



www.pphef.org

In Conjunction With



- **Texas Tech University**
- **Red** to Black™
- www.r2b.ttu.edu

College Financial Survival Skills

Red to Black and the Red to Black Logo are Trade marks of Texas Tech University
Used with permission.

Copyright Panhandle-Plains Higher Education Foundation. 2005-2012 All Rights Reserved



College Financial Survival Skills

Skills for helping young people survive
real financial challenges with **real** solutions.

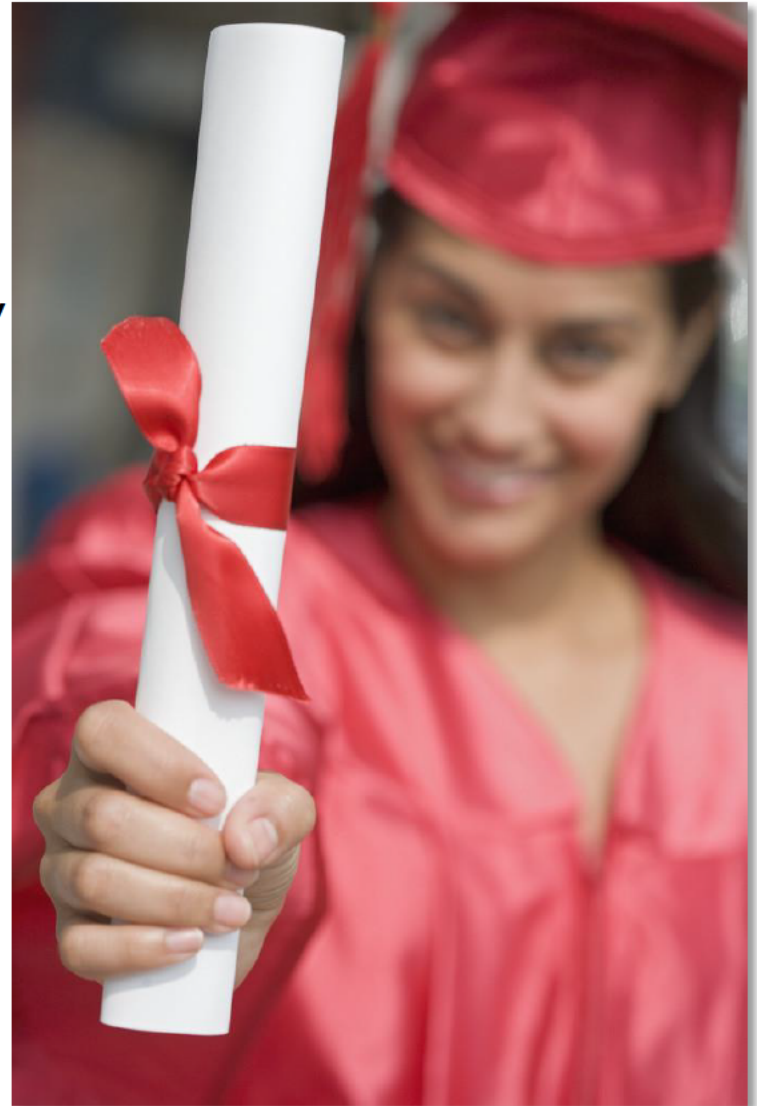
College Financial Survival Skills

- ❖ Why are we talking about COLLEGE financial skills now? Can't that wait until I start college?
 - ❖ It's important to learn college financial survival skills now because the ***financial decisions you make as a freshman or sophomore can have a major impact on your life after college graduation!***
 - ❖ **Be proactive!** Start making great financial decisions now!



