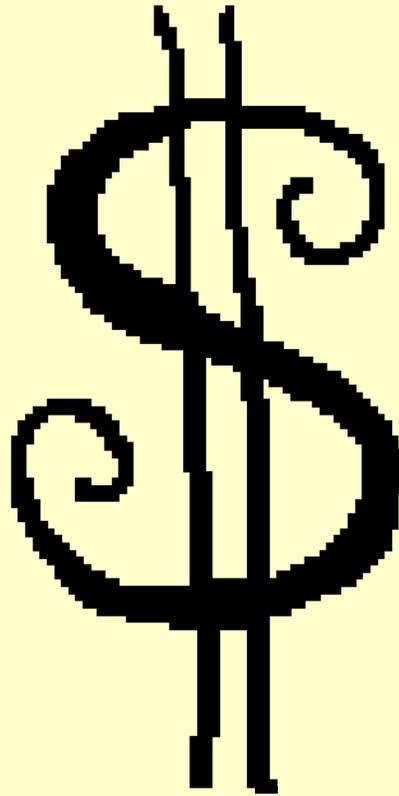


# Money Saving Tips



# What is a budget?

## *n.* **budget**

- A systematic plan for the expenditure of a usually fixed resource during a given period.

# Why is it important to have a budget?

- Budgeting is a good life skill.
- A budget helps you understand your spending patterns and priorities.
- Understanding your financial priorities helps you control your money instead of your money controlling you.
- Once you have a plan you can adjust it as needed.
- Having a plan helps you worry less about your money.

# How much can budgeting save me?

If you are borrowing money, you are paying for what you buy now with your future income.



Look at the impact if you can reduce expenses by \$30, \$50, or \$80 per week. Over three years you would save...

**Borrowing saved**

\$3,585

\$5,970

\$9,545

**Monthly Payment Saved**

\$40

\$65

\$100

**Total saved**

\$4,565

\$7,600

\$12,150<sub>3</sub>

# Where do I begin?

## 1. List your sources of funding



2. Subtract your required expenditures

3. Subtract your desired expenditures

4. Can you afford all/some/none of your desired expenditures?

# Standard Financial Aid Budget

<b>Tuition:</b>	\$43,900.00
<b>Books / Supplies:</b>	\$ 1,100.00
<b>Room / Board / Personal:</b>	\$18,457.00
<b>Health Fees:</b>	\$ 2,840.00
<b>Travel:</b>	\$ 1,350.00
<b>Dental Insurance (optional):</b>	\$ 253.00
<b>Total:</b>	\$67,900.00

# Actual School Expenses

Total Financial Aid:		\$67,900.00
Tuition:	-	\$43,900.00
Mandatory Fees:	-	\$ 2,840.00
Stafford Loan Fees:	-	\$ 103.00
*Books:	-	\$ 1,100.00
Remaining Funds:	=	\$19,957.00

This equates to \$2,217 a month for 9 months.

\*Some years you may spend less money on your books, giving you more money for your living expenses.

# How much money do you spend?

- ✓ track your daily expenses for 2 weeks so you can analyze how you spend
- ✓ use a notebook, receipts and monthly billing statements to track regular expenses, or use a site like [www.mint.com](http://www.mint.com)
- ✓ does your spending reflect your priorities?
- ✓ use your data to develop a monthly expense budget that's realistic and personalized

# How can I get back in the **BLACK**?

- **raise your income**
- **cut your costs**
- **identify essentials and non-essentials**

## **Employment**

- Resident Tutor / Resident Assistant
- Research Assistant
- Board of Student Advisors
- Non-Resident Tutor
- Summer employment
- Non-HLS academic-year job

## **Where you Shop**

- Shaw's in Porter vs. convenience Stores on Mass. Ave. vs. Market Basket on Somerville Avenue

## **Where you live**

- Cambridge vs. Somerville/Watertown/Arlington/Allston/Brighton
- Find one or more roommates to share a place
- Harvard Affiliated Housing is not subsidized, and it's not cheap; you can probably do better on the private housing market
- Sublet your place if you'll be gone during the summer



# General Tips

- ✓ avoid impulse purchases and beware of buying for convenience – a little planning can save a lot
- ✓ shop with a list – if it's not on the list, don't buy it
- ✓ make your own meals, pack lunches, cook for friends (and then let them cook for you)
- ✓ rent or share videos/DVDs or borrow from the public library instead of going to movies
- ✓ treat yourself every once in a while – it's ok!

# Local Tips

- Buy things at the appropriate store
- \$10 roses in Holyoke Center
- Prescription deals
- Bring your lunch (there is a fridge in the tunnels)
- Harvard gyms
- Throw a party

# Even More Local Tips

- Market Basket on Somerville Avenue
- Free movies at the library
- Zip Car
- Quad Bikes
- Plough and Stars, Toad for live music
- Potluck dinner or cook with friends

# Credit Card Tips

- ✓ avoid charging more than you can afford to repay in full each month, except for emergencies
- ✓ be wary of opening new credit accounts for a one-time purchase discount
- ✓ cancel stale credit accounts but don't remove them from your credit history
- ✓ consume with cash, not credit cards
- ✓ if you're using credit to "extend" your budget, you're not using your budget
- ✓ get a copy of your credit report at least once a year from one of the national credit reporting agencies

# Useful Websites

- [www.fool.com/personal-finance/](http://www.fool.com/personal-finance/) – all the basics
- [www.dinkytown.com](http://www.dinkytown.com) – lots of calculators
- [www.calcxml.com](http://www.calcxml.com) – more calculators
- [www.mint.com](http://www.mint.com) – online money management
- [www.yodlee.com](http://www.yodlee.com) – same thing
- [www.cleverdude.com](http://www.cleverdude.com) – personal tips
- [www.paidtwice.com](http://www.paidtwice.com) – more personal tips
- [www.napfa.com](http://www.napfa.com) – find a fee-only financial planner

# Establish Good Financial Habits Now and for the Future

- ✓ practice at developing a budget
- ✓ understand your spending priorities
- ✓ save for emergencies, major purchases, retirement
- ✓ establish and maintain a good credit history, use credit wisely, and pay your bills on time
- ✓ review your credit report at least annually

# Need Help?



Come see us, we can help you get started!