First Steps
Financial know-how is one of the greatest gifts you can give your student. It will help your student make his or her way through this uncertain economy. Practicing fiscal fitness now will set your student up for a much healthier financial future.

Budgeting Basics
One of the first steps is carefully tracking financial input and output. Going through this type of budgeting process with your student will get him or her in the habit of being much more responsible and “money aware.”

Step #1: Academic Expenses
Determine what the average costs will be for the following per year:

- Tuition
- Textbooks
- Supplies
- Extra Fees
- Transportation (Gas/Parking)
- Other

Step #2: Housing Expenses
Determine what the average costs will be for the following per year:

- Rent/housing
- Food
- Electricity/Heat
- Phone (landline/cell)
- Internet
- Cable
- Other

Step #3: Personal Expenses
Determine what the average costs will be for the following per year:

- Insurance
- Childcare
- Entertainment
- Clothing
- Personal “Overhead” (see box below)
- Other

Step #4: Income
Determine what the average financial input will be for the year:

- Work Salary (during school)
- Summer/Break Work Salary
- Loans
- Scholarships
- Grants
- Other

TOTAL = Add Steps #1 through 3 and then subtract from Step #4

Personal “Overhead”
What are those “extras” that need to be taken into consideration when budgeting? They may include: toiletries, laundry, music downloads, gas, personal grooming (haircuts), room decorations/furniture, gifts for others and athletic equipment. Make a list to discuss with your student.
Money Talks
Conversations about money can provide great growth opportunities. Here are some things to take in to consideration when discussing finances with your student…

- Realize that money can become an emotional issue at times, since it’s so tied into one’s sense of well being and, at times, self-worth.
- Set aside uninterrupted time, with any paperwork regarding expenses spread out in front of you, so you can really delve into budgetary details with your student.
- Recognize your tendency to want to protect your student from financial realities, yet balance it with the importance of including him or her in these sometimes-difficult conversations – it’s an important part of your student’s maturation process.
- If anyone gets frustrated and angry, disperse and come back when folks are calm.
- Use “I” statements as much as possible (“I feel like you are working so hard to help pay the bills that you’re not able to get involved in some important parts of college life. Let’s figure how we can alleviate some of that pressure on you…”).
- Talk about realistic things you can all do to address the current financial situation – from where your student can cut back to loans you might consider – as part of an “all hands on deck” collaborative approach.

*Adapted from PaperClip Communications

Spending Money
Does your student know how much spending money is available this semester? Have you discussed where this money will come from? These conversations will alleviate assumptions, poor choices and financial trouble.

Wants vs. Needs
Being able to distinguish between “wants” and “needs” is something that students need to learn in their quest for financial fitness. By talking in these terms, you can help them really look at their spending habits.

For instance, textbooks = a need. A college sweatshirt = a want. A cup of coffee may feel like a need, yet a fancy coffee drink is definitely a want. Have your student self-identify wants and needs that he/she has spent money on in the past month to really raise his awareness. By helping your student use the “wants vs. needs” filter while making financial decisions, it’s a practice that’ll soon become a habit.