

NEWS FROM

KHEAA–Alabama

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Money Tips for Students, July 2016

Students should set up, follow a budget

One financial goal for students is to have money at the end of every month. These tips from KHEAA–Alabama may help you set up a budget to track the money you make versus the money you spend.

Knowing how and when you get your money and where you spend it is the foundation of financial planning. You create a budget by estimating how much money you'll make each month and how much you'll spend. It's a great way to avoid running out of money when you need it most.

You must be honest with yourself when completing your budget. If you write down everywhere you spend money over a month's time, you will get a clear picture of your wasteful spending. Once you know where your weaknesses with money are, you can work on correcting them. If you have more expenses than you have income to cover, your income will have to go up, or your expenses will have to go down.

Having a budget in place will also help you save for a vacation, a new car or college. Determine how much you need to set aside to reach your goal, and build that into your budget. Move the money into a savings account so you won't be tempted to spend it before you meet your goal.

The thought of doing a monthly budget scares people, but they aren't difficult. The difficult part is being deliberate with your spending. Once you budget an amount for say movies, then stick to that amount. If you spend more in one category, you will have to take that money from another category.

KHEAA is a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents. KHEAA also helps colleges manage their student loan default rates and verify information submitted on the Free Application for Federal Student Aid (FAFSA).

For more information about financial aid and college planning, visit www.alstudentaid.com.