



*Certain things catch your eye,
But pursue only those that capture your heart.*

Native American saying

Surviving Financially As A College Student

You have taken many, often difficult, steps to attend college. You probably have:

- Taken tests and exams,
- Completed what feels like a mountain of paperwork.
- Researched careers and colleges, and
- Faced family and friends who perhaps may not support your desire for a college education.

You've overcome many obstacles to be on this path. Now, to stay on that path, you'll need to pay attention to your studies and to your finances.

Do you recall the line "It was the best of times, it was the worst of times"? That line, from Charles Dickens' *A Tale of Two Cities*, could describe the life of a college student. After all, you're learning much while you have little to spend. You're rich in ideas, but poor in the pocketbook.

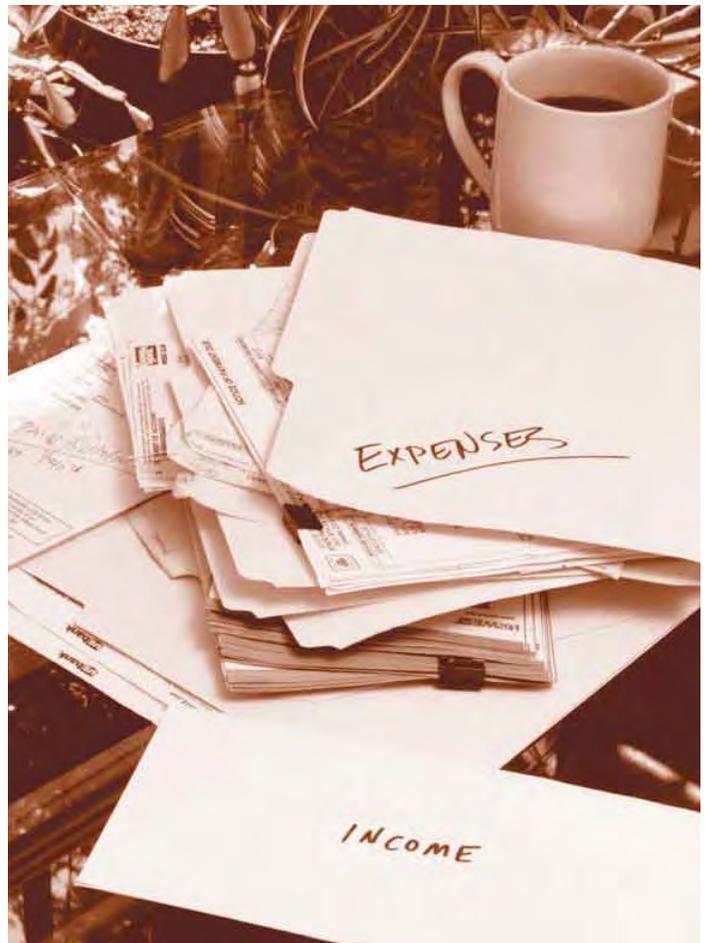
But there is good news: by learning and applying some simple skills, you'll master your money and can avoid the label "starving college student." You'll also be well on your way to coming financially stable throughout your life.

Money 101: Getting Organized

Being organized will save you time and stress—and make it easier to focus on your studies. Usually, the key to getting organized is having the right container. This doesn't mean spending a lot of money. You can buy an inexpensive file box or file folders at an office supply store—or even a used office furniture store. Even labeled shoe boxes could work.

Next, make separate folders for the following:

- **College Money.** Into this folder place financial aid paperwork, grant and scholarship award letters, loan papers, and notes related to financial aid research. Also keep records of phone calls with financial aid experts or loan officers (include name, telephone number, date, and topic discussed). This folder is for paperwork—not for cash.
- **Bank or Credit Union Account.** Put your monthly statements into this folder.
- **Car Loan/Credit Card.** Put monthly statements, signed agreements, and loan terms into this folder.



- **Equipment.** Place warranties and receipts for any major purchases, such as a computer or appliance, into this folder.
- **Taxes.** Put your past tax returns, W-2s, and any paperwork about income in this folder.
- **Course Work.** In this folder, place your course requirements to graduate, grades, etc.

