan to assist in paying for your expenses? Remember that you only receive that one time per semester. Provide yourself a spending limit for each and every week to make certain you have money at the end of the semester. Trust me, eating noodles every day all day for a month straight will truly be a miserable experience.

Accept Reality - Figure out the difference between need and want then make adjustments in your priorities. This is probably the toughest lesson to learn, but remember that once you have graduated from college you will have to pay your loans back. What is the point to work so hard to get a great job only to spend 25% of your take home pay after beginning your new job because of debt you incurred in the past?

Look Past The Weekend - The next week is going to start whether or not you are financially ready. Plan ahead for things that you know are coming at the beginning of your semester and you won't have to miss any big events (since you blew all your money on unnecessary things such as pizza and beer). Try setting aside at least \$25 every week for unplanned events. When it comes down to it you will be glad that you did.

Think Before You Charge It - The only time you should use your credit card is in case of an emergency. Don't let yourself fall into the bad habit of using your credit card like an endless money machine. The more you do this the more you will find it harder to stop. It should not be difficult for students using these budgeting tips. All you need to do is to take the time and financially plan your semester.

Chapter 5:

Cut Down Credit Card Spending

Synopsis

In hard financial times such as these, the last thing you really need is to accumulate another extremely high balance on yet another credit card. Temptation can be great, especially if you frequently receive new offers for credit cards. The following are a few tips to keep a hold on your temptations and to keep your spending habits under control.

Curb It

Quit spending money you don't currently have! Remember that while credit cards can often be a necessary evil when cash runs dry towards the end of the week they are "Real Money," that you will have to pay back. A simple tip you can try is to put all of your credit cards into a bowl of water and put them in the freezer. Once the time comes that you wish to make a purchase you'll have plenty of time to evaluate how badly you actually "need" the item while the cards are thawing out.

Never spend more on your credit card than you can pay off each month. Carrying a balance may sometimes be a necessary evil, but do the best you can to pay those debts off as soon as possible. "It's on Sale!" you might think, but how much are you really saving if you're paying off interest on the purchase month after month?

View all available rebates and incentives offered to consumers in hopes of increasing sales with a very cautious eye. Calculate how much you will be paying over the life of the loan if you take the rebate, or the zero percent interest. Very often when you choose one, you can't choose the other. Ask yourself, which is the better deal?

When spending a large amount of money on something such as a vehicle, negotiate or bargain down the price to the lowest amount possible -- then mention the fact you have a

trade-in! If you have the sales manager calculate the price he/she can give you for the trade in before you've settled on the price you'll pay, the cost of the item you're purchasing may not be as negotiable. In effect, you're not getting the best price for either your trade-in or for your purchase. (You might even be "paying them" to take your old item!

Whenever possible, pay for it in cash! Paying in cash keeps you from paying interest all together. Granted it can be difficult to save up until you can afford the item you want -- but you simply recognize the difference between need and want. Often it pays to simply maintain and repair the old item until you have saved enough money to replace it. Always remember that interest on a loan adds up very quickly.

Do not hesitate to shop at consignment shops, second hand stores, and yard & garage sales. You can often find barely used, brand name items at very cheap prices. Sometimes you can even find items that have the original tags still attached! It will be your little secret where you got this item and how much you paid for it; nobody else will have the slightest idea.

Finally, if you must get a loan, pay the loan back as soon as possible to keep the amount of interest that accumulates to the least amount possible. Also, try to make at least one extra payment per year to trim back the life of the loan. If at all possible, pay 125% or 150% of the minimum or set

payment each and every month to cut that balance down to zero as quickly as possible.

Chapter 6:

Limit Your Spending

Synopsis

Have you ever discovered yourself wondering, "Why don't I have a lot of money in my checking account when I know how much was recently deposited?" Have you ever sat and imagined, "Where did all that money from my last payroll check go?" Have you ever discovered that you spent more money on discretionary items than you needed to and the result was that you didn't have the money you had projected for monthly bills? Read on to easily arrange your system to help you stick to your budget, save more money, and limit your discretionary spending.

Get A Handle On It

Sit down and make a budget. An easy way to make a budget is to begin with a top line item that is your absolute monthly income. Then list each of your monthly disbursements and don't forget to include savings. It's ideal to attempt to save at least 10% of your income if you're able. You'll want to make certain that you make expense items for all of your monthly and quarterly bills (for quarterly particulars, divide the amount due each quarter by 3 to get the monthly sum that you need to allow as an expense, so that you'll have the quarterly sum when needed). Make certain you include fair monthly amounts for your essentials like groceries, gas, and clothing.

Utilizing your budget, take your sum monthly income and subtract each of your monthly disbursements to ascertain how much is left. The amount left is your discretionary spending amount. If there isn't as much left as you'd wish, attempt to reduce your other expenses. For instance, many individuals can cut their grocery expenses by at least 20% or more by merely cutting the Sunday coupons and utilizing them each week for the items they regularly buy. If you're successful in cutting a few of your monthly expenses, consider padding your monthly savings amount with at least 10% of your savings.

