

Keep life in balance.



## **What is a budget anyway?**

- A personal spending plan
- How you balance income and your expenses
- Keeping track of what's coming in, what's going out...and when

## Why is a budget important for me *right now*?

- Helps you keep all of your spending and saving at school in balance
- Helps you build a strong and healthy financial future
- Helps you SPEND now on what matters to you most!



## **Do I *really* need one?**

- YES! Even as a student, NOW is the time to get smart about your money.
- Knowing the INS and OUTS of your cash is important right now and for the future.



## A quick start: INS and OUTS

- WHAT'S IN?
  - Make a list of all your income sources: allowances, work/study, part-time job or student loan money
- WHAT'S OUT?
  - Now make a list of your expenses: phone, entertainment, car, food, rent, etc.
- WHAT'S THE DIFFERENCE?
  - Subtract your expenses from your income on a weekly or monthly basis.
  - If you have positive funds remaining, this is what you can spend or save.
  - If it's negative, find ways to make it positive!

## **It adds up fast!**

- Expenses include ALL spending.
- Fixed costs = car payments, cell phone bill, gym membership, etc.
- Variable costs = clothing, music, books, dinner with friends, etc.
- EVERY dollar counts! So keep track of even the small stuff...yes... even that cup of Double Mocha Latte or midnight pizza run!

## Keeping track

- Make a list and keep a close eye on where your money is going – every week, every month.
- Project and plan your budget INS and OUTS so you can cut back on spending when expenses, like new books, school activities, etc., arise.



## Estimate and project

- TIP: Estimate expenses you know best when planning your budget.
  - *I go out to eat twice a week.*
  - *I buy coffee every day.*
  - *I shop for clothes once a month.*
- Keeping track of these projections can help you keep it all in balance.



## SAMPLE BUDGET

### INCOME

- Part-time job: \$170 per week x 4 = \$680 for the month
- Birthday Gift – check from home = \$75
- TOTAL INCOME = \$755



### EXPENSES

- Fixed Costs:
  - Car payment: \$125
  - Gym membership: \$35
  - Cell Phone Bill: \$45
  - Coffee every day: \$2.50/day x 5 days = \$12.50 per week x 4 = \$50 for the month
- Variable Costs:
  - School Supplies – New Books: \$115
  - Dinner out with Kelly and Dave: \$23.75
  - Study lunch with Susan: \$12.65
  - New Jeans: \$85
  - MP3 Downloads for the month: \$23
  - Movie and munchies: \$18 x 2 = \$36 for the month
- TOTAL EXPENSES = \$550.40

## SAMPLE BUDGET

- Income: \$755 – Expenses: \$550.40 = \$204.60 positive to save or spend!



- Once you start budgeting every month, you can estimate your monthly income and expenses based on steady fixed costs and variable costs based on your lifestyle so you can **stay ahead of it all.**



## **TIP: keep record of due dates for cell phone bills, credit cards, etc.**

- Understanding what's coming and when can help you plan how to keep it covered.
- Missed due dates can mean late fees that really add up!
- Keep track of it all on paper, on your computer, or online if your bank has online banking tools.



## Wants and needs

- Create a “wish list” for what you really want.
- Start saving a little or a lot as you can to get what’s on your list.
- DOS AND DONTs: Don’t be tempted to charge major purchases on your credit card.
  - Interest rates can range from 10 – 20%, which means that you need to factor in that additional COST to any purchases.
  - Credit card debt can sneak up on you and make it hard to keep your budget positive.

## **TIP: Reserve credit cards for the “unexpected” or emergencies.**

- You may need available credit for car repairs, medical expenses or other surprises that demand immediate payment.



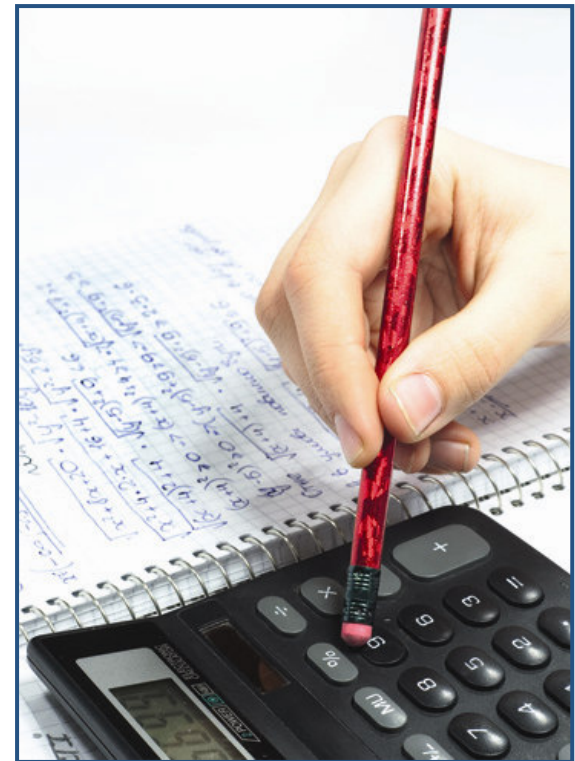
## Save it up!

- Saving just a little here and there can add up to a lot over time.
- Savings accounts pay interest — which means even more cash in the bank!
- Open a savings account and try to put money in each week or month...any leftover cash in your budget.



## Simple ways to save

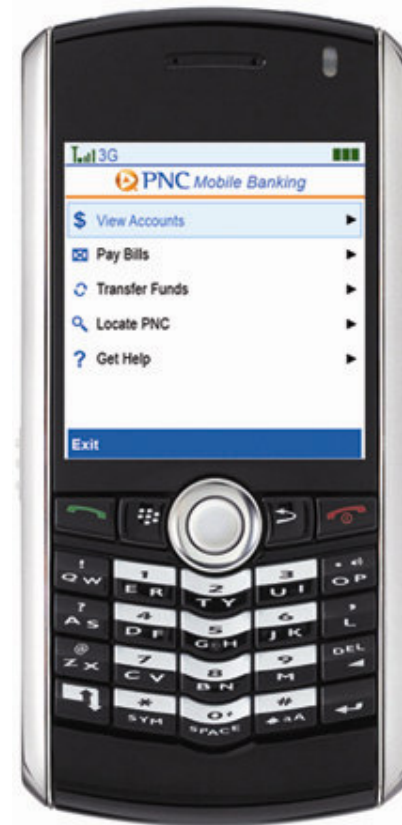
- Hit the water fountain instead of buying bottled water.
- Cut back on that daily coffee or snacks from the vending machine.
- Use your meal plan to the fullest.
- Buy used textbooks, or borrow a book from a friend.
- Look for stores and restaurants that offer student discounts.





## The right tools for school

- Ask your bank about online, mobile or other tools to keep a close eye on your checking and savings accounts.
- Many banks offer online banking, an easy way to keep your budget in balance and a GREEN way to bank!



## **Summary: 5 steps to keep your budget positive**

1. COLLECT: Do the math for what's IN and what's OUT.
2. PROJECT: Start building estimates.
3. PLAN: Always plan for purchases – big or small. Know what you can really afford.
4. SAVE: Save what you can.
5. PROTECT: Keep your future bright by avoiding debt or unnecessary credit issues.

## Don't forget...

- The way you manage money now can directly impact your credit rating and financial future.
- The way you spend, borrow and repay money will determine your ability to borrow money for your first home, a car or even more schooling.
- Build a budget. Keep it all in balance. Stay positive.
- Start today!

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