



**MONEY MANAGEMENT TIPS FOR COLLEGE STUDENTS
AND YOUNG ADULTS
FROM THE MASSACHUSETTS BANKERS ASSOCIATION**

College students have a lot to think about as they start a new academic year, no matter what year they are entering. In the midst of all the frenetic activity it's easy to overlook their financial lives. The Massachusetts Bankers Association has a few tips to help college students — and young adults anywhere — get off to a sound financial start.

Overall Money Management

- **Protect Your Personal Information**

Dorms or off-campus housing can be a wonderful, shared experience. However, be concerned about “friends” of your roommates tramping through the place. Use a locked drawer or file holder to hold your personal documents — bank and credit card account numbers, passport, social security number, etc. (Better yet, leave your social security card at home and, certainly, don't keep it in your wallet.) Remember to log-off email and avoid doing online banking on public computers. This information can be used to steal your identity, open bogus accounts in your name and run up huge credit card bills. Protect your private information. Create sophisticated passwords using upper and lower case letters, numbers and symbols that are not your birthday, home address or some other easily determinable information. Use separate passwords for banking and non-bank accounts.

- **Budgeting**

For students, establishing and managing a budget is always a good idea. A great way to start is to arrive at campus knowing all of your sources of income and the totals: money from a summer job, savings, financial aid, scholarship money, private loans, a campus job and, of course, parental funds. Then track and record all of your spending very closely over the course of a month. Project outward to the end of the semester and see how expenses compare to your available funds. After reviewing your expenses, chances are you will be surprised that the little things add up to so much. Think twice about stopping at the coffee shop or ordering that late night pizza when you can eat on your meal plan instead. If you are careful, there may be more money left over for important things like books and academic apps. Don't forget to budget carefully and realistically for

entertainment. You may learn that not ordering a movie on demand, music or videos on iTunes, video games, escalating in-app purchases, or going on an expensive weekend trip, will help you make it through the semester. Check out these seven good money management apps: <http://bit.ly/1ySiBxa> And here is a link to a good budget worksheet: <http://tinyurl.com/3kmcw>

- **Credit Cards, Debit Cards and Other Bills**

As a student just starting out on your financial life, it's important to learn about credit. Using a credit card or a debit card (included with your ATM card) can be a good way to establish a positive credit history that will be a benefit throughout life. In addition, you'll find that a credit card can be very valuable in case of emergency. Under federal law if you are under 21 years of age and want a credit card you must demonstrate income, savings or have a co-signer to obtain a card. Parents, teach your children about revolving credit and interest rates. They can be onerous if the student just charges away and overspends. A poor credit score could hamper your ability to buy a car, rent an apartment, own a home -- or even get a job. If you receive a card, it's very important that you check your statements carefully and report any discrepancies within 60 days to your card company for maximum protection against fraudulent activities. Pay all of your bills on time, and remember that data and cell phone bills, and others like cable on demand and streaming, can run up very fast. Save all statements and receipts and review the statements thoroughly each month to ensure all charges are yours. Remember that you probably did not budget for paying credit card debt each month.

- **Obtain a Free Credit Report**

To protect your credit score (yes, you probably have one even if you are a freshman) it's a good idea to review your credit report once a year and look for inaccuracies. You can get it free once a year by going online at www.annualcreditreport.com

Important Banking Tools

- **The Checking Account**

Open a checking account at a bank near home and use online banking and ATMs or open an account at a bank near campus. Many colleges invite local banks to visit the college, or provide brochures at the beginning of the school year. Knowing how to write checks, balance a checkbook, and recognize the importance of recording ATM withdrawals and debit card transactions can go a long way toward avoiding financial trouble. Many parents open a joint account with their college student giving them the flexibility to make funds transfers when necessary. As joint owners of the account this arrangement also allows the parents to view all transactions online and foster conversation to adjust saving and spending accordingly.

- **Online Banking**

Online banking is not only convenient but it is a great way to easily monitor your accounts and pay bills. Many customers now arrange to receive certain bills online.

Be sure to protect your financial passwords: make them different from your other passwords and verify that all of the latest encryption and firewalls are in place on your computer. Check your account every few days, verify transactions, and be sure you haven't overdrawn your account.