Many of these papers list sensitive information, such as your Social Security number, bank account number, etc. and could make you a target for identity theft. Make sure you keep your file in a secure place. If you live in a dorm, lock up these important papers.



Opening A Checking Account

If you don't already have a checking account, you'll probably want to set one up now that you're a student. It will make paying bills easier. But, before running out to the nearest bank, credit union, or savings and loan and opening an account, do some research first. It could save you money in the long run.

Start by identifying your banking needs. Ask yourself the following questions:

- On average, how much money will I be able to keep in the account every month?

- About how many checks will I need to write each month?

- Do I want to go to the bank to get or deposit my money, or will I use automated teller machines?

What is the charge for each?

- Would I prefer to pay most of my bills using online banking?

- Will I use a debit card to pay for purchases?

Now that you know your needs a little better, take a look at the types of accounts that typically are available.

- **Basic** checking
- **Interest-bearing**
- **Express** account
- **"No frills"** account
- **Student** checking
- **Money market** account

With each of these types of accounts, you may be able to add an online banking feature. After learning more about these accounts, it's time to **shop** for the account that's right for you. If you do have a checking account, make sure you **keep it healthy**.

Basic Checking

A basic checking account works best if you can't keep a lot of money in the account on a routine basis. With most banks, you'll pay a monthly fee for the account. A small number of banks don't charge a monthly fee on their basic checking accounts. However, to get free checking, you often must do one of the following:

1. use automatic deposit to put a steady paycheck into the account
2. keep a minimum balance (often around \$500 or \$1,000) in the account (if your balance falls below the minimum amount—even for just one day—you'll pay a monthly fee)

Interest-Bearing Account

With an interest-bearing account, you earn a small amount of interest on the money you keep in the account. To avoid a monthly fee, you'll need to keep a rather high balance in the account—usually around \$1,000.

Express Account

This type of account is geared for people who would rather bank by ATM, telephone, or computer. In general, there are low monthly fees on the account and you can keep a low minimum balance. If you have paychecks automatically deposited into this account, you might not pay a monthly fee at all. The account cost is low because you're not visiting a teller. If you do visit the bank and use teller services more than once or twice a month, you'll pay a teller fee.

“No Frills” Account

No-frills accounts usually are for low-income people. The monthly cost of the account is low (ranging from zero to under \$10). You also can keep a very low balance in the account. Typically, you can write only a limited number of checks each month on this account.

Student Checking Account

Some banks offer special checking deals to students. You may get a lower monthly fee, free checks, or other perks. The benefits of this type of account will vary widely from bank to bank.

Money Market Account

This type of account combines checking account features with investment opportunities. To open a money market account, you typically need anywhere from \$1,000 to \$10,000. You also must keep a high minimum balance in the account to avoid fees. You will earn more interest on the account than on a typical interest-bearing account, but you can only write a limited number of checks each month—often only three to five. In fact, a money market account usually has more restrictions than the other types of accounts.

Account Overdraft Protection

When you open an account, you may be encouraged to opt in for overdraft protection. With overdraft protection, you can write a check or buy something using a debit card for more than what is in your account. You may like the idea of not bouncing a check or having your debit card declined, but this “feature” is really a high-priced loan. Click [here](#) to learn more about the dangers of overdraft protection.

Protecting Yourself from Overdraft Protection

We all get busy and, sometimes, we may not know exactly how much money we have in our accounts. In that case, it's easy to write a check or make a debit card purchase for more money than is available. If you have overdraft protection, the bank will go ahead and allow the purchase. This may save you some embarrassment, but it comes at a cost. Consider this example:

You believe you have about \$100 in your account; in reality, you have \$50. During one day, you make several small purchases with your debit card. The first is for \$5, the second is for \$15, the third is for \$12, and the last purchase is for \$45. The next day, you discover your error, but you have overdraft protection and you think being \$27 overdrawn is no big deal. But, here is how the bank is likely to handle your account.

At the end of the day, the bank subtracts your purchases from your balance. You may think that the purchases will be subtracted in the order that you made them (from first purchase made to the last purchase). That is wrong. Banks are allowed to subtract the highest purchase first.

