

# Five Money Tips for Every College Freshman

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By VERONICA DAGHER

Freshman year of college can mean countless adjustments -- from sharing a room to hours of free time between classes. It's also some young adults' first taste of relative financial independence.

With that in mind, we've asked financial advisers to give freshmen five money rules to remember:

## 1. *Live like a student.*

Not like a rock star. Before heading off to school, create a budget for the semester using a free online personal-finance site such as Mint.com or start tracking your cash flow using software such as Quicken, says Jeremy Portnoff, a certified financial planner at Portnoff Financial in Westfield, N.J.



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Mr. Portnoff says setting a budget for both big-ticket items such as books and incidentals such as Friday night pizza will help ensure that you don't run out of money by Thanksgiving. Also, consider switching to a bank with an ATM on or near campus to avoid unnecessary fees, he says.

Mark Kantrowitz, publisher of financial-aid site FinAid.org, says your total debt at graduation should be less than your expected starting salary. "If you borrow more, you may still be repaying student loans when your children enroll in college," he says.

## 2. *Show your ID.*

You can get discounts with your school ID on everything from Broadway tickets to off-campus restaurants. If you don't already own a computer, you might find a cheaper deal by checking the discounts your school offers, says Matt Dobbie, a MassMutual financial adviser in Camp Hill, Pa.

You also can save with the \$20 Student Advantage card, which provides 20% off standard Greyhound fares, 15% off Amtrak and discounts at online retailers such as BarnesandNoble.com and Target.com. Taking advantage of student discounts with friends can help avoid some of the peer pressure to spend above your means, says Mr. Dobbie.

## 3. *Get a job.*

The tab for spring break and dinners out with friends can add up quickly. Getting a job can help fill in a budgeting shortfall or, ideally, reduce how much you need to borrow, says June Walbert, a San Antonio-based certified financial planner at USAA, a financial-services company for people with military ties.

Look for work on-campus or at local restaurants or clothing stores. Even baby-sitting, house sitting or starting up a business -- provided it doesn't become all consuming -- shouldn't be ruled out.

## 4. *Protect yourself.*

Even with no or little assets, identity theft can be an expensive and nasty headache. "Guard your Social Security number with your life," says Steve Curley, an Orlando-based certified financial planner at Water Oak Advisors. Be especially wary of signing up for multiple "free" credit cards since infrequent use can increase the likelihood of identity theft going undetected. Shred old credit-card statements and bills, avoid using shared campus computers to conduct online banking, and take caution when using mobile devices to access bank records, Mr. Curley says. Also, get in the habit of checking your monthly bank and credit card statements for suspicious activity and reviewing your credit report annually. You can get a free report each year at AnnualCreditReport.com.

## 5. *Start saving.*

It's never too soon to start saving, says Bruce Barton, a San Jose, Calif.-based certified financial planner at Parkworth Wealth Management. "Even saving a modest amount like \$25 a month helps you learn good saving and investing habits," he says. Mr. Barton recommends students open a Roth individual retirement account with extra cash from their summer job, tax refund or birthday money they may receive from family.

And when he gives financial-literacy workshops to clients' college-bound children, Mr. Barton is sure to point out the "magic of compounding," which shows students how saving a seemingly small amount today can add up years down the road.

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