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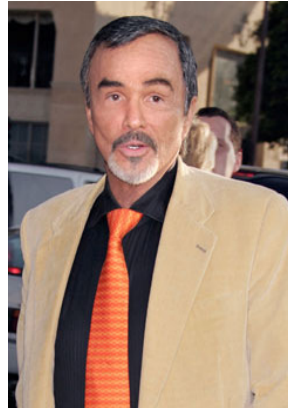
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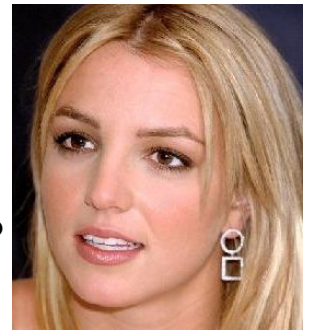
**Top 10
Money Drains**

Budgeting



Everyone thinks they know a lot about budgeting, but not everyone does. Take Britney Spears for example, who reportedly does not save any of her monthly income, but spends it all on entertainment, clothes, and food.

What about Burt Reynolds, Donald Trump, Michael Jackson, and MC Hammer; what do these four men have in common? In addition to being famous millionaires, all four have had financial difficulties and, at some point in time, filed bankruptcy. Count them among the many celebrities and non-celebrities who have spent more than they earned, proving that even people who have millions of dollars, need to budget their money.



To be a successful money manager it is important to budget. Budgeting will help you understand where your money is going and if you are spending within your means. It can be a helpful and instrumental tool, especially for college students who have very limited financial resources to begin with!

Throughout the course of your life it will be necessary to create, stick to, and adjust your budget occasionally so that it continues to meet your needs and wants and helps you achieve your financial goals.

Even though some of the celebrities listed on this page have been able to pull their finances together, don't follow the bad money management example they have set. Use the tips in this newsletter to create a budget you can live with and stick to in order to become a successful money manager!



*Disclaimer-all information was taken from bankrate.com, Access Group, and EdFund

*Celebrity information taken from the following websites:

<http://moneycentral.msn.com/content/SavingandDebt/P75072.asp>

<http://www.nndb.com/event/146/000048999/>

<http://www.clevelandleader.com/node/3461>

5 Steps for a Successful Budget

1. Track spending for a month.
*Record every purchase, no matter how small. This will help you decide how and where to allocate your money.
2. Put savings on autopilot.
*Pay yourself first, direct deposit is a great way to do it.
*Build up your savings in case an emergency happens.
3. Prioritize spending. This helps you to:
*Differentiate between your needs and wants.
*Decide what is important.
4. Use cash for daily spending.
*When you have to pull out cash, you tend to think about whether or not you really need to make the purchase.
5. Tackle credit card debt.
*The less credit card debt you have, the less you are spending each month on the interest charges associated with it.

Tips for Being Thrifty

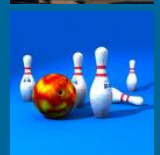
- Live with roommates and share expenses.
- Eat at inexpensive places when dining out.
- Dress for less by shopping at discount stores.
- Clip and use coupons. (BUT, do not buy something ONLY because you have a coupon.)
- Always shop with a list and only buy what's on that list.
- Don't shop out of boredom.
- Beware of impulse buying.
- Enjoy cheap or "free fun" - see the list below for some ideas!



Free and/or Cheap Things to do in Spokane

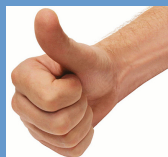
- ♦ First Friday-takes place the first Friday of every month downtown. Enjoy an evening of art and live performances, including music, dance, and theatre. Many of the events are FREE!
- ♦ Cook a meal at home with friends with things you already have in the pantry. Be creative! Who doesn't love scrambled eggs and salsa with a side of Top Ramen?
- ♦ Break out the old-school board games like Monopoly or Scrabble. Impress your friends with your new budgeting skills by using them to become the Monopoly Master!
- ♦ Go to the Northwest Museum of Arts and Culture.
- ♦ Grab a group of friends and go bowling!
- ♦ Catch a movie at the Garland Theater.
- ♦ Go ice skating at Riverfront Park.

Make sure to ask for a student discount!



Budget Do's

1. Factor entertainment into your budget. Everyone needs to have a little fun and factoring it into your budget will help you to not overspend.
2. Pay yourself first! Put some money into your savings account before you spend it on other things. Just \$10 a month will add up as your bank adds interest.
3. Use cash whenever possible. It will help you think about a purchase more before you give up your cash.
4. Pay credit card balances in full each month if possible or at least pay more than the minimum required.
5. Live within your means.