Your bank subtracts the \$45 from the \$50 balance. Great, you still have a \$5 balance... you're not overdrawn yet. But next, they subtract the \$15 purchase from the \$5 balance. You're now overdrawn. Then, they subtract the \$12 purchase, followed by the \$5 purchase. You're \$27 in the red.

If you think that you'll pay one overdraft fee for that \$27 amount, you'd be wrong. The bank will charge you around \$34 for each transaction that occurred where you didn't have the money in the account to cover the purchase. Since the bank subtracted your purchases from highest dollar amount to lowest, you were overdrawn three times. This is how it looks to the bank:

Balance	Purchase	Overdraft fee
\$50	\$45	None
\$5	\$15	\$34
-\$10	\$12	\$34
-\$22	\$5	\$34
-\$27		

Your account is overdrawn by **\$27** and you'll be charged **\$102** in fees. You're now \$129 in the red. If you can't pay off these fees quickly, you'll face additional interest charges since overdraft protection is a loan.

The best advice is to always know exactly how much money you have in your account and avoid overdrawing your account. Also, opt out of overdraft protection. To learn more click [here](#).

Shopping for The Account

Use the worksheet below to compare the costs of checking accounts.
If a credit union has the best rate, find out how you can participate.

Checking Account Feature	Bank A (Name) _____	Bank B (Name) _____	Credit Union (Name) _____	Savings & Loan (Name) _____
Monthly fee				
Cost to print 200 checks				
Monthly cost of on-line banking				
Minimum balance to avoid fees				
Fee for falling below minimum balance				
Bounced check fee per occurrence				
Teller fee				
ATM card fee				
Interest rate for high balances				

The bank, credit union, or savings & loan I will use is: _____



Keeping Up The Account

The tips below can help you keep your account healthy and avoid costly and embarrassing mistakes:

- Every time you write a check, enter the check number, date, and amount into your checkbook register and subtract it from your balance. You may want to round up the check amount to the next highest dollar figure. This can help you avoid bounced checks or help cover any monthly fees.
- If you deposit or take money out from an ATM, write down those transactions as well.
- If you make a purchase with a debit card, record that in your register, also.
- If you are using both paper checks and on-line banking, make sure you enter the checks you wrote electronically into your paper register. If you are using a personal finance software (such as Microsoft Money or Quicken) along with online banking, you can list both your paper checks and electronic checks into the software.
- If you can't get into the habit of writing down your check transactions immediately in your register, order checks that have duplicates. Then, you'll have a record of the check and can enter the transaction amount into your register at a later time.
- When you order checks, remember to subtract the cost of the checks from your balance.
- Don't bounce a check (write a check for more money than you have in your account). Watch those debit card purchases, too; it's easy for small purchases to overdraw your account. The bank will charge you as much as \$34 or more for each bounced check or debit card purchase. This will hurt your credit record.
- Don't check your account balance at the ATM and assume it is correct. If you wrote checks that haven't been processed by your bank yet, the ATM balance will be higher than the amount of money you have available.
- When the bank mails your checking account statement each month, compare the bank's figures with your check register and make any adjustments. This is called "balancing your checkbook."
- Take advantage of technology. Many banks have 800 numbers you can call to find out your balance, what checks have cleared, and the fees you have been charged. The information usually is updated every business day, so it's more current than monthly statements.
- **Organize your bank paperwork** and place it into the right folder. If you think maintaining a checking account is a hassle, consider the cost of cashing checks at **check-cashing stores**.