Set up direct deposits (or plan for monthly and semi-monthly deposits if direct deposit isn't available to you

through your employer) once the appropriate bank accounts are set up. Most employers today offer the option to direct deposit your payroll check between several accounts. Have the total needed for monthly bills immediately deposited in the checking account. Set up to have your monthly savings amount directly deposited into your savings account.

Pay any bills and monthly disbursements from the checking account for monthly bills. Nothing else should be paid or spent from this account.

Consider the savings account out-of-bounds! Unless there's an emergency, this account isn't to be touched. Most financial experts today recommend that you work to save 6-9 months of expenses in an emergency fund. This savings account may quickly grow to be your emergency fund, if left alone. Once you reach your 6-9 months of expenses or more, you'll sleep better at night!

Enjoy acknowledging that your bill money will be there every month. You'll also easily know if you're overspending on discretionary items. I find that I feel much less stress by merely always "knowing" what my financial situation is.

Chapter 7:

Deal With Your Roommate

Synopsis

Get hold of your roommate before the semester starts and portion out expenses. Chat about who will bring a refrigerator and who will bring a microwave oven.

This way you prevent duplicating purchases and excess spending, but will still have all the amenities to make college life easier.

Living With A Roomie

Sharing living quarters with somebody may considerably cut your monthly expenses. Follow these steps to peacefully coexist with a roommate.

Be selective if you are able to. Interview prospective roommates and be honest about your own daily habits. Preventing troubles is the best way to deal with roommates.

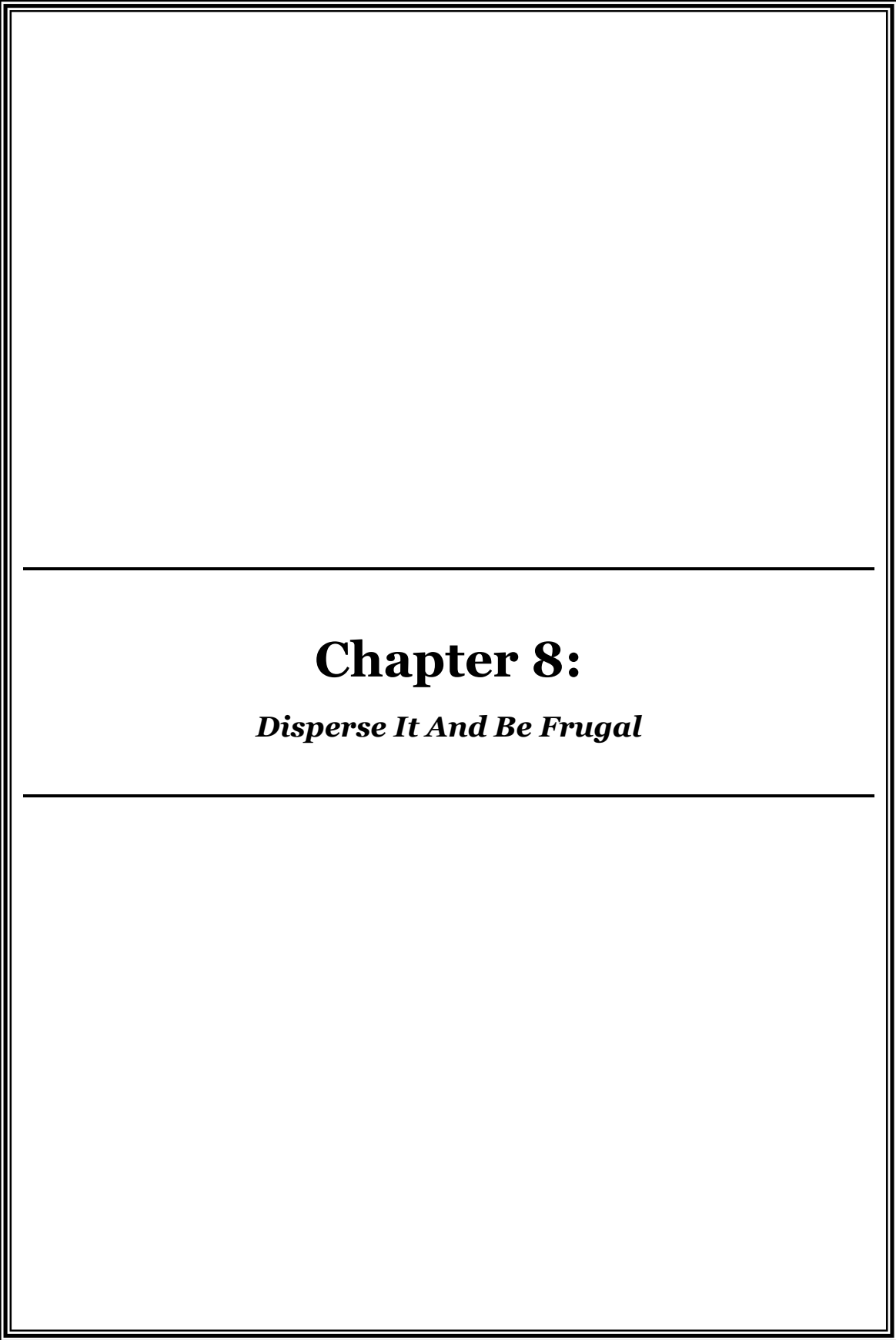
Before moving in with each other, set clear-cut guidelines. Talk about utilities, cleaning, suitable noise levels, sharing electronics and food. Set clear-cut boundaries to address these issues.

