



## Stretching Your Refund Across the Semester

First-time college students are highly susceptible to overspending. With parents out of the picture, at least for a semester, students are suddenly given free rein to manage their time and finances as they see fit.

Your refund should not be thought of as extra income. More often than not, that refund will be from a loan. A loan that will be paid back with interest! It is intended to help you cover basic educational costs.

Just because you can use refund checks from loans to cover living expenses while in school, doesn't mean it is a sound financial decision. It is up to you to develop a plan that sets you up for financial independence now and in the future. The refund you receive is meant to be used for unbilled school expenses, like books, travel and living expenses. While it may be tempting to spend that money on new clothes or buy that new big screen TV you've been eyeing, it's important that you budget to cover educational and living expenses over the course of the semester.

### The phrase "live like a student" is more than a catch-phrase

It's a way of thinking and it usually means adjusting your lifestyle. As a traditional-aged student, "live like a student" may be adjusting to living within your means rather than your parents' income. If you are a non-traditional student, "live like a student" may include leaving a job and an income to return to school.

Financial aid was never intended to cover all of a student's costs. It's intended to assist you in meeting educational costs. And often the aid offered can include loans. Consider borrowing a lower amount to cover your budgeted costs. You can always increase your loans later if you find that you can't stretch the lower accepted amount.

Let's take a look at this scenario: You have received \$4,650 in a financial aid refund for your five-month term. You live off campus so you will need this refund to pay for rent and utilities, as well as other living expenses throughout the semester like food and transportation costs. Start by estimating your expenses for the next couple months and include the semester totals.

EXPENSE	MONTH	SEMESTER
Rent	\$360	\$1800
Utilities	\$50	\$250
Food	\$200	\$1000
Transportation	\$150	\$750
Entertainment	\$75	\$375
Other	\$50	\$250
<b>Total</b>	<b>\$885</b>	<b>\$4,425</b>
<b>Refund</b>	<b>\$930</b>	<b>\$4650</b>
Amount remaining (aka wiggle room)	\$45	\$225

If you stick to this budget for the rest of the semester, your financial aid refund should be enough to cover your estimated expenses, with a little leftover for some additional wiggle room in your budget. Remember to track every expenditure each month to make sure you are staying within budget so you don't overspend and come up short after a few months.

### Easily overlooked budget busters

- Visits home for long weekends or holidays can add up. Plan ahead so that you can maximize your limited travel dollars.
- Bringing a car to campus will increase your expenses in the form of parking fees charged by your college.
- You'll need textbooks, a computer, software, notebooks and other supplies, which can add up to a few thousand dollars per year.
- Joining fraternities, sororities, and clubs can help break up the monotony, but at a price in the form of dues and activities fees.
- Even if you've purchased a meal plan, you may still need to go to the grocery store for cleaning supplies, toiletries, snacks or drinks.
- Purchasing items such as a TV or a microwave for your dorm room can help make it feel more like home, but it will likely add a few hundred dollars to the semester's expenses.

**WHERE DOES ALL THE MONEY GO?**

This year college students will spend over **\$60 BILLION** on their everyday needs. That is a serious chunk of change. Where does all this money go?

**\$33 BILLION** was spent on back to school items  
*(this does not include tuition, fees, room & board, or textbooks)*

- \$1.99 BILLION Collegiate Branded Gear
- \$3.41 BILLION Shoes
- \$3.45 BILLION School Supplies
- \$5.31 BILLION Dorm Room Furnishings
- \$6.63 BILLION Clothes and Accessories
- \$2.99 BILLION electronics and computer related equipment

**\$27 BILLION** was spent on non essential items during the school year

- \$4 BILLION Personal Care
- \$5 BILLION clothes and shoes
- \$5.5 BILLION Alcohol (with average of \$50 per student per month)
- \$1 BILLION Snacks & Drinks

**\$2.4 BILLION** was spent on entertainment

- \$326 MILLION Renting DVDs
- \$341 MILLION Video Games
- \$474 MILLION MUSIC
- \$600 MILLION on Demand Movies
- \$656 MILLION Movie Theatre Tickets

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[www.blackenterprise.com/money/infographic-where-college-students-spend-money/](http://www.blackenterprise.com/money/infographic-where-college-students-spend-money/)  
September 2, 2014.



## Ten Tips to Reducing Your Grocery Bill

Just because you're a student now doesn't mean you need to live by the adage, "starving student." Yes, your life has changed in so many ways and it's true that you may not be able to afford the same lifestyle as you had before becoming a student. There's no question about it, money will be tight; however, creating a meal plan and a grocery list can help you decide if this weekend you can afford to go out for a nice meal or if you're destined to have a date with ramen noodles and an evening of Netflix.