Cashing Checks The Costly Way

Most check-cashing stores offer two services:

1. Check cashing
2. Payday loans

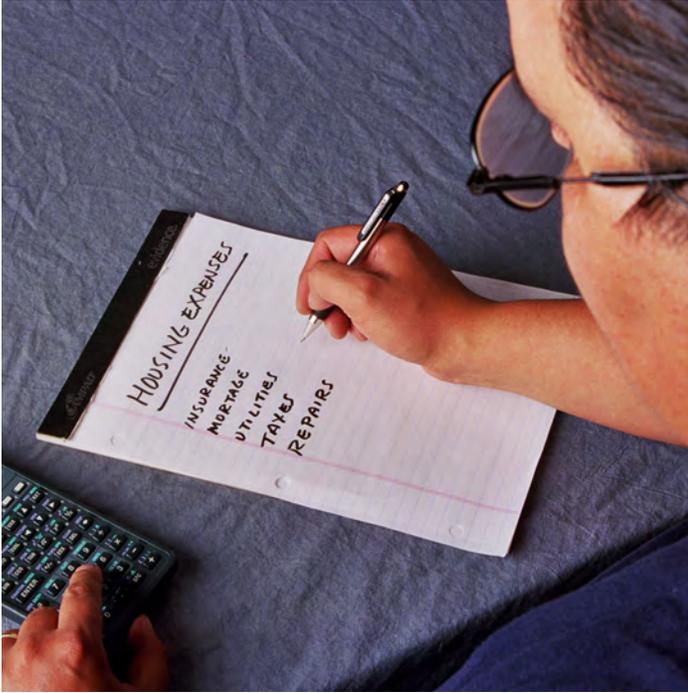
Both of these services can take a chunk out of your paycheck.

Check cashing. The check-cashing store charges a fee for cashing your check. Often, it is as much as 3 percent or 4 percent per every \$100 of our check. That may sound small, but the amount adds up quickly. For example, if you have a job that pays you \$800 a month after taxes, the check cashing store could charge you \$24 to \$32. In a year, that means you've lost \$288 to \$384. That money could go a long way toward books and other college expenses.

Payday loans. This type of loan can be extremely costly. With a payday loan, you write a check for the amount you want, say \$200. The store loans you the \$200 and agrees not to cash the check until the next payday. What happens if you don't have the \$200—plus the store's fee—by the next payday? You can carry over the loan, but you will pay a large fee. The interest rate on a payday loan could be around 500 percent or more. If you If you refinance you \$200 loan four times, you'll be paying another \$200 in interest.

You worked hard for your money and you need every penny. There are cheaper ways to access your cash.





Creating A Spending Plan

Money is tight for most students. Still, using a spending plan can help keep you on your educational path. The basic purpose of the spending plan is to list what you expect to earn and what you expect to spend. By comparing your income with your expenses, you'll know if you're on track financially.

In the beginning, it's best to start by making a plan for a month at a time. Later on, you can make a plan that covers a school quarter, semester, or school year. Also in the beginning, it's a good idea to note how much you actually earned and spent. This will help you develop future spending plans that are more accurate.

There are four steps to making a spending plan:

1. **Identify** your income.
2. **List** your expenses.
3. **Compare** income and expenses.
4. Make **changes**.

Download these worksheets and develop a personalized spending plan.

Identify Income

Sources	Expected Per Month	Actual Per Month
Financial aid (grants, loans, scholarships) <i>paid directly to you</i>	\$ _____	\$ _____
Financial help from family	\$ _____	\$ _____
After-tax wages from a job or work-study program	\$ _____	\$ _____
Child support	\$ _____	\$ _____
Public assistance	\$ _____	\$ _____
Food stamps	\$ _____	\$ _____
Interest on a savings account	\$ _____	\$ _____
Tax refunds	\$ _____	\$ _____
Gifts	\$ _____	\$ _____
Other	\$ _____	\$ _____
Other	\$ _____	\$ _____
Other	\$ _____	\$ _____
Total Monthly Income	\$ _____	\$ _____

If you receive a financial aid check that must last all quarter, divide the amount of the check by the number of months it is expected to cover. If the financial aid is paid directly to the college, don't list it as income here unless you receive a portion of it as a refund after your college costs have been paid.

