



BUDGET TIPS

What are the basic steps you should take to get established financially?

- Set up a realistic budget and stick to it.
- Open up checking and savings accounts. Don't overdraw these accounts.
- After shopping around for the best terms and conditions, apply for a major credit card. If you have been denied credit in the past, apply for a secured credit card. (You will have to put a certain amount of money on deposit to secure the card.) Or you could offer to have a friend or relative cosign, taking equal responsibility for the debt.
- Use gas and retail cards responsibly and sparingly.
- Protect yourself from credit card fraud. Sign your card right away. Don't leave your card laying around. Don't let friends use it.
- Make your monthly loan payments on time each month. Pay at least the minimum...more if you can. Never skip a payment.
- Promptly pay for monthly services, like your phone bill. And never leave utilities in your name if you move. As long as your name is on the bill, you are responsible for paying it.
- Review your credit reports at least once each year to ensure they are accurate.
- If things are getting out of control, contact your creditors, seek help from a reputable credit counseling service, or look into debt consolidation.

Being in control of one's finances requires maturity, discipline, persistence, and a clear understanding of "wants" vs. "needs." You have to determine your values and set goals. By understanding what your values are, you can establish a budget that provides you with the most satisfaction.

1. **Make a list of your values.**

- Values are the things that are really important to you. What are your values?

2. **Set your goals.**

- Goals are mini-steps that help you maintain your values. What are your goals?
- When you take the time to establish short and long term goals and commit them in writing, it is easier to accomplish those goals.
- Make separate lists of your goals for the next three months, the next year, and the next three years. Your list for each time period does not have to be the same.

3. **Determine your income.**

- Figure your available income, based on your net pay or those dollars you actually receive after all deductions.
- A common budgeting pitfall is to include overtime pay--which can't be relied on-- as regular income.

4. **Determine your expenses.**

- Review canceled checks, credit card statements, store receipts, etc. to show where your money is going.
- "Fixed expenses," such as a rent, auto or student loan payments, are easy to determine.
- "Flexible expenses," such as food, clothing, and entertainment, vary from month to month.
- Start keeping your receipts.

- Don't forget about expenses, such as taxes or insurance, that are billed quarterly, semiannually, or yearly.
- 5. Create a spending plan.**
 - Design a spending plan that meets your "wants" as well as your "needs."
 - Your total expenses should be less than or equal to your total income.
 - If your income is not enough to cover your expenses, adjust your spending plan by deciding which expenses can be changed.
 - 6. Pay yourself first!**
 - Start an emergency savings fund equal to three to six months of your normal monthly earnings.
 - After you have an emergency fund, monthly savings can be set aside for vacations, a new car, marriage--important but expensive goals!
 - 7. Be careful with credit cards.**
 - Sacrifice and regular monthly savings are the preferred way to make discretionary purchases. However, if you must use a credit card, you need to incorporate monthly payments into your budget.
 - Large credit card balances, high interest rates, and frequent credit purchases are budgetbusters!
 - *Always* try to make more than the minimum monthly payment.
 - 8. Keep track of your expenses.**
 - Keep a record of all your expenses. Save all receipts.
 - Shop around for personal finance computer software programs with a budgeting feature.
 - 9. Periodically evaluate your spending plan.**
 - Is the plan still helping you meet your needs and achieve your goals? If not, adjust budget categories that are not satisfactory.
 - If necessary, create a new plan.

You can find these tips and more at www.mapping-your-future.org

Other great personal finance websites are:

Basics for financial education: www.mymoney.gov

Personal finance: www.360financialliteracy.org

Consumer protection: www.fdic.gov/consumers/consumer/news/

Informed borrowing: <http://studentaid.ed.gov>

To answer the "Will I make enough money in my chosen occupation to repay the students loans I receive?" question visit: www.bls.gov/oco/home.htm

Calculators and Budget Tips: www.mapping-your-future.org