

MONEY MADE EASY

A Financial Wellness Cheat Sheet for College Students

1. Any budget is better than no budget.

Does creating a budget sound like a chore? Make it easy on yourself. Choose a monthly limit. Keep track of earning and spending in your head. It's so much better than doing nothing.

2. A penny saved is a penny earned. Really.

The less money you spend, the more money you'll have when you need it. Take advantage of free events and student discounts.

3. Pay yourself first.

Make saving a priority by paying yourself just like you'd pay your bills. Experts suggest 20% of each paycheck. Put it in a savings account.

4. Don't work too much.

Don't let your job hurt your grades. You're in school to learn. So learn.

5. Start an emergency fund.

Things happen. Having money to pay for unexpected costs makes them less terrible.

6. Look at job salaries.

Find jobs that hire people with the degree you're getting. See how much they pay. Reconsider the art major? No? Rock on.

7. Don't borrow more than you expect to make.

If your student loan balance stays below your expected annual salary after graduation, you should be OK. This keeps your payments under 15% of your take-home pay. If not, return to #6.

8. Finish school and finish on time.

Debt with no degree is a losing situation. And taking longer to finish means more loans and more interest on earlier borrowing. Don't do it. You got this.



GLOSSARY

FICA: Federal Insurance Contribution Act. These mandatory payroll deductions fund Social Security and Medicare. Work-study income is exempt from FICA.

FAFSA: The Free Application for Federal Student Aid must be filled out to receive federal student loans. It must be completed every year that you need to borrow money.

Income-Driven Repayment: Income-driven repayment is an arrangement with your student loan servicer in which your payment plan for your federal student loans is based on your family size and after-tax income.

Roth IRA: A Roth Individual Retirement Account is good for people at lower incomes and tax rates. (It's the one that most young people opt for.) It's easier to access the funds early without penalty, and all...

...earnings and withdrawals are tax free. A traditional IRA has tax benefits that help people with higher incomes, but it requires you to pay tax on withdrawals and penalties if you withdraw early.

Interest: Interest can work for you or against you. Earning interest (say, through a savings account) is good. Paying interest (on loans, for example) is bad. The best way to compare interest rates is to look at the annual interest earned or charged. It's usually stated as an annual percentage rate, or APR.

Withholding: This is the portion of your paycheck that your employer sends to the government on your behalf to cover your projected income tax liability.

RESOURCES

Job Sites: Use [Glassdoor](#) or other job sites for career research. Search salaries and job descriptions.

StudentLoans.Gov: This [student-aid site](#) is run by the Department of Education and provides useful tools and information about student loans.

The IRS: The IRS can tell you everything you need to know about taxes, which are important. You need to file a tax return to get a tax refund.

Budgeting Apps: Consider using budgeting apps such as [Mint](#) or those offered by your bank.

Your Financial Aid Office: Chances are your school has resources to help students just like you. Take advantage of them.

Online Financial Education: Boost your financial literacy with online resources such as [CashCourse](#) or [OppU](#).

Online Calculators: Use online calculators to level-up your finances to develop a savings plan, calculate interest, and figure out your cost of living.