Identify Income

Sources	Expected Per Month	Actual Per Month
Tuition or fees you are responsible for paying	\$ _____	\$ _____
Books you pay for	\$ _____	\$ _____
Supplies for school (laptop, software, etc.)	\$ _____	\$ _____
Transportation (parking fees, gasoline, car payment, bus fare, etc.)	\$ _____	\$ _____
Transportation (trips home and so on)	\$ _____	\$ _____
Insurance (car, health)	\$ _____	\$ _____
Dorm and meal plans	\$ _____	\$ _____
Rent or mortgage	\$ _____	\$ _____
Heat, water, electricity	\$ _____	\$ _____
Telephone or cell phone	\$ _____	\$ _____
Groceries	\$ _____	\$ _____
Child care or child support	\$ _____	\$ _____
Snacks/meals eaten out	\$ _____	\$ _____
Clothes	\$ _____	\$ _____
Credit cards and other loans	\$ _____	\$ _____
Personal (toiletries, etc.)	\$ _____	\$ _____
Entertainment (movies, dates, concerts)	\$ _____	\$ _____
Savings contributions	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
Total Monthly Income	\$ _____	\$ _____

Not all of the expenses listed here may apply to you. Also, some expenses occur once per quarter or semester. In that case, divide the amount of the expense by the number of months between payments. Enter that amount on the worksheet.

If you don't know how much you spend on items such as drive-through meals, magazines, or DVDs, try recording these costs. Enter every purchase into a small notebook, computer, or similar device for a month or two. After that time, you'll have a better idea of where your money goes. You'll probably also be shocked at how these seemingly small purchases add up.

Compare Income And Expenses

Enter down your total monthly income	\$ _____
Enter down your total monthly expenses	\$ _____
Subtract expenses from income and list amount here	\$ _____

Make Changes

Was there money left over at the end of the month? Congratulations! You can save this money for future college expenses.

But, maybe, your expenses were more than your income. Then what? Too often our money takes a detour from our goals and we have to take steps to get back on track. Getting back on track usually means two things: cutting back expenses or increasing income (or both). Now that you know your expenses, it will be easier to cut them. Since your primary focus should be on college, try cutting expenses first. Remember, if you don't spend it, you don't have to earn it.

My ideas for cutting back on my spending:

If you're not already working, see if you can participate in a work-study program. A good first step is to talk to someone in your college's financial aid office. Other job ideas include the following:

- Ask your professors if they know about summer jobs or internships in your field of study.
- Ask family or friends to let you know if they hear about jobs you can do for extra income. If possible, try to find businesses that are used to accommodating a student's schedule.
- Keep an eye out for help-wanted signs in windows or on store bulletin boards.
- Explore online job listings.
- Visit job placement centers run by your school, state, county, or city.

My ideas for increasing my income:

Stretching Your Dollars

Many college students turn stretching dollars into something of a hobby. A few searches on the Internet will give you ideas for saving money on everything from the cost of attending a school concert to meal preparation. Here are a few ideas to get your imagination working...

1. Take advantage of discounts offered to college students. Your student ID card may earn you a discount on everything from computers to food.
2. Compare prices on-campus with off-campus. If the item is the same, buy it where it's cheapest.
3. Buy used books—but make certain it's the edition that you need for class. Use your computer to search for books—or find out if your college has its own used text book marketplace.
4. Cut out costly habits like smoking.
5. Shop at thrift stores and similar places—but know how to avoid bringing home an unwanted guest, like a **bed bug**.



6. Stay away from “money pits,” such as check-cashing/payday loan stores and rent-to-own stores.
7. Share driving to school or shopping trips.
8. Make your own meals from simple, healthy ingredients (the Internet can provide a wealth of inexpensive recipes). However, if you're living in a dorm and food is paid for, take advantage of this benefit.
9. If you need a cell phone to stay in touch with children or other family members, make it a low-cost plan and chat with friends on e-mail or instant messenger.
10. Pay cash and don't whip out that credit card.

For more cost-saving ideas, visit <http://www.collegescholarships.org/student-living/save-money.htm>



Controlling Credit Cards

Credit cards could likely pose the number one “debt threat” to college students today. According to a 2008 survey conducted by Sallie Mae, 84 percent of undergraduates have at least one credit card and the average debt is \$3,173. This type of debt can follow you for years and limit you—and your family’s—future.

