



# Financial Wellness: Budgeting for Beginners

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# What is Financial Wellness?

- ▶ Financial Wellness involves the process of learning how to successfully manage financial expenses. Money plays a critical role in our lives and not having enough of it impacts health as well as academic performance. Financial stress is repeatedly found to be a common source of stress, anxiety and fear for college students. Keeping track of expenses, making a budget, and sticking to it are important skills to have in order to be financially responsible and independent. Learning how to maximize your financial wellness now will help you feel prepared to handle potentially stressful financial situations in the future.
- ▶ UC-Davis Student Health and Counseling Services

<https://shcs.ucdavis.edu/wellness/financial>

# What does Financial Wellness Mean to you?

Tell us!!

# Budgeting

## Two Truths and Lie

Truth: Budgets are a pain.

Lie: I can keep track of my spending in my head.

Truth: Budgeting needs to happen in real time.

<http://www.ourfreakingbudget.com/how-to-start-a-budget-part-i/>

# Budgeting

- ▶ 50/30/20 Rule (Defined by you)
  - ▶ 50% of income should be for needs
  - ▶ 20% of income should be for savings
  - ▶ 30% of income should be for wants

It's important to define YOUR priorities and recognize the difference between needs and wants.

# Let's Budget!

- What do you currently spend money on?
- What would you define as a need
- What would you define as a want?
- What do you think or want to be saving for?

# Budgeting Resources

- ▶ Apps (just a few)
  - ▶ **Mint:** build your budget, set goals, if enabled will help pay and remind you of your bills, etc.
  - ▶ **Digit:** follows your spending habits and moves money from your account if you can afford it into savings (automatic savings planner)
  - ▶ **Mvelopes:** digitized the envelope strategy, setting aside a budgeted amount each month for different categories, when the money is gone, its gone
- ▶ Follow Financial expert blogs, websites, podcasts, etc.
  - ▶ [uwm.gradready.com](http://uwm.gradready.com)
  - ▶ <http://www.suzeorman.com/blog/>
  - ▶ <http://www.ourfreakingbudget.com/>
- ▶ Invest in Retirement right away!
  - ▶ Match the Match!

# Homework:

- ▶ Pick one or two items that you spend money on, come up with a budgeting plan and how you will apply your budget in day to day spending!
  - ▶ Example: Making coffee at home rather than stopping at a coffee shop.
  - ▶ Example: Putting money aside each week/month for holiday gifts.
- ▶ What habits can you start to work on or tools to use will work for you?
  - ▶ Setting up your coffee supplies at night before going to bed.
  - ▶ Using a separate savings account or setting cash aside in an envelope in a safe space.



# How to be a responsible with borrowing:

- ▶ Keep track of your total loan debt
  - ▶ Log into the National Student Loan Database System @ [www.nslds.ed.gov](http://www.nslds.ed.gov)
    - ▶ Type of loans (sub vs. unsub)
    - ▶ Loan amounts
    - ▶ Outstanding Principle & Interest
    - ▶ Loan Balance
    - ▶ Get to know your loan servicer – create an account
- ▶ To get an estimate of your monthly payments
  - ▶ Go to [www.studentaid.gov](http://www.studentaid.gov) and log in. There are calculators on the website to assist with this.
- ▶ Complete exit counseling

# Helpful “Hints” for Smart Borrowing

- ▶ Borrow for what you need, not extra funds
- ▶ Budget for each semester thoughtfully
  - ▶ Consider extra class supplies
  - ▶ Review book and supply requirements as soon as possible
- ▶ Apply for scholarships constantly!

Questions?

**Contact Us:**

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Make an Appointment: Call or stop in

Online: <https://meetme.so/uwmfinaid>