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MANAGING IN TOUGH TIMES INITIATIVE

FAMILY FINANCIAL MANAGEMENT

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THIS MONTH'S TOPIC: **College Bound**

Do you have a son or daughter who is college bound this fall? Before heading off to college, young adults should have a basic understanding of money management. College may be the first time they will be responsible for managing money. Even if Mom and Dad are paying the bills, they will not be around to help make everyday spending decisions. Students can be tempted by credit card offers or feel peer pressure to spend more than their budget will allow. Overspending and poor use of credit while in college can have lasting effects on financial success after college. Talk to your children to help them develop a plan for handling money and expenses once they get to college.



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Talk to your child. Help her develop a plan for handling money and expenses once she gets to college. Share these money tips to help get her college career on track financially.

- Encourage your child to establish a checking account. Often universities are affiliated with a credit union that offers student accounts. A local bank will also provide easy access to cashing checks, making deposits, or ATMs. Have your child setup text and email alerts to notify when balances are low.
- Urge your son or daughter to avoid getting a credit card. Often college students (and parents) feel the need to get a credit card in case of emergencies. However, the credit card often becomes a temptation that leads to nonacademic debt.
- If your child has bills such as cable, internet, or other utilities, stress the importance of paying on time. Help your child setup online banking or automatic bill pay reminders to make bill paying simpler.
- Help your child establish a spending plan. If your child receives a lump sum of money at the beginning of the semester from scholarships or student loans, help develop a plan to stretch the money throughout the semester. One of the best ways to develop a spending plan is to track expenses during the first few weeks of school. After the first month, review where and how money was spent.

- Remind your child about the difference between wants and needs. Help them prioritize spending based on “needs”, such as tuition, room, board, books before spending money on “wants”.

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Three R's of College

As you help your college bound student prepare for classes and move into the dorms; remember the three R's – reduce, reuse, recycle.

- Reduce – reduce the amount of “stuff” you buy by only buying what you need. Dorms are limited on space. Take inventory of what you currently have before shopping. Talk with roommates to divide the purchases of large items, such as microwave, mini fridge, and TV. Purchase supplies that have a minimal amount of packaging to reduce waste.



- Reuse – reuse items, such as backpacks and binders. Look for used textbooks or consider renting your books online or through the university bookstore.
- Recycle – when you do purchase items, such as paper, look for items made from recycled content.

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