

# 27 Money Tips for College Students

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School's back in session, and with it comes life-lessons in money management for students. But personal finance can be easy, even if you're just starting out. You just have to know how it works. All of the following are concepts I wish I had known before heading to college.

## Money Management

Now that you're on your own, you might be tempted to spend money on all the things your parents wouldn't let you have before. Go slow. If you play it smart, you can avoid the sort of money troubles that plague many young adults.

- *Join a credit union.* Don't just sign up for a random bank giving away t-shirts or frisbees at registration. Track down a credit union in town, or do some research into online banks.
- *Don't get a credit card* unless you absolutely need one. Don't be a sucker. Those guys sitting behind the sign-up table are *not* there to help you. They're there to make money.
- *Avoid non-academic debt.* It might seem like a good idea to put that Xbox on a credit card, but it's not. Focus on developing good money skills with cash. Worry about credit later.
- *Save and then splurge.* If you decide you must have that Xbox, then save for it. Wait until you can pay cash.
- *Pay your bills on time.* Basic advice, but it's surprising how many people lose track of things. If you pay your bills as they arrive, you won't have to worry about forgetting them.

## Organization and Planning

Some minimal organization will keep your finances in order. Each of these is an important adult financial skill.

- *Track your spending.* Use a notebook, or use Quicken if you have it. Good records will prevent you from getting overdrawn at the bank or charging more than your credit limit. This habit also allows you to detect spending patterns.
- *Make a budget.* It doesn't have to be fancy. At the start of the month, estimate how much money you'll receive and decide where needs to go. Remember: you don't need to spend it all.
- *Save your receipts.* Put them in a shoebox under your bed if you must, but hold onto them. You'll need to be able to compare them with statements at the end of the month. And some you'll need to keep for several years.
- *Guard your vital stats.* Don't give out your social security number or your credit card info except to known and trusted sources.

## Campus Life

It seems like there are a hundred thing competing for your money. It's hard to know what to do. Here are some smart ways to save money on campus.

- *Buy used textbooks.* You're just going to sell them back at the end of the term. (Or end up wishing you had done so five years from now.) You don't need new textbooks.

- *Skip spring break.* Forget the long road trips. You can have a lot of fun for cheap close to campus. (My college used to organize economical group trips; yours probably does, too.) You might be surprised at how fun it can be to stay on campus, too.
- *Live without a car.* Cars are expensive: gas, maintenance, insurance, registration, parking. Stick close to campus. Learn to use mass transit. Find a friend who has a car.
- *Don't hang out with big spenders.* Some kids have parents with deep pockets. Other kids are well down the road to financial trouble. Hanging out with them can lead you to spend more than you can afford.
- *Take advantage of campus activities.* There's always something to do. Attend free movie festivals. Pay a few bucks to see the local symphony every month. Support the sports teams. Attend lecture series. Get the most from your student ID!

## Personal Life

Take care of yourself. Your mother isn't around to remind you to brush your teeth. Nobody's going to scold you for eating three bowls of Cap'n Crunch. Self-discipline is more important now than it ever has been in your life.

- *Go to class.* You're in college to learn. Everyone skips now and then, but don't make it a habit. What you learn and do now will have a profound impact on the rest of your life.
- *Get involved.* Staying busy staves off boredom. It also helps you build skills and form social networks that will last a lifetime. Try out for a play. Join the astronomy club. Write for the school paper. Find something that sounds fun to you and do it. **Take risks!**
- *Stay active.* A healthy body costs far less to maintain than an unhealthy body. You don't have to do much to avoid gaining weight in college. A walk around campus each day will probably do it.
- *Eat healthy.* It's possible to eat well on a small budget if you know what you're doing.
- *Limit vices.* Beer, cigarettes, and pot are expensive. They also screw with your body and mind. Take it easy on the vices. There's nothing wrong with a drink or two on Friday night, but don't go overboard.
- *Learn the art of the Cheap Date.* The student's guide to cheap dates suggests:
  - Take advantage of mother nature
  - Go for coffee
  - Use CitySearch to track down cheap food and activities
  - Attend campus events
- *Have fun.* Your college years will be some of the best of your life. It's trite, but true. Make the most of them.

## Decision Making

Get in the habit of making smart choices now, and you'll develop a pattern of behavior that will stand you in good stead the rest of your life.

- *Make smart choices.* You can do anything you want, but you can't do *everything* you want. Decide what's important to you, and pursue that. And remember to leave time for yourself.
- *When you want to buy something, ask yourself "Do I need it?"* If you think you do, then wait. Don't buy on impulse. Write the object of your desire on a piece of paper and pin it to the wall. Look at it every day for a week. If, at the end of the week, you still think you need it, then consider purchasing it.

## Making Money

I've saved the best for last. If you can master even one of these, you'll have a head-start on your friends. Master all four, and you'll be on the road to wealth. No kidding.

- *Spend less than you earn.* Don't earn much? Then don't spend much. If your spending and income are roughly even, you have two choices: earn more or spend less. When I was in college, I worked as many as four jobs at once. This gave me a *lot* of spending cash. (Unfortunately, I didn't do a good job with the *spend less* part of the equation.)
- *Be an outstanding employee.* Good work habits can pay enormous dividends, leading to recommendations and contacts that you can use after you're out of school. Several of my classmates turned work-study jobs into launching pads for future careers.
- *Start your own business.* Can you install a hard drive? Can you strip a computer of spyware? Can you perform minor car repairs? Do you have a pickup truck you could use to haul furniture? Are you a passable guitar player? Charge cheap rates and exceed expectations. Word will spread. When you've built up a customer base, you can raise your rates a little. This is an awesome way to make money.
- *Learn to invest.* Find a discount broker and begin making regular investments. Sharebuilder is a great choice for college students. It costs only \$4 to make a scheduled stock purchase, and you can invest any amount of money, even \$20. Don't obsess over the details yet. You can worry about high returns and low fees later. Right now the most important thing is to develop the investment habit. Ten years from now, you'll thank yourself. If you can find a way to invest \$1000 a year for the next ten years, you can set yourself up for life. No joke.