Back to School Bliss

According to CNN, the average debt from graduating college seniors is around $29,000! Most incoming freshman students do not know the basic principles of finance. Luckily, there are places at most Universities that specialize in free financial services. Here at the Personal Money Management Center, we offer free counseling so students and staff members can avoid that hefty debt. Here are some tips so you can make small steps in avoiding that substantial debt.

Financial Aid: If you are like the average student, you are not able to pay for college all on your own. Most likely, students of any age will need some sort of assistance; the key is to know your options. Don’t assume that you won’t receive any scholarships because your GPA isn’t high enough. There are thousands of scholarships out there; one of them is bound to be right for you. If you don’t want to borrow to attend school, this is a great alternative. I do give out a warning though, moderation is crucial. Accept the loan that barely covers what you need for tuition. Just because the government offers you a $10,000 loan, does not mean you should use that money for a down payment on your dream car.

Budgeting: When most young students hear the word budget, they think of restrictions. Budgeting should become a college student’s best friend. Tracking every dollar can be time consuming and impractical. Knowing the approximate amount of money being spent on rent, groceries, gas, and fun money can really keep you in check. Create a monthly spending plan and allocate your funds in each category. Like I said above, don’t forget about the fun money fund!

Credit: Entering College is a great time to start building credit. If you need to take out a student loan, you are already building credit which is a plus. Another way students build credit is by opening a credit card account. Don’t just grab the first card that companies send you in the mail. Do your research and find the best card for you. Look for credit cards designed for students and also ones with low/no fees. Another savvy trick is to apply for a credit card. When it comes in the mail, cut up the card immediately, yes you read that correctly. The trick is to keep the account open and make one small recurring monthly purchase with the account number. Netflix is a great option! Set up auto-pay so you don’t risk having a late payment. This is a great way to ease into the wonderful credit world.
Where Does Your Tuition Go?

We all pay tuition each semester so we can continue to work towards our degrees and certifications. But have you ever wondered what your money goes towards exactly? Bankrate.com created a basic list of expenses your tuition pays for:

1. Instruction from professors (29.5%) – That’s right. Only 30% of your tuition goes towards paying professors that will be instructing you. Fascinating, right?
2. Auxiliary Enterprises (22.1%) - This category has a fancy name but simply put, this part of your tuition goes towards paying for services for students such as reduced housing, food service, the University of Utah bookstore, etc.
3. Academic support (21.1%) – Academic support includes helpful areas like academic counseling and resource centers (like the Personal Money Management Center!).
4. Research (13.8%) – Since the University of Utah is well-known for our research program, we probably spend MORE money in these areas, such as scientific research.
5. Scholarships (4.1%) – It will warm your heart to know that roughly 4% of your tuition is used to help another student attend college. Good for you!
6. Other expenses (9.4%) – Expenses that fall through the crack like public service projects and independent operations.

Fun Fact: Since you will be attending a public university this fall, did you know the state government heavily subsidizes your tuition, meaning you only pay about 19% of what it costs to go to college? For example, instead of paying $4,000 a semester for five classes, you would be paying roughly $20,000 a semester instead. Be thankful!

UPCOMING EVENTS

Wednesday, August 27th, 12pm to 1pm in the Saltair Room
(Student Union Bldg.)

Funny Money Man and host of the Cooking Channel’s Eat St., James Cunningham will have you laughing your pants off while teaching you how NOT to lose your shirt!

Come visit us today to see what resources we have to help you reach your financial needs and goals!

Olpin Student Union Bldg., Room 317

Visit our website at: http://personal-money-management.utah.edu/