



MANAGING YOUR IUP FINANCES

Academic Success Center



Helpful Tidbits

- Borrowing responsibly includes borrowing only what you need
 - *Borrowing responsibly includes borrowing only what you need to pay your education expenses and what you can realistically afford to repay when you leave school.*
- Knowing how student loans work will help you plan for your future
- Budgeting can help you avoid debt and improve your credit
 - *Where does all my money go?*
 - *Is there a way to spend less?*
 - *Your income – your expenses*
- Budgeting is not just a one-time event → it's continuous – you'll need to track your spending over time and update your budget as needed

“Getting Started” Budget Tips

- Overestimate your expense
 - *It's better to overestimate your expenses and then underspend and end up with a surplus*
- Underestimate your income
 - *It's better to end up with an unexpected cash surplus rather than a budget shortfall*
- Prepare for the unexpected by setting saving goals to build your emergency fund
 - *Budgeting will help you cover unusual expenses and plan for changes that may happen while you're in school*
- Differentiate between needs and wants
 - *Budgeting helps you determine if you have the resources to spend on items that you want versus those you need*
 - *Start by making a list of things you'd like to save up for*
 - *Identify whether each item on the list is something you absolutely need or is it really a want*
 - *If you decide you want something, ask yourself if you will still be happy you bought the item in a month*
 - *Next, prioritize each item on the list*
 - *Once you have set your priorities, you can then determine whether you should incorporate each item into your budget*

Keeping Track of All Your Spending

- Record your actual expenses: Carry a small notebook around with you or use an app to record everything
- Organize your records: Designate a space to store all your financial information
- Create a routine: Manage your money on a regular basis and record your expenses and income regularly – recommended weekly if not daily
- Include a category in your budget called “unusual”: There will more than likely be some expenses every month that won’t fall neatly into one category
- Review your spending for little items that add up to big monthly expenditures
- Comparison shop: Compare products in an attempt to get the best prices and best value
→ Do your research
- Use credit cards wisely: Think carefully before getting a credit card. Limit the number of cards you get. Don’t spend more on your credit card than you can afford to pay in full on a monthly basis
- Expect the unexpected: Your emergency fund should be used for expenses that fall outside the categories of annual and periodic bills

The “Must Knows” About Student Loans

- Borrow only what you need
 - *Remember, you must pay back your student loans*
- Exhaust other types of aid before using alternate (private) loans
 - *Grants*
 - *Scholarships*
 - *Federal Loan Programs*
- Alternate loans tend to have higher interest rates, more fees, and less flexible repayment options than federal student loans
- Read your promissory note
 - *This is your “promise to pay” contract between you and your lender*
 - *This document specifies your responsibilities for paying back the loan*
 - *You will be held accountable*

The “Must Knows” About Student Loans

- Pay on time
 - *Know your payment schedule*
 - *Direct Debit is the most convenient way to do this*
 - *If you want to save money in the long run, consider paying interest while you are in school or paying amounts that are larger than those due*
- Keep in touch with your loan service
 - *Having financial difficulties and can't pay right away? Moving? Name change? Just call.*
- Stay organized
 - *Remember to keep copies of all of your loan documents*
 - FAFSA
 - Promissory notes
 - Your loan repayment schedules
 - Records showing when loan payments were received
 - Receipts