Budget Don'ts

1. Take out all the fun stuff.
2. Be hit or miss with savings.
3. Overuse debit or credit cards. It is just too easy to whip out a card and that makes it more likely that you will overspend.
4. Pay only the minimums on credit cards. Interest is extremely high and by only paying the minimum you essentially pay money for nothing.
5. Spend more than you earn.



Website to gain additional information and to help you create a budget:

- http://bankrate.com/brm/news/Financial_Literacy/Jan07_budgeting_main_a1.asp?s=1&caret=0
- <http://www.accessgroup.org/Student-Loans/docfiles/GoodFinancialHabits.pdf>
- <http://smartaboutmoney.org/>
- <http://www.mymoney.gov/>
- <http://www.edfund.org/students/studentmenu.html>
- http://education-portal.com/articles/A_Guide_to_Establishing_a_Budget_for_College_Students.html

Sample Budget Sheet

Microsoft Excel is a great program to use for budgeting. You can also find budgeting sheets on the internet that will help you create a budget that works for you. A sample budget sheet has been provided for you.

Category	Monthly Budget	Monthly Actual
Income/Financial Resources:		
Job earnings		
Savings (divide by # of months this must cover)		
Parents		
Student Loans (divide by # of months this must cover)		
Scholarships (divide by # of months this must cover)		
Student Aid (divide by # of months this must cover)		
Miscellaneous Income		
Subtotal		
Expenses:		
Rent or Room		
Utilities		
Telephone		
Groceries or Board		
Car Payment/Transportation		
Insurance		
Gas		
Entertainment		
Eating Out / Coffee, Latte's, etc.		
Tuition		
Books		
School Fees		
Computer Expense		
Miscellaneous Expense		
Expense Subtotal		
Net Income (Income-Expenses)		

To do a budget online go to:

- <http://budgetsimple.com/>
- <http://www.justbudget.com/>
- http://cgi.money.cnn.com/tools/instantbudget/instantbudget_101.jsp
- <http://financialplan.about.com/od/moneyandcollegestudents/l/blcollbudget.htm>



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If you have any questions about this newsletter or suggestions for future newsletter topics, please e-mail Whitney Lyons, GSAAC Coordinator at :
wlyons@gonzaga.edu.

This newsletter is made possible by EdFund through an EDSHARE® grant.

EDSHARE® is a competitive grant program that was designed to generate dynamic new approaches to borrower education, debt management and default prevention.

With the EDSHARE® funds Gonzaga received, we have implemented a student advisory committee called GSAAC. This committee advises, advocates, and educates members of the Gonzaga community on issues related to personal finance and student financial aid. We have also created a program designed to encourage middle school students who are at risk to realize the possibility and importance of attending college. This funding has also made it possible for us to have engaging speakers come to campus to conduct presentations to students on various financial topics.



Top 10 Money Drains

1. **Coffee** -- Purchasing a coffee drink every day can cost upwards of \$360 per year. If you make coffee at home your cost can be significantly reduced.

2. **Cigarettes** -- The website Washingtonpolicy.org reports that as of 2005, the average price for a pack of cigarettes in WA State was just over \$5.00. That can really add up, smoking a pack a day for a year would cost \$1,800.00!

3. **Alcohol** -- Weekend trips to Jack and Dan's or the Bulldog can be a strain on your finances! Assuming an average of \$5 per drink, buying 2 drinks per day adds up to \$3,650 per year.

4. **Bottled water** -- A 20-ounce bottle of Aquafina bottled water costs about \$1. One bottle of water per day costs \$365 per year. It costs the environment plenty, too.

5. **Manicures** -- Manicures in the Spokane area cost around \$20. One a week will run you over \$1000! A bottle of nail polish costs about \$5 and you'll get many uses out of it!

6. **Car washes** -- The average cost for a basic auto detailing package is \$58 according to Costhelper.com. That comes out to \$348 per year if you go 6 times a year.

7. **Weekday lunches out** -- Packing a lunch or eating in can save you around \$9 per day which saves about \$2350 a year!



Don't let your money go down the drain!

8. **Vending machines snacks** -- The average vending machine snack costs close to \$1. Buy a pack of cookies every afternoon at work or during a break between classes and pay around \$260 per year.

9. **Interest charges on credit card bills** -- According to a survey released at the end of May 2007, the median amount of credit card debt carried by Americans is \$6,600. Rate tables on Bankrate.com indicate that fixed interest rates on a standard card average 13.44 