- **Mobile Banking**

Plain and simple: do not use public wi-fi for your mobile banking, do not use anyone else's device, and always log out when you are through. Mobile banking is an excellent way to check balances, deposit checks, pay bills and monitor transaction history. Use it wisely and you will benefit from the convenience and the safety precautions.

- **Funds Transfer**

Inevitably, at some time during the school year you may need to transfer funds to your account from your parents (hopefully not because you did not budget well). Ask your bank about this process. Moving funds can be as easy as a phone call, a visit to the ATM, or going online.

- **The ATM/Debit Card**

Nothing beats an ATM card for convenience. However, there can be a cost associated with the delivery of that convenience. Every student should be fully aware of his or her bank's fee policies. If you're a customer, most banks will not charge you for using their own ATMs, but you should know whether or not you will be charged for using another bank's ATM, and by your own bank for managing that transaction. Be aware, if you are being charged, and you're in the habit of visiting the ATM many times a week, the charges can add up quickly. Remember the option of using the cash-back feature of debit cards when making purchases to possibly avoid some fees associated with using another organization's ATM. Also, if your bank is a member of the SUM ATM Program, you can avoid ATM surcharges by using another bank's ATM — if it is a SUM member. Debit cards are a very useful and popular way to purchase many goods and services as they take the funds directly from your checking account. However, to avoid unexpected overdraft charges, consumers now have the right to opt-out of any automatic overdraft protection plans on their debit cards. Consider whether you want to allow your bank to let you overdraw your account to make a purchase or withdraw funds at an ATM for additional fees that can add up.

- **ATM Safety**

Consumers perform millions of ATM transactions a week. Fortunately, the vast majority is completed without any incidents but, to improve your safety, take a few precautions. Be aware of your surroundings, particularly at night. If you observe suspicious persons or circumstances, do not use the machine. Have your ATM card ready and in your hand as you approach the ATM. Use your hand and body to shield the ATM keypad as you enter your PIN. Always take your receipts or transaction records with you. Do not flash or visually display any money you received from the ATM. Immediately put your money into your pocket or purse

and count it later. If you are using a drive-up ATM, be sure passenger windows are rolled up and all doors are locked. If you leave your car and walk to the ATM, lock your car. Think about bringing along a friend or trusted acquaintance. If you are in an unfamiliar neighborhood, find an ATM that is located indoors, such as bank branches that allow entry after regular business hours, or ATMs within grocery or convenience stores. Never use an ATM if you see what looks like extra equipment added to it — e.g. a card skimmer or an extra camera behind you. That could be an attempt to defraud you. Keep your PIN a secret. Never write it down or share it with anyone – not even family members.

- **Records**

Students should keep a record of all of financial service providers (banks, credit card companies, etc.) in a handy but secure place, separate from your wallet with cards in it, or your checkbook, in case they are ever lost or stolen. Call your bank or credit card company promptly to report lost or stolen cards to protect you from financial loss, and to order new materials. If you do this electronically, say on an Excel spreadsheet, be sure the document is in a secure location, not on your college's server, and that you have a way of backing it up. Consider spending money on one of the cloud-based data backup services, not only for your financial records, but for your increasingly important academic and career documents as well. It's affordable on an annual basis, but before purchasing, however, ask your provider about its security/privacy protection.

Internet Advice

- **Avoid Phishing Scams**

Criminals have gone “phishing,” and college students are prime targets. This is the act of sending pretext emails to unsuspecting recipients who may think it is an email from their own bank or credit card company — or university — referencing problems with an account or some situation requiring a fast response. The emails are random, but sending thousands increases the likelihood that the scammers will reach some consumers who, indeed, do business with that particular institution. The email or its links will use the institution's logo and other graphics to give the impression that it is actually the organization sending the email, or “spoofing” it. The communication will then include a request to “verify” social security, account numbers, or passwords. Don't do it. Your bank, credit card company or university knows this information and does not need to ask you for it. This is a fraudster. A variation of this practice attaches “spyware” to your computer which can record keystrokes and other activity. It can start by you opening attachments to odd emails, even those that look like they may have come from your friends. Or someone can call you on the phone and ask these questions. Hang up, unless you initiated the call.

- **Avoid Suspicious Responses to Your Ad on the Internet**

This scheme often involves a legitimate ad that *you* place on the Internet in various websites or in social media, perhaps trying to sell a car, electronics or any

pricey item. Someone responds and cites complications with currency exchange or shipping costs, and sends you a check for more than the selling price of your stereo or car or whatever you are selling. After depositing the cashier's check, you are then instructed to keep a portion of the extra money and wire or send a check for what's left of the overpayment to the buyer's agent/shipper. After you wire the money out of your account you may find that the check you received and deposited was counterfeit. An important rule: If you're selling something, funds should be moving only in one direction – to you. And make sure, after depositing a check and before you release the goods, that your bank has the funds. Don't simply ask if the check has cleared (there's no such thing), verify that the funds are in your account by asking "Have the funds been 'finally collected?'" A better rule of thumb: If a deal sounds too good to be true, it probably is. Another warning: A similar fraud using a counterfeit cashier's check can also occur after an online auction.

- **Avoid Email Scams**

We've all received emails asking for cooperation in moving a large sum of money out of another country — and likely discarded the letters as scams. But other fraudulent letter writers have become more sophisticated, without errors, and with documents bearing seemingly official seals and signatures. You might see a full title, department and address along with other information that a scammer would normally not be able to provide. The scammers pose as bankers, chief auditors, chief security officers, remittance officials, and directors of finance, directors of government or bank contract award divisions — all stating they have access to unclaimed funds, generally inactive or delinquent accounts, with millions waiting to be claimed. Others say they are kin to family members who died natural but unexpected deaths, or their relatives were killed in assassinations, military coups, or plane crashes, also leaving a tidy sum for the taking. Of course, you're thinking, *No one would fall for that* — sending money to cover transport fees or personal information to claim a "fortune" — until someone does. You are still likely to see grammatically incorrect letters with misspellings and wild schemes; those are easy to spot as fakes. Then there are the good letter-writers — and they're all fraudsters. **Don't give them anything.** If it seems harmless at first such as asking for your fax or cell number, later, someone will ask for your social security or bank account number and money will be wired out of your account rather than the massive influx you were expecting.

- **Be Wary of Prizes, Trips, Lottery Winnings**

This bogus communication can come to you via email, the U.S. Postal Service or over the telephone. There are numerous variations but, again, what they have in common is a request for you to advance funds to receive your prize. The scammers claim you have won the Canadian or some other lottery, you have won a trip or some other windfall and all you have to do is advance a "handling" fee to the sponsor or provide your bank account number. Don't do it.

- **Avoid Computer Viruses**
Of all Internet frauds, this one is perhaps the most insidious. You receive an email with a tender header, perhaps with an attachment titled “I love you,” or “call me,” or just about anything that piques your curiosity. When you open the email, it attaches a virus inside your computer that records keystrokes, log-in names and passwords. And it does so without your knowing it. After you have visited 20 or 30 online banking or financial Web sites, it emails that information back to the criminal sponsor. Best advice: Don’t open strange emails, especially those with an .exe file. Check with your college and ask how to protect your computer from viruses.
- **Be Careful with Credit and Job Applications**
If you see a credit offer or a job posting online, you can complete an application or send in a resume. However, don’t respond if it asks you for your social security number or bank account information. These can be provided later after you have established contact by phone, or mail, or in-person with the companies and have verified that they are legitimate. Otherwise, you could be providing personal information that could result in the draining of your bank account or the stealing of your identity.
- **Resist the Temptation to Illegally Download Music & Videos**
Yes, it’s tempting and so easy, but students (and their parents) have been sued all over the country by recording companies and artists for sharing music and pirate movies. Some colleges now have programs to avoid this problem. If yours does not, be smart and pay the fee it costs to *legally* download music. At \$1.29 per song, iTunes are cheap compared to a lawsuit.

Always remember, spending just a little time thinking about finances each month will make your college days — or experience in the working world — just a little less stressful at a time that we all know can be stressful enough.

The Massachusetts Bankers Association represents approximately 155 commercial, savings and co-operative banks and savings and loan associations with 69,000 employees located in Massachusetts and elsewhere in New England.

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