

TOP 5 TIPS

FINANCIAL WELL-BEING for college students

1 CREATE A BUDGET

SPEND LESS THAN YOU EARN Your money IN (from family, financial aid, scholarships, student loans, and employment) should be bigger than your money OUT (tuition, housing, food, utilities, gas, insurance, phone, subscriptions)

- Have a little leftover each month to build your emergency fund (just \$25 a month adds up to \$300 in a year)
- Know when to say "No" to a splurge (having one less coffee out a week could save you \$250 a year)
- Good spending habits now will keep you out of unnecessary debt later

CREATE IT & STICK TO IT



2 GET ORGANIZED



SET UP YOUR FINANCIAL FOUNDATION Open a checking account. Open a savings account. If you work & receive a W2, open a ROTH IRA. Just know that not all banks are created equal.

- Find out what services are free or cost extra
- Turn on alerts for low balance and large transactions
- Routinely check your balance
- Know where you are spending your money

KEEP TRACK to STAY ON TRACK

3 BUILD CREDIT WISELY

USING A CREDIT CARD IS A LOAN, NOT FREE MONEY

- Open a Secured Credit Card to build credit - They act like a debit card, but you will start building credit (Some cards even offer rewards)
- Only charge what you can pay off each month
- Pay before it is due

GOOD CREDIT SCORES will mean **BETTER TERMS** on loans and mortgages in your future



4 BE MONEY SMART



LOOK FOR WAYS TO SPEND LESS

- Buying used, just like with textbooks, will get you more bang for your buck
- Sell what you don't need - Sell back your books, sell your unneeded mini-fridge, take clothes to a consignment store
- Recycling saves money and helps the environment

TAKE ADVANTAGE OF STUDENT DISCOUNTS & DEALS (both online and locally)

5 AVOID FEES

STEER CLEAR OF AVOIDABLE FEES

- Check your account statement monthly to find any fees: maintenance, minimum balance, overdraft, excessive activity, online bill pay, & more may cause a fee
- Use an ATM in your bank's network or get cashback when grocery shopping to avoid ATM fees
- Make payments before due dates to avoid late fees

DON'T WASTE YOUR MONEY ON FEES



HELPFUL HINTS

once you graduate

BEYOND THE PAYCHECK

- 1) Your compensation is more than just a paycheck
 - Benefits like healthcare coverage, retirement plans, and tuition assistance are the perks to consider beyond the offered salary
- 2) With your very first paycheck (and each raise after), be sure to pay your future self *first*:
 - Put money towards an emergency fund and other savings goals
 - Contribute to retirement savings (max out as your earnings grow)
 - Pay off student loan debts as quickly as possible

PAYING OFF STUDENT LOANS

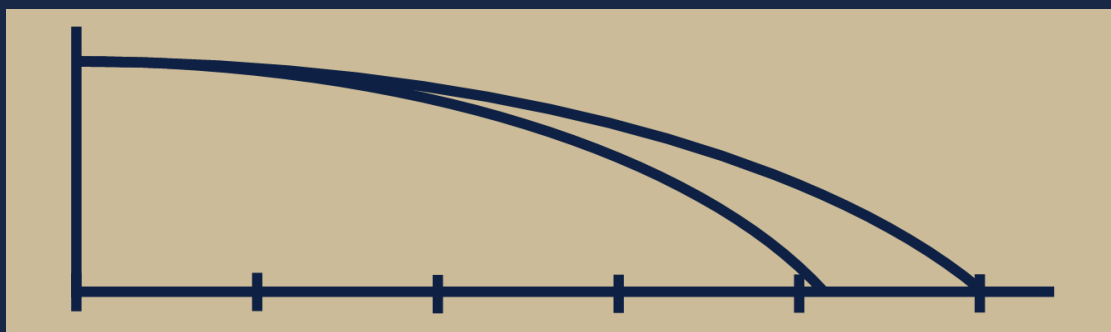
- 1) Detail out all your student loans - loan amount, interest rates, loan servicer, and repayment schedule
- 2) Prioritize repaying loans with the highest interest rates first
- 3) Pay off faster by sending in extra if you can afford it
 - Include a note to apply extra to the principal, not next month's payment
 - Chipping away at the principal can carve months off the loan and save on the total interest paid

COMPOUNDING INTEREST ON LOANS

Compounding interest increases the cost of a loan

If you have a \$10,000 loan at 10% rate and take 5 years to pay it off, your monthly payment will be \$212.50, but you will pay a total of \$12,748.23 to repay the loan

If you increase your monthly payments to \$250 per month, you will repay your loan 11 months early and pay only \$12,216.03 in total - A savings of over \$532



QUESTIONS?



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