Formulate a positive friendly rapport from the beginning. Plan to help the roommate move into your new place, if conceivable.

Communicate with your roommate. Make a housecleaning schedule and stick to it. Talk about how you are able to produce rules that benefit all parties.

Choose your battles, decline to nag. Calmly tell your roommate you would like to talk about an issue, and then listen to their point of view. Discover a compromise that works for both.

Formulate a plan for paying bills so that everybody knows when their share is due. You may prefer to set up a separate checking account for these payments. Do not link any of your individual accounts to the group account.



Chapter 8:

Disperse It And Be Frugal

Synopsis

Most of the huge expenses are at the beginning of the academic year. Purchase books as you require them. That will spread out expenses.

Do not forget to check into prices from online bookstores. They might give you a better deal than the campus bookstore. Purchase used books if possible.

Ways To Be Frugal

Being frugal is a good way to make it through college; however it doesn't need to stop there. Living frugal is a way of believing that represents a particular mental attitude and respect towards money.

Break down where you are able to cut costs. Put monthly spending allowances on paper so you are able to hold yourself to your budget. If you must, you can have an envelope of hard cash for different things like groceries, gifts, amusement, etc. When the cash from the envelope is gone, then you can't spend any more money that month on that unless you take money from a different envelope. It may take a couple of months to discover a comfortable, but slightly strict budget, and get used to it.

You can't be frugal without coupons. Always utilize coupons when you are able to.

Check into the local thrift store or local consignment shops for better quality items. You can even take all your old and unused items to the consignment shops to make money also! If you're in need of a particular item, like a book shelf, telephone your local consignment shop and let them know what you're seeking. A few of these shops are happy to let you know if they have what you're looking for so you don't waste gas and time going to the store yourself, and will even

keep your request on file so when that one item does come in, they'll call you and let you know.

Be energy efficient. Not only does being energy efficient help you in being frugal, but it helps the environment also!

Discover how to cook. Being able to bake and cook from scratch may save you a ton of money in the kitchen and is really healthier for you anyway. A can of soup goes from \$1-\$3 and serves possibly 1-2 individuals. You are able to make your own soup to feed 8 individuals for the same amount! If you don't have that many individuals to feed, you are able to just make half of the recipe or freeze the leftovers.

Chapter 9:

Ask For Help

Synopsis

***It's very hard to say 'I'm in trouble and I need \$2,000'
or 'I spent my student loan money.'***

***Build up some courage and phone home. The longer
you put it off, the worse matters get!***

Do It Right

Most of us need financial help at one time or some other in our lives. Whether you're going through a difficult time, there are some crucial points to remember when calling for financial help.

People are often willing to help if you are able to distinctly define your real need. This might be help with a car payment, or grocery money. Possibly you require some money to purchase some books or supplies. If you're clear about what you require, this helps to keep your request focused.

Keep a sense of humbleness. Regardless of how frustrated you are with your conditions, don't let it become a chip on your shoulder. Don't make demands or suppositions that everybody must help you. It's o.k. to be scared, frustrated or saddened by conditions. But don't direct this at the person you are asking for help, particularly if they're not able to help you.

Explain how you're prepared to alter your circumstances. A plan with goals conveys you're working your way up, not spiraling down farther. Individuals don't want to feel you're requesting an infinite amount of help with no end in sight.

Thank people for their time. If somebody can't help you, don't assume they don't want to. Being gracious for anything you receive--even if it's just an ear--may lead to help coming from another source. Always send a "thank you" note and offer what help you are able to in return for any help you received.

Wrapping Up

A lot of college students are getting into serious debt that has little to do with their training and much to do with their life-style and the use of student charge cards or student loan money to pay for primary expenses. Who knew that you'd still be paying back your pizza tab 10 years after you graduate?

Frequently the excitement and sense of achievement that come from finishing your degree and beginning in the job of your choice are dulled by the discouraging realization that your student charge card debts and student loans are going to eat up all your disposable income, and then some. It's a true drag to work full-time making a real salary and not be able to afford a decent car, furnishings for your apartment, a select wardrobe for work, or the latest electronic appliance.

***Use the tips in this book to stay financially on track
while in college.***

