



Money Tips for Students

If you're attending school and are responsible for some if not all of your own expenses, here are tips for managing your money effectively:

Create a spending plan

Consider these recommended guidelines and create a customized budget that works for you:

Category	Recommended %
Rent	30
Food	15
Transportation	15
Savings	15
Clothing	10
Entertainment	5
Textbooks	5
Utilities	5

Keep track of your spending. Review and update your spending plan periodically. Cut expenses where you can.

Be a smart shopper

Get the most from what you already own before you buy more.

Consider whether you could do without a particular purchase.

Shop for bargains. Don't buy something just because it goes on sale. Remember you're not really saving money, you're spending it.

Set a limit on spending for entertainment and stick to it.

Withdrawing your money from the ATM is tempting, but remember, you need to cover *all* your expenses from the cash you have available. Limit the cash you carry.

Do the math on small luxuries. For example, if your daily coffee and muffin cost only \$20 a week, that comes to \$1,040 a year. Try skipping small luxuries (for example, movie rentals) for a few months and using the money to help you afford a big luxury (such as a great travel experience).

Money tips for students (continued)

Be a smart shopper (continued)

Avoid unnecessary fees and expenses whenever you can. Relatively small amounts, such as late fees for library books or videos, parking fines, etc., can really add up. By avoiding unnecessary fees and expenses, you'll have more money to save or put to a worthwhile use.

Take advantage of student discounts. Watch for special deals on anything you need and are planning to buy: airline tickets, books, restaurants, entertainment, and clothes. Local newspapers and the Internet can both be good sources of student discount offers.

Limit the amount you go out to eat. The local supermarket has lots of good, healthy food choices at much lower cost.

Travel inexpensively

If possible, do without a car. If you walk, ride a bike, or take public transportation, you'll save significantly.

If you do drive, shop around for the best gas prices.

Be careful with credit cards

Before getting a credit card, talk it over with your parents or guardians. Discuss whether you should open a credit card account and how the card should be used (for travel, in emergencies, for special purchases, etc.). Will your parents review the monthly statement? Will your parents co-sign for the card? As part of the conversation, discuss the card's interest rate, annual fee and credit limit. Are there other credit card offers that may provide you with a lower interest rate or annual fee? Age limit rules will apply. Check with your credit card company or your banker.

Remember, when you use a credit card, you're not spending "your" money. You're borrowing money from the credit card company, and it's money you have to repay. If you don't pay your monthly balance in full, you'll have to pay interest, too. By always paying your credit card bill on time and in full, you'll establish a solid credit history.

Consider getting just one card with a low interest rate and a low spending limit. Use it for emergencies or planned purchases only. Don't use your credit card for routine living expenses or for partying with friends. Whenever possible, pay in cash or use a debit card rather than using a credit card.

Weigh the value of part-time work

Remember, there are 168 hours in a week. If you sleep for 56 hours attend school for 40 hours, that leaves 72 hours for all other activities, including part-time jobs and socializing. If you need to work while attending school, consider how to earn the highest return you can for the time you invest, and how you can minimize the impact of work on your school studies. Investigate work-study programs at your school. You may find work that relates to your field of study.

Money tips for students (continued)

Open bank accounts

Do you currently have bank accounts in your hometown? If you plan to leave the area to attend school, find out if your financial institution serves your new community. If so, you may want to keep your hometown accounts. This would make it convenient for your parents or guardians to deposit money into your accounts that you could access locally.

If your hometown bank does not serve your new community, consider opening a new account with a local bank. This will help you to avoid ATM fees. You can also order checks with your new, local address. Some merchants will only accept checks with a local address.

If you have accounts with several different financial services providers, consider consolidating them with one provider. Reviewing one statement rather than several will help you to see your total financial picture more quickly and clearly. Some financial institutions offer special pricing and free services when you consolidate your accounts with them.

Open a savings account. Decide how much you can contribute each week and make deposits consistently. By “paying yourself first” you’ll avoid spending the money on things you don’t really want or need. Also, the more you save and the sooner you start, the more you’ll earn in interest.

Shop around before opening a checking account. Ask about special student accounts and what features and benefits they offer. Compare fees, such as ATM fees. Find out if you can set up overdraft protection tied to a savings account.

Pay your bills

If your major bills arrive at different times during the month, consider contacting your service providers and creditors and inquiring about changing your payment due dates. Some vendors will allow you to change your payment due date online.

By aligning the billing cycles, you can set aside time, at the same time every month, to pay your bills. This may help you save time and avoid late payments. Having a good idea of the amount of money you’ll need by a certain date each month may help you to stick to your budget and plan your spending during the rest of the month.

On the other hand, you may want to evenly space your bills throughout the month, so that you pay about the same amount each week. This way, you’ll avoid having one week when all of your cash-on-hand is needed for bills.

Explore tax deductions

You can deduct up to \$2,500 on your student loans each year. There are other tax deductions available to students and their parents. To learn more, ask your tax advisor.

Money tips for students (continued)

Keep good records

Keep accurate records of what you spend. Save your ATM, debit, and credit card receipts and compare them to your monthly statements.

Set up a filing system. Create separate folders for the following documents. Keep the folders in a file cabinet so they stay organized and confidential.

- Checking and savings accounts—statements and cancelled checks
- Investments—statements for IRAs, money market accounts, CDs, etc.
- Tax returns—state and federal returns, with supporting documentation, for seven years
- Loan documents—auto loans, student loans, etc.
- Insurance statement—medical, dental, renters, car, life, and disability insurance policies
- Paid bills—phone (local, long distance, and mobile), Internet access, cable TV, etc.

For more information on Credit Card Regulations, please visit www.federalreserve.gov/consumerinfo/consumercredit.htm.

We invite you to contact Wells Fargo for further information and assistance. Visit our Web site at wellsfargo.com or any Wells Fargo store.