



Budgeting for college students

The newfound freedom of college life often puts you in control of your money for the first time. Here are a few budgeting tips to help you manage your money while in school and avoid unplanned debt later on.

A budget can help you manage your spending to save for short-term needs – like books for the upcoming semester – and future goals, such as a spring break vacation with friends. As a college student, this may be your first budget, so here are some tips to help you get started:

1. Track your spending

The key to budgeting is being honest with yourself about what you're spending money on. Before you create a budget, keep a spending log for a month or two and record every penny you spend using a budget tool like Wells Fargo's [My Spending Report](#).

2. Make a list of your income and expenses

The Wells Fargo [Cash Flow Worksheet](#) is an easy way to document what you're spending and the money you have coming in. Start by filling out your monthly income. Include what you're earning from your job or Federal Work-Study, your allowance, financial aid, and scholarships. Then fill in your list of expenses based on your spending log. It's helpful to separate your expenses into categories like housing, food, entertainment, education, etc.

To get a better visual, try using [My Money Map](#). This tool allows you to view your spending and savings in easy-to-understand charts.

3. Do the math

After totaling your income and expenses, determine how much you can spend on your needs for the whole semester, including visits home, class materials, and groceries. If you have money left over, consider using it to boost your savings to cover any unexpected expenses. If it looks like you'll run out of money before the semester is up, look at areas where you can cut back. For instance, instead of spending money on dinners out, get your friends together to make a meal in the dorm. You can also save extra cash by opting to purchase used textbooks instead of new copies.

4. Revisit and adjust

As expenses and income change – say, your landlord raises your rent, or you receive a grant from your school to help with tuition – it's time to revisit and adjust your budget. Remembering to do so will make sure you stay on track.

Now that you have more control of your money, you can be intentional about how you use and save it. Getting in the habit of creating and maintaining a budget in college can make it easier to manage more complex finances successfully after graduation.

Source: wells Fargo.com

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