If you must have a credit card, follow these steps to keep its use under control:

- Have only one major credit card. Multiple cards mean multiple chances of landing in debt. Also, it’s cheaper in the long run to pay a larger amount on one card than to make minimum payments on many.
- Keep your credit limit low, preferably around \$1,000. This will ensure you can’t fall into debt too deeply. If the credit card company automatically raises your limit, call and have it reduced again.

- Force yourself to read your statement. Make certain the charges are accurate and pay attention to the information about how long it will take to pay off the debt if you only make the minimum payment.
- Shop around for a card that has no annual fee and a lower interest rate. You can shop for the best credit card deals on the Internet. Try the Bank Rate Monitor’s site at www.bankrate.com. If you belong to a credit union, find out what they offer. Credit unions often charge lower rates on their credit cards.
- Use the card only for emergencies. (Emergencies don’t include clothing or eating out.)
- Make your payments on time. Even with **credit card reform**, if you’re late with a payment, you’ll face a hefty late payment fee—often around \$35—and the credit card company may raise the interest rate you pay.
- To avoid interest rate charges, pay off the entire balance each month.
- Avoid getting a “cash advance” on the card. The interest rates for cash advances often are huge and the credit card company will begin charging interest immediately.
- On every credit card purchase, remind yourself that you are taking out a loan. Ask yourself, “Would I really go to the bank and take out a loan to do this?”

Coping with Debt

Are you feeling overwhelmed by debt? Do you feel your studies are suffering because you're worried about your bills? These are signs of a serious debt problem. If this sounds like you, it's time to get the debt under control. Try taking these steps.

- **Step One.** If you are in debt to a few businesses, call them and try to negotiate for smaller payments—at least for a while. Call them before you miss a payment. This may be difficult to do, but it's less embarrassing than receiving telephone calls from creditors demanding payment. And, the businesses may be more willing to work with you because you are showing them your willingness to pay them back.
- **Step Two.** Use a **debt recovery** worksheet. (hot link to the debt recovery worksheet). List how much you owe to each creditor and how much you will pay each month. A ways try to make more than the minimum payment. If you make steady payments, you will see the amount owed go down. Put your worksheets in order, starting with the highest interest rate and going to the lowest.



- **Step Three.** If you owe many businesses, it may be time for outside help. Start with your college's financial aid office. They may have special debt counselors who help students with debt problems. Or, consider working with a nonprofit debt counseling service, such as **Consumer Credit Counseling Service**. They can help you set up a repayment plan with your creditors.
- **Step Four.** Review your **spending plan**. Look for ways to cut expenses wherever possible. For example, can you carpool to school instead of driving? Can you trade baby sitting instead of paying for child care?
- **Step Five.** Try to find ways to increase income. If you're not already participating in a work-study program, you may want to consider it now. If you're not working, consider a **part-time job**. If you're already working part-time, could you work a few extra hours a week? Just be careful not too work so many hours that your studies are affected.

Coping with Debt

Debt Recovery Worksheet

Owed to: _____

Interest Rate	Amount Owed	Monthly Payment	Payment Due Date	Amount Paid and Date





Landing A Part-Time Job

Even in tough economic times, some jobs are available. In fact, some employers may choose to “play it safe” by hiring someone part time instead of making a commitment to a full-time employee. Still, there’s stiff competition for these jobs, so you need to make yourself as employable as possible.

- If you will be applying at the job site, show up looking like you’re ready for an interview. Choose clean, well-kept clothing and shoes. Make sure you have all the necessary information you’ll need to complete the application. Being sloppy or unprepared could land your application in the recycle bin.
- Make certain your “house is in order” so can commit to the job and stick to the work schedule. In a tight job market, employers don’t have to be understanding. Unreliable child care or transportation could cause you to lose your job.
- Have a simple and concise resume handy. There are many examples of good resumes on the Internet. Be cautious about paying for any resume templates since so many are free. Also, a college career counselor or librarian could provide guidance—and may be willing to proof your resume.

- Consider what questions you’ll be asked during an interview and have solid answers ready. Even if you’re asked an uncomfortable question, such as “Why did you leave your last job,” stay positive and avoid answers that point to personality conflicts.
- Make a **job plan** that thinks outside of the box (not all jobs are advertised).