At first, creating your plan may seem daunting and not very fun. But with a little planning and creativity, you can successfully manage your limited food dollars while not depriving yourself.

### Here are 10 tips that can help get you started:

- Getting ready to grocery shop**  
Make a list of meals that you know how to cook and review the items you already have on hand. Check your social calendar to see how many meals you need to plan during the week. Also, figure out how much money you have to spend. These steps will help you determine what you need and what you can afford.
- Grab discounts**  
Don't go to the store empty-handed. Make sure you have your coupons clipped and your store club cards in your pocket.
- Plan ahead**  
Be sure to check out store circulars for what's on sale, store club card specials and coupon expiration dates. Meal planning will also help you identify which items on your list can be used in multiple recipes. By planning your meals and making a grocery list—after you've looked at the ingredients in your pantry and fridge—you'll have less of a need to run to the grocery store to pick up a needed item. Dropping by the store is asking for trouble as you can easily find something else you really don't need.
- Eating healthy on a budget**  
Many states have agriculture websites that list what fruits and vegetables are in season. Those items typically are most plentiful and the least expensive. Shop local farmers markets for fresh and healthy produce that's reasonably priced.
- Navigating the store**  
Be sure you know how the local grocery store is laid out so you can avoid busting your budget on specialty items that are typically located toward the front of the store.
- Stick to your plan**  
Eat everything you buy. Be sure to cook ahead. If you have a busy schedule, the last thing you want to do at the end of a long day is to come home and cook.
- Systems save money**  
Make using coupons a "game" to see how much you can save. Just be sure to only purchase products you need for your recipes.
- Repackage**  
Buying some items in bulk can save you money. Use caution when purchasing items at warehouse stores and resist impulse buys. Those items may expire before you can use them.
- Check-in and don't give up**  
Don't give up too soon. Give yourself some time to evaluate and adjust. Celebrate victories by rewarding yourself with a special treat.
- Creativity counts**  
Cook enough so you can have the leftovers for lunch or dinner the next day. You can even freeze the remainder to have later. If you decide to treat yourself to a pizza, order a plain cheese and put your own toppings on when you get it home. Those extra toppings can add up.

Regardless of what methods work best for you, a little work, planning, and creativity can set you up for success with eating well while not blowing your budget. For more tips on healthy eating and sticking to your budget, check out [www.choosemyplate.gov/](http://www.choosemyplate.gov/).

## Student Loan Basics



### Student Loan Graduation Checklist

Graduation may seem a long way off, but before you know it, you'll be busy preparing for finals, thinking about finding a job and a place to live, and repaying your student loans. The key to successful repayment is knowing the facts and your responsibilities about your student loans.

Here is a checklist of things you'll need to consider to help you get organized:

- Inventory your loans by visiting [studentloans.gov](http://studentloans.gov)
- Know when your grace period ends
- Make room in your budget for your loan payments
- Check out repayment calculators
- Know your options about delaying payment
- Communicate with your servicer
- Remain calm

### Stuff that's FAB!

- How to stay afloat in college  
[www.igrad.com/videos/video/viewer-question-1-financial-independence-webinar-clip](http://www.igrad.com/videos/video/viewer-question-1-financial-independence-webinar-clip)
- 4 budget items you're not thinking about but should be  
[www.igrad.com/Resources/smart-borrowing-video-series-episode-guide-1-4](http://www.igrad.com/Resources/smart-borrowing-video-series-episode-guide-1-4)
- How to save money on your electric bill  
[www.youtube.com/watch?v=QHjuaw78f4c](http://www.youtube.com/watch?v=QHjuaw78f4c)
- How to budget when you're broke  
[www.youtube.com/watch?v=fwZ8pymIQEk](http://www.youtube.com/watch?v=fwZ8pymIQEk)



### Webinars

Did you know that Outreach and Financial Literacy hosts a FREE weekly national webinar? It's TRUE! These are turnkey presentations delivered in a "Train the Trainer" format. Once completed, we share the presentation with you, including all speakers' notes.

Check out a sample of our upcoming topics and register at [ecmc.org/schools/training.html](http://ecmc.org/schools/training.html).

We also share important money management tips on social media. To stay up to date, Like our Facebook page and follow us on Twitter.

### Looking ahead

Congratulations! You're about to graduate...now what? In the next issue of FAB Gab, we'll share with you information about how to begin making successful student loan payments, tips on looking for a job and suggestions for settling into your new place.

Contact ECMC's Outreach and Financial Literacy team at [financialliteracy@ecmc.org](mailto:financialliteracy@ecmc.org).