Survival Skills

1. Spending plan
2. Credit
3. Protecting your identity
4. Transportation
5. Textbooks
6. Living “off” or “on” campus
7. Tips for outfitting your living space



Survival Skill 1: Spending plan

- ❖ Establish financial control and direction
- ❖ Help students stay out of debt & reduce the need for consumer credit
- ❖ Possibly save money
- ❖ Prevent impulse spending
- ❖ Needs vs. Wants
- ❖ Provide savings for unexpected expenses
- ❖ Save for long-term goals



Survival Skill 1: Spending plan

- ❖ What is a spending plan?
 - ❖ On-going process
 - ❖ Summarizing how you spend your income
 - ❖ Tracking income minus expenses
 - ❖ Create guidelines for your spending
 - ❖ Helps you meet your goals



Survival Skill 1: Spending plan

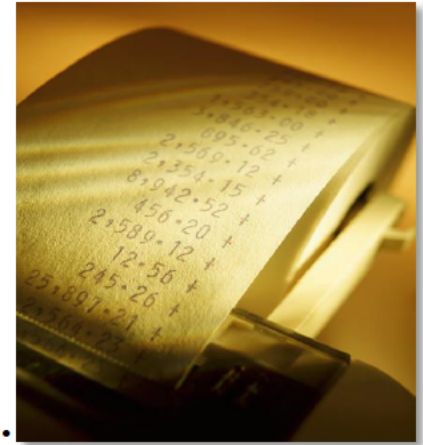
- ❖ How to create a spending plan:
 - ❖ Create a list of all of your monthly income.
 - ❖ Divide any sources of income received yearly by 12.
 - ❖ Remember to list all sources including side jobs, allowances, gift, etc.



Survival Skill 1: Spending plan

❖ How to create a spending plan:

- ❖ Create a list of all your monthly expenses.
 - ❖ If an expense occurs quarterly or bi-monthly prorate it to fit a monthly format.
 - ❖ Expenses to include:
 - ❖ Housing
 - ❖ Food
 - ❖ Transportation
 - ❖ Utilities
 - ❖ Entertainment
- ❖ Track your spending for a full month.
 - ❖ Save your receipts and record your expenses.
 - ❖ Backtrack your expenses through online banking.
 - ❖ Smart phone apps



Survival Skill 1: Spending plan

- ❖ How to create a spending plan:
 - ❖ Determine if your income covers all of your current expenses.
 - ❖ If the answer is no, then expenses need to be adjusted.
 - ❖ Reduce discretionary spending (entertainment, or luxury food items)
 - ❖ Downsize your vehicle or your living arrangements.



Survival Skill 1: Spending plan

- EXAMPLE

	Per Semester	Per Month	
<u>Income</u>			
Graduation Gifts	500	100	
Financial Aid (after tuition and room and board are paid)	3,130	626	
Family Contribution	250	50	
Total Income	\$ 3,880.00	\$ 776.00	
<u>Expenses</u>			
Car Payment		350	
Gas		120	
Entertainment		250	
Total Expenses		\$ 720.00	
Discretionary Income			\$ 56.00

Survival Skill 1: Spending plan

- ❖ Three overlooked categories :
 1. debt reduction
 2. retirement savings
 3. emergency savings



Survival Skill 2: Credit

❖ Credit Reports

- ❖ When you get your first credit card or loan, you also should order your first credit reports.

 - ❖ **www.annualcreditreport.com**

- ❖ Put together by credit reporting agencies

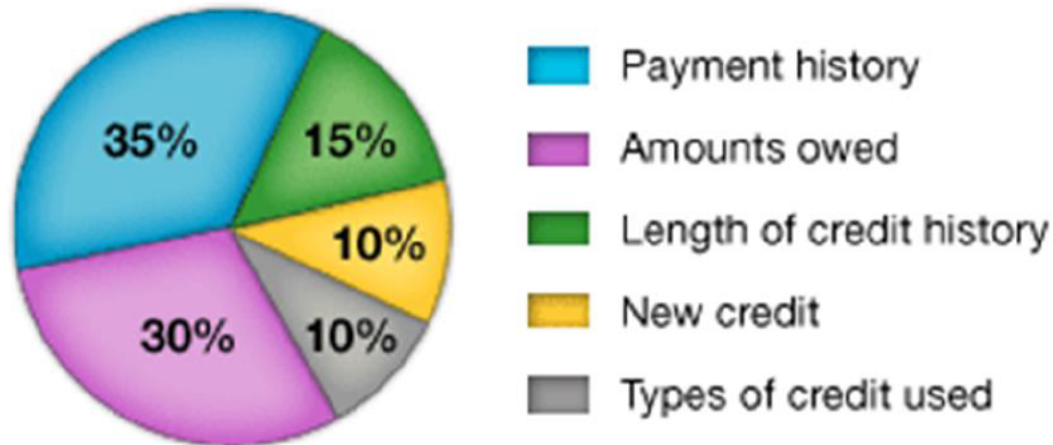
 - ❖ Information about who you are

 - ❖ Information about with whom you have credit relationships

Survival Skill 2: Credit

❖ Credit scoring

- ❖ Method lenders use to help determine your 'credit worthiness.'