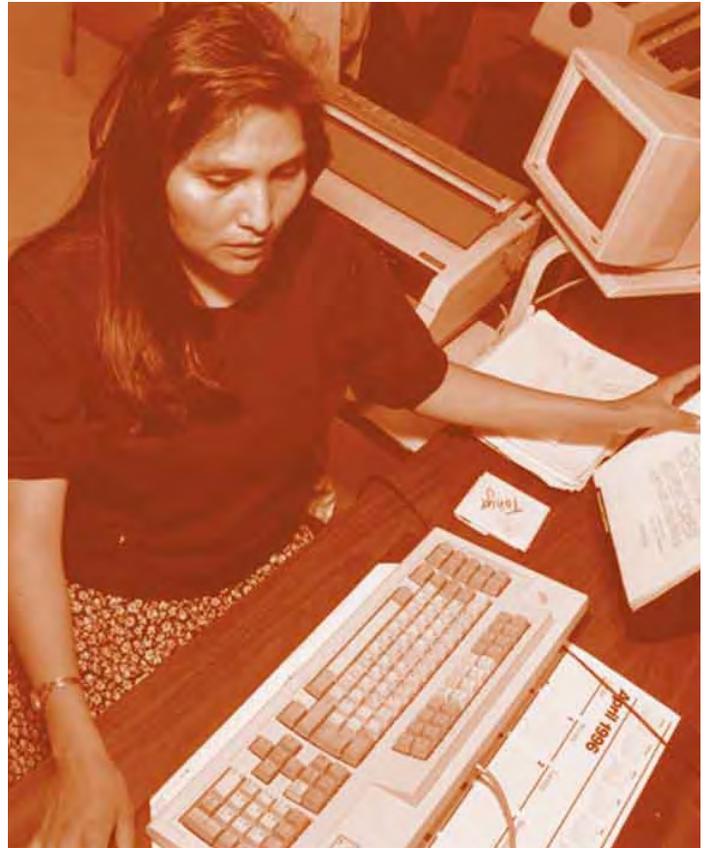
Make sure any possible employer knows you’re a college student and take your studies seriously. Some employers want to hire someone for 15 hours a week, but want the option of tacking on lots of extra hours at a moment’s notice. Set limits and stay focused on college.

Even if you think you can survive without a part-time job, consider working a bit while in college. A little extra money never hurts and future employers will be impressed by your ability to juggle responsibilities. It also shows you have already developed a good work ethic.

A Creative Job Plan

A good first step toward a part-time job is to talk with people at your college. This includes visiting the financial aid office and the departments that hire larger numbers of students, such as admissions, housing, food services, and libraries. Also, make certain your professors know you're looking for work. Then, think about your interests and skills and start offering your services—even if a job isn't advertised. Consider these ideas, which include some self-employment ideas:

- If you're a computer whiz, perhaps you could work part-time providing tech support.
- Some college campuses and businesses hire desk attendants to ensure only authorized people enter a building—especially at night. Between checking in visitors, you may have quiet time to study.
- If you enjoy Web sites and know how to update content, you could contact businesses about helping them update their sites. Many small companies often don't have a webmaster on staff. Perhaps you could handle the company's social networking site and blog on the company's behalf.



- If you're interested in finance, consider becoming a part-time teller. Many bank tellers work part time.
- If you're good with kids and they don't tire you out too much, consider offering babysitting services.
- If you were raised to believe that a clean home is a happy home, consider cleaning homes. Working people often need help—as do companies that take over foreclosed homes.
- If you like to spend every spare moment in the gym, look into becoming a fitness room attendant. You could teach equipment orientation classes and make certain people use machines correctly. (You'll probably need to take a first aid/CPR class before you are hired.)

A Creative Job Plan

After you've put some thought into your skills and interests, make your own job plan:

Jobs I Could Perform	Companies to Contact or Actions to Take



The Benefit of Good Credit

Being a cost-conscious college student and avoiding debt may not seem like much fun. You may even have a pang of envy when you see other students spending money freely. It's not easy staying on your path, but it's worth the effort. Keep these points in mind:

- People who let their spending get out of control often wake up to a financial hangover that lasts for years. It robs their futures.
- Your ability to live within your means is a strong lesson to your family members and friends. You are becoming a role model.
- Your good credit will make it easier to buy a safe home and car. People with good credit qualify for lower interest rates on loans.
- Making wise choices about money shows that you have integrity to stay focused on what's important and honoring the American Indian tradition of learning.

