

Who me, start a budget?

Aida Ramic



Tips to Budgeting

- **Overestimate your expenses** – It's better to overestimate your expenses and then underspend and end up with a surplus.
- **Underestimate your income** – It's better to end up with an unexpected cash surplus rather than a budget shortfall
- **Involve your family in the budget planning process.** - Determine how much income will be available from family sources such as parents and your spouse.
- **Prepare for the unexpected by setting saving goals to build your emergency fund.** – Budgeting will help cover unusual expenses and plan for changes that may happen while you're in school.
 - Such as moving away from the campus, starting an internship, or graduating – such as travel expenses for a job or exam fees.

What are my financial goals?

- Short term – up to 1 year
- Medium term – 2 to 5 years
- Long term – 6 to 10/20 years

SMART goals are:

- ✓ Specific: *What exactly will I accomplish?*
- ✓ Measurable: *How will I know when I have reached this goal?*
- ✓ Achievable: *Is achieving this goal realistic?*
- ✓ Relevant: *Why is this goal significant to my life?*
- ✓ Timely: *When will I achieve this goal?*

Differentiate Between Needs and Wants

Wants

- Saving for a vacation
- New computer
- Buy a better car
- Buy newest video games



Needs

- Clothes / Food
- Go to college
- Save for a down payment on a house
- Pay off credit cards

Influences & Pressures

Wants / Surroundings

- Designer clothes
- Latest electronics
- Expensive vacations
- Sporty / Elegant car

Marketing / Advertising

- Study of buyers / habits
- T.V. – movies – internet
- Don't think about it.

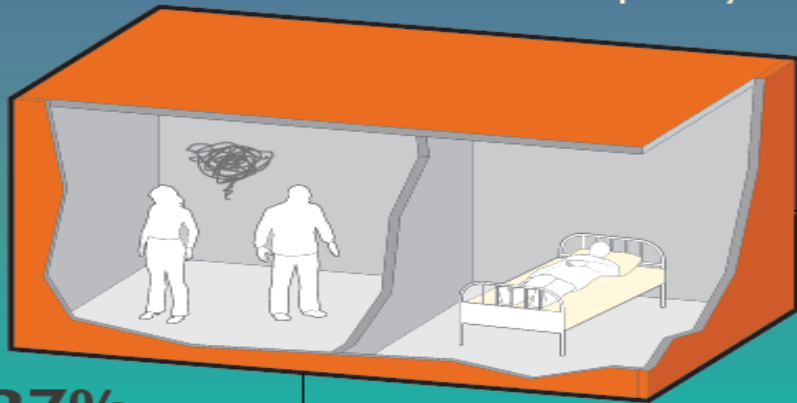


\$15 billion to market to youth

Levels of Debt

UNMANAGEABLE LEVELS OF DEBT CAN IMPACT MORE THAN YOUR FINANCES

it can impact your relationships, health and overall happiness!

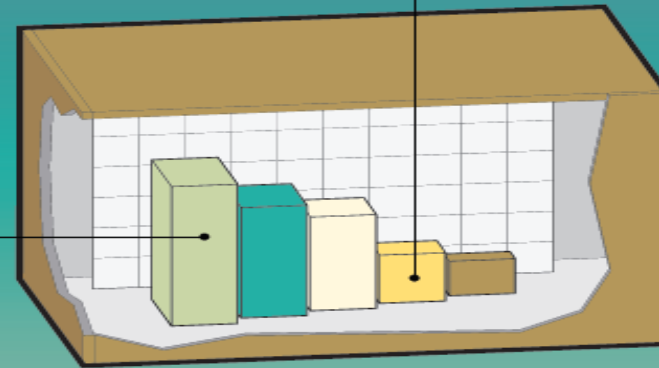


24% of Americans blame financial hardships for health related issues such as **depression, anxiety, and problems sleeping**

On average, families are spending a whopping **20%** of household income on paying down debt

27% of Americans feel their marriage is impacted the most by financial worries

The average credit card debt per household is **\$15,799**



Employees who worry about money on the job cost their employers an average of **10%** of their salary in lost productivity



On average, workers who are worried about money spend **13% OF THEIR WORKDAY** dealing with financial issues



CREDIT – What is it?

- Credit is basically a **LOAN**
- You use someone else's money to buy something now that you do not have enough cash for
- You promise to pay the amount you borrowed plus **INTEREST** – a certain amount monthly – pay it off by certain date
- It is **NOT EXTRA MONEY**

Pros and Cons of Credit

Advantages

- Useful for emergencies
- Useful to make big-ticket purchases
- Building good credit report / score

Disadvantages

- Spend more than normal
- Pay extra for use of borrowed money
- Irresponsible can damage your credit score



Manage Your Budget

- **Record your actual expenses** – By recording your expenses you can get a better grasp on where you're spending your money.
- **Organize your records** – Decide what system you're going to use to track and organize your financial information such as apps and computer-based programs that work well.
- **Create a routine** – manage your money on a regular basis by recording your expenses and income regularly either daily, weekly, every two weeks.
- **Comparison shop** – When buying products compare the prices to get the best deals and value out of it.
- **Use credit cards wisely** – When deciding to apply for credit cards decide if one is needed, where / how you will use it if you get one.
- **Don't spend more on your credit card than you can afford to pay in full on a monthly basis** – Being responsible with your credit card(s) can go a long way in establishing good credit rating and avoiding financial problems in the future.

Any Questions?

Contact the CCA Financial Aid Office

FinancialAid@ccaaurora.edu

Phone 303-360-4709

