



Contact: Daniel J. Forte
617-523-7595
dforte@massbankers.org

BACK-TO-SCHOOL MONEY MANAGEMENT TIPS

BOSTON, August 31, 2018 - 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

- **Budgeting**

For students, establishing and managing a budget is always a good idea. A great way to start is to arrive at campus knowing your sources of income: money from a summer job, savings, financial aid, scholarships, 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. 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 or going on an expensive weekend trip, will help you make it through the semester.

Check out this interesting article on money management apps: [8 Personal Finance Apps for Busy College Students!](#)

Additionally, this link will provide a solid guide on how to construct your own personal budget: [Creating a Budget for College](#)

- **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. 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 : <https://www.sum-atm.com/> , 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, particularly at night, 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.

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 150 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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Massachusetts Bankers Association
One Washington Mall, 8th Floor
Boston, MA 02108
P: 617-523-7595
F: 617-523-6373
www.MassBankers.org
Facebook.com/MassBankers
Twitter: @MaBankersAssoc