For more information on the benefit of good credit (and how to build it), visit these sites:

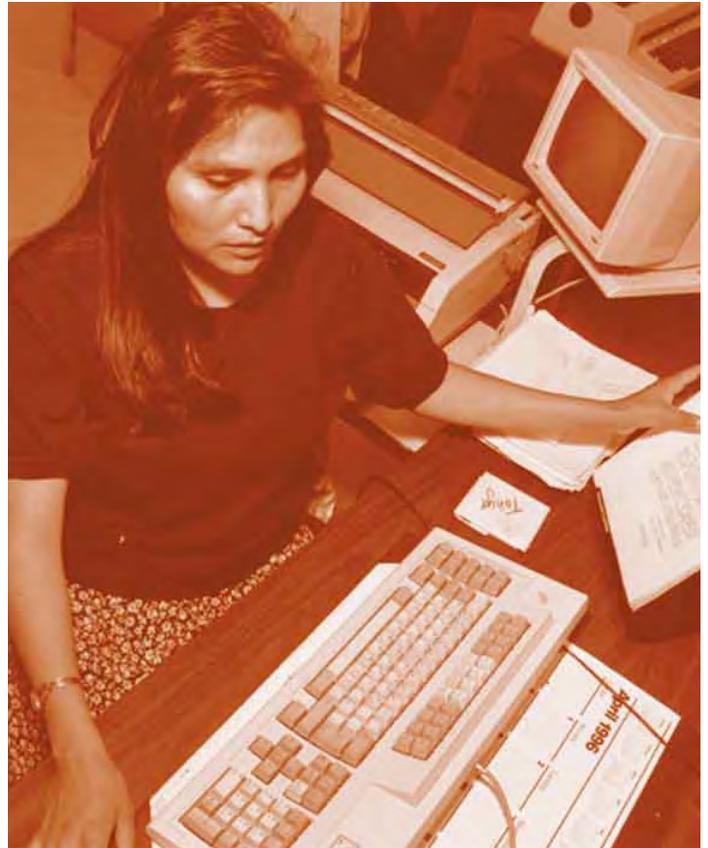
- <http://www.smartaboutmoney.org/>
- <http://www.smartaboutmoney.org/economicssurvivaltips/tabid/554/Default.aspx>
- <http://www.knowdebt.org/credit/building-or-rebuilding-good-credit>

It's also a good idea to check your credit reports once a year. Make certain these reports are accurate. You can print a free copy of your credit file from all three credit-reporting companies once a year by going to a single Web site: www.annualcreditreport.com.

Making The Most of College

You've gone through a lot to attend college and you're staying on a sound financial path. Now, make sure you get the full benefit of your college education:

- Go to class or sign into your online course. You're paying for the class, so get your money's worth!
- Take part in class discussions, whether in the classroom or online. You have important thoughts to share. And if you're confused, ask questions—even if you're shy. You need to understand what is being taught. If you're confused, the odds are that other students are as well.
- Join study groups. This can result in a deeper level of learning.
- Develop good study habits and time management skills. Try to determine how you learn best. Maybe you prefer a quiet place by yourself...maybe you learn better by studying in different places at different times of the day. Some people need a routine; others thrive on diversity. Be willing to experiment.



- Make an effort to get to know your professors and advisor. Discuss any questions or concerns you have. So few students take the initiative to meet their teachers that professors really appreciate the ones who do.
- Get to know some of your classmates. Ask if you can trade names, phone numbers, and e-mail addresses so that if you miss a class, you can contact them for assignments.
- If you are going to a mainstream college, find out where the American Indian center on campus is and get involved. If attending a tribal college, look into classes that will teach you more about your tribe.
- Take care of yourself by eating well and getting the rest you need. Strive for balance in your spiritual, physical, intellectual, and emotional life.