

# How can college students manage their money

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## How Can College Students Manage Their Money

Living independently for the first time and assuming greater responsibility for managing own money is of great challenge among college students. Strong foundation for money management is crucial for college students because it determines their financial stability both in college and in their future career. This article highlights some of the ways that students may use to manage their money well.

One of the most important steps in sound management of money is creating a budget that clearly shows the entire student's income sources and expenditure. A student should include things such as savings, if any, wages and parental allowance that may be received monthly and try to list all the college living expenses such as school supplies, food outside meal plan and personal care (" Scholarships. com" Web). With the available personal management tools that are found online, a student may successfully manage a budget and reduce financial challenges that affect many students.

A student should also be able to separate wants from needs and prioritize the most significant things. " Scholarships. com" explains that a good plan must be put into action after identifying the differences between wants and needs (Web). Understanding wants and needs helps in tracking a student's spending and making sure that a student has sufficient resources in the event of an emergency and enhances making informed money management decisions. Moreover, a student may opt for a checking account that reduces fees on withdrawals or fund transfer and therefore shopping around to find a bank with convenient ATM's near campus may hugely reduce some unnecessary costs. Just in line with the banking, a student should be able to

keep an eye on the account balance before spending against it thus reducing cases where a student budgets for money that is perhaps not existing.

Additionally, most students misuse credit cards hence attracting dangerous financial position.

Many students currently use credit cards in carrying out their transactions thus making it easier to amass a large amount of debt while in college. A student should go easy with the credit cards and understand that the easiest way of spending beyond one's means is charging the credit card ("Scholarships. com" Web). Students should therefore use credit cards sparingly and avoid paying interest on even simple things such as on a bag of chips. Students further need to set their own credit card line and avoid spending just because there's a room on the card. Students are supposed to shop smart and avoid unnecessary expenses such as shopping smart for text books because they serve as the biggest college expenses. A student may decide not to buy expensive textbooks by investing in a Kindle or iPad that can help in downloading books. On the other hand, a student may decide to go for less expensive textbooks in used bookstores or even online purchases that may at times be cheaper than expected.

In general, students should get real by understanding that as much as they can do what they want, they cannot unfortunately do everything they want and therefore some choices have to be made that also require the use of money. A good money management tip is understanding that every decision made on expenditure have consequences and therefore reality check regarding what things cost must be considered. It is true that college can be expensive but careful management of money using the simple basics may

be of great help. Smart budgeting and spending is paramount as far as accountability, responsibility is concerned, and therefore a student should learn the money management tips as soon as possible after joining college.

#### Works Cited

“ Scholarships. com”. College Money Management Tips, 2014. Web. 3 May 2014. .