Survival Skill 2: Credit

- ❖ Why is my credit score so important?
 - ❖ Affects your ability to get credit
 - ❖ Affects interest rates for loans (car, mortgage, etc.)
 - ❖ Employers often check credit scores of prospective employees
 - ❖ Insurance companies see individuals with poor credit scores as a poor risk.
 - ❖ Poor credit can also influence your ability to secure rental property
 - ❖ Can affect what you pay for phone, electricity and gas rates.



Survival Skill 2: Credit



- ❖ How do I build good credit?
 - ❖ Unsecured credit cards **if** used responsibly
 - ❖ Secured credit card
 - ❖ Open one or two cards and leave them open and don't open any more while you are in college.
 - ❖ Use them to buy groceries or gasoline and then pay them off every month.
 - ❖ Make all your payments (credit or otherwise) ON TIME.
 - ❖ Check your credit report for mistakes and correct them if there are any.

Survival Skill 2: Credit

❖ CARD act of 2009

- ❖ Lender can not open new account or raise credit limit on existing account unless it considers consumer's ability to make the required minimum payment
- ❖ One way this will affect you is that anyone **under age 21** who cannot show ability to pay will have to have a co-signer in order to get a credit card



Survival Skill 3: Protect your identity

- ❖ Protect your credit card information from others view.
- ❖ Don't let a business hold your credit card to run a tab.
- ❖ Keep a record of everything you carry in your wallet.
- ❖ Remember to copy both sides of your license, credit cards, etc.
- ❖ Keep the photocopy in a safe place.



Survival Skill 3:

Protect your identity

- ❖ If your wallet is stolen or lost
 - ❖ Cancel your credit cards immediately.
 - ❖ File a police report immediately in the jurisdiction where your credit cards, etc. were stolen or lost.
 - ❖ Call or go online to one of the national credit reporting agencies to place a fraud alert on your name and Social Security number.
 - 1.) **Equifax: 1-888-378-4329**
 - 2.) **Experian: 1-888-397-3742**
 - 3.) **Trans Union: 1-800-680-7289**
 - 4.) **Federal Trade Commission: 1-877-438-4338**

Survival Skill 3: Protect your identity

- ❖ Other measures to protect your identity:
 - ❖ Check your account statements carefully each month and keep an eye out for suspicious activity.
 - ❖ Check your credit report for errors.
 - ❖ Shred, Shred, Shred anything with personal information, including pre-approved credit offers



Survival Skill 4: Transportation

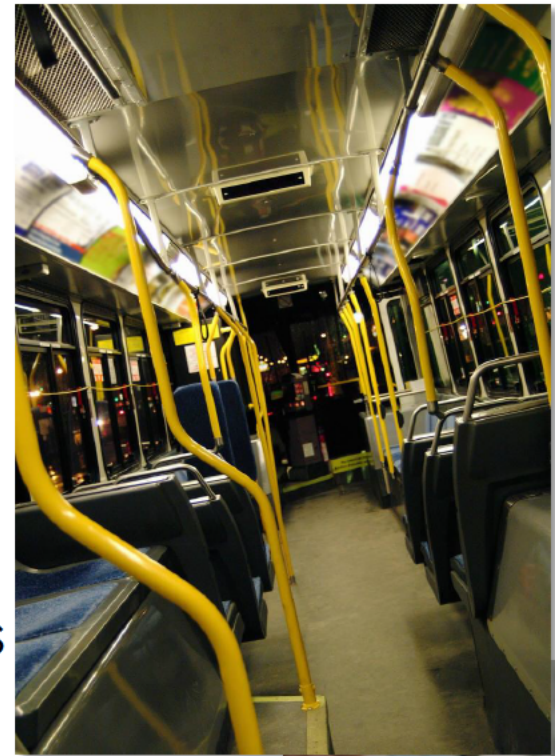


- ❖ Parking on a college campus is difficult at best. Due to the limited number of parking spaces available, many colleges strongly advise you to leave your car at home.
- ❖ A car: is that a “need” or a “want?”



Survival Skill 4: Transportation

- ❖ What are the costs?
 - ❖ Car ownership
 - ❖ Car insurance
 - ❖ Car maintenance and repairs
 - ❖ Fuel
 - ❖ Parking
 - ❖ Public transportation
 - ❖ Bus
 - ❖ Taxi
 - ❖ Subway
 - ❖ Other options?



Survival Skill 5: Textbooks

- ❖ **New textbook**
 - ❖ Brand new from the publisher.
- ❖ **Used textbook**
 - ❖ Previously used by another student
 - ❖ Costs about 25% less than new.
 - ❖ Shop early!
 - ❖ Many are kept in very good condition, but those go first!
 - ❖ Books may have been highlighted or written in and may have cosmetic damage.



Survival Skill 5: Textbooks

- ❖ Things to consider when renting textbooks:
 - ❖ Availability
 - ❖ Edition updates
 - ❖ Shop around
 - ❖ cheap-textbooks.com
 - ❖ Rental agreements
 - ❖ Future need



Survival Skill 5: Textbooks

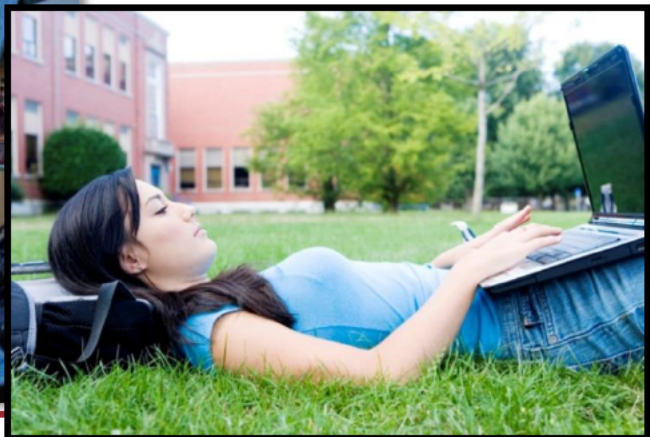


- ❖ Bring a copy of your class registration so you can **double check that you are purchasing the correct books** for your classes.
- ❖ Your college bookstore will have a list of textbooks selected and required by the instructor for each course
 - ❖ **alphabetically** by course department
 - ❖ followed by **course number and section letter or number** (i.e., MATH 060 A).

Survival Skill 6: Living on or off campus



- ❖ Cost of dorm living
 - ❖ Average cost for an academic year (nine months) is \$8,000 and \$13,000 a year.
- ❖ Cost of apartment living
 - ❖ Rent can range anywhere from \$700-\$1,500 per month,
 - ❖ Plus, electricity, gas, phone, and internet



Survival Skill 7:

Tips for outfitting your living space

- ❖ **Computer purchases**
 - ❖ Suggest a computer purchase for your birthday, Christmas, or graduation gift.
 - ❖ Make sure you check with the Instructional Technology (IT) Department of the college you are planning to attend for system requirements.



Survival Skill 7:

Tips for outfitting your living space

❖ Furniture

❖ Secondhand

- ❖ charity and consignment shops
- ❖ auctions, estate sales, flea markets, and yard sales.

❖ Carry a list of what you're looking for, noting sizes of needed pieces.

- ❖ Keep a measuring tape with you.

❖ Think about mom and dad's hand-me-downs.



Websites for Additional Information

- ❖ For High School Counselors, Students, and Parents.
- ❖ Panhandle-Plains Higher Education Foundation
- ❖ www.pphef.org

- ❖ Additional financial planning information
- ❖ TTU Red to Black™ program
- ❖ www.r2b.ttu.edu