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## Back-To-School Money Management Tips

BOSTON, August 29, 2019 – College students have a lot to think about as they start a new academic year! 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**

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. Young adults should then closely track and record all spending over the course of the first month. Students can then use the first month of expenses to create projections through the end of a semester, or school year. In tracking your expenses, you may notice certain habits that you can change to cut down your costs. Try to strike the right balance between entertainment spending and mandatory spending (textbooks, academic apps, etc.).

For additional information, take a look at these articles found at TheBalance.com:

- [Financial Apps Article - Updated for 2019!](#)
- [Budgeting 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 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.

It is critical to recall, though, that credit cards have higher interest rates and revolving credit terms. They can be onerous if overused and very difficult to pay down without steady income and responsible management of personal funds. 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 immediately to your bank or credit card lender. In the digital

age, high cell phone usage and data crunching can compound with on demand cable and streaming services to run up expenses quickly. It's imperative to work within a budget and monitor your finances at least once per month, preferably at the end of the month.

- **Obtain a Free Credit Report**

To protect your credit score, you should 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](http://www.annualcreditreport.com)

## **Important Banking Tools**

- **The Checking Account**

All college students should have a checking account. Work with your parents to figure out what works best for you. Many parents open a joint account with their son or daughter, which gives 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.

- **The Debit Card**

Nothing beats a debit card for convenience. It's how students pay for the late night coffee when cramming for a test, and how you can grab some quick cash at the ATM before heading out for the night with friends. There are costs associated with this convenience. ATMs not owned by your bank may charge you fees. Sometimes, your own bank could charge you a fee for using your debit card at a non-bank owned ATM. It's always good to be an informed consumer, so make sure to be familiar with your bank's fee schedule.

Do remember – you can always use the “cash back” feature when making purchases at grocery or convenience stores. This is a smart way to avoid excessive fees!

Also, if your bank is a member of the SUM ATM Program, you can avoid other bank surcharges by using another bank's ATM that is within the Program. For more information on the SUM ATM Program, please visit:

- [SUM ATM Program](#)

- **Online Banking**

Online banking is not only convenient but it is a great way to easily monitor your accounts and pay bills. Most personal business is done online today, so managing your funds, tracking expenses and paying bills through online banking is very convenient.

- **Mobile Banking**

Mobile banking is another excellent way to check balances, deposit checks, pay bills and monitor transaction history. The vast majority of community and regional banks now offer mobile banking. You can get up-to-date, real-time information about your financial accounts simply by downloading an application found on your device's app store and logging in. Very convenient and smart for budgeting!

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 140 commercial, savings and co-operative banks and savings and loan associations with 72,000 employees located in Massachusetts and elsewhere in New England.

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