



MONEY MANAGEMENT AND YOUR FINANCIAL AID

When planning your personal budget, it is important that you know financial aid priority dates, how long it will take to process your application and when your funds will be disbursed and that there may be delays due to incorrect information. It is important that you plan ahead and take processing time and delays into consideration when planning your budget to avoid financial hardships and crisis.

Why is money management (budgeting) so important?

Most financial aid programs do not keep up with the rising costs of attending college, so it is very important for you to manage your financial resources wisely. While in college you will probably be living the most frugal years of your life and you may be learning for the first time how to manage your own money and stretch your dollars. Money problems can be a major obstacle to a successful and enjoyable experience in college. Good money management helps solve the mystery of where your money goes, allowing you to know your financial situation at all times and avoid a financial crisis. This information sheet gives you tips to help you manage your money more efficiently.

How can I manage my money effectively?

Budgeting is a personal matter and you should find the system that works best for you. You may like a detailed budget plan or you may manage better using a few simple techniques. The following suggestions can be a part of your own money management plan. Deciding what extras you can afford at any particular time is the key to an effective money management plan. The basic steps to budgeting are the same, no matter what system is used:

1. Estimate your income for the budget period. Include your savings, financial aid, summer job and school year earnings and any contributions from your family.
2. Estimate your expenses. Fixed expenses such as tuition and fees should not vary within the academic year. Other costs may vary but are within your control. Anticipate special expenses such as deposits, telephone installation fees, and gifts, and include these in your planning. You should know which expenses, such as tuition and fees, must be paid in full and which expenses can be paid weekly or monthly. If you plan ahead you can set aside the money in advance for these expenses.
3. Keep a record of actual expenses. You may want to keep a budget notebook and write down what you spend. Listing expenses by categories gives you a clearer picture of how you spend your money. For example, you might separate direct and indirect educational expenses. Indirect expenses include transportation, room and board, medical and personal expenses, while direct expenses are tuition, fees, books and supplies. In a broad category such as personal expenses, it is easy to lose track of exact expenditures, so break down this category further into clothing, recreation, personal items, and household expenses.

What are some ways I can stretch my budget?

The following tips can help you stretch your dollars:

HOUSING: Try to find roommates to share the rent. Locate an area of town where rents are less expensive.

GROCERY SHOPPING: Determine a food budget and make menu plans. Stick to both. Read labels and use unit pricing to calculate the best buys. Try store brands or generic items. Buy produce and fresh fruit in

season. Use a grocery list and don't shop when you're hungry. Use coupons wisely; buy multiples of sale items that you use frequently. Read ads for food specials. Avoid buying convenience foods; they are more expensive.

BOOKS AND SUPPLIES: Paperback books are less expensive than hardback editions. Buy used books whenever possible. Share or exchange books with classmates when possible. Check out library volumes or use texts placed on reserve. Conserve on notebook paper; write on both sides. (Check with instructor before handing in homework on both sides of your paper.) When selling used books, be selective. You may want to keep some for research or graduate study later on. Many supplies (such as paper, pencils, pens) cost less at chain grocery or discount stores.

SAVING TIPS: Shop during sales and buy only the items you would ordinarily buy. Take advantage of free concerts, plays, lectures, and other activities on campus and in the community. Try to use the bartering system with skills such as typing and baby-sitting. Read ads carefully and check various stores for the best price on items you need. **Never owe more than 15% of your *monthly* income.** Deposit enough money in a separate savings account each month to cover your *fixed expenses*. Don't use that money for anything else. Understand why you go shopping. If you're bored or depressed, find something less expensive to do instead. Leave your credit card at home to avoid impulse buying.

After a couple of months of keeping a list of expenses, you will have a good idea of where your money is going. At this point, you can adjust your spending pattern and revise your budget. If you have questions or have financial problems, financial aid counselors are often able to help you identify some sources of assistance.

Where do I get more information?

For further information come to the Financial Aid Office on the second floor of the Student Center on the Redwood Road Campus or the South, Jordan, or Sandy Campus or call (801) 957-4410.

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PRACTICE BUDGET SHEET

ANNUAL INCOME

	Amount
Summer job earnings	
Savings	
Assistance from Parents	
Scholarships	
Grants and loans	
School year earnings	

ANNUAL TOTAL divided by 12 = Total Monthly Income

ANNUAL EXPENSES

Fixed Expenses	Amount	Flexible Expenses	Amount
Tuition		Books and supplies	
Rent/House payment		Food and beverages	
Medical insurance		Utilities	
Car payment		Household supplies	
Auto insurance		Clothing	
Property/renters insurance		Auto upkeep	
		Recreation	
Savings		Personal care	
Regular		Gifts	
Emergency		Telephone	
Other		Medical/Dental	
COLUMN 1 TOTAL		COLUMN 2 TOTAL	
ANNUAL TOTAL			

ANNUAL TOTAL divided by 12 = Total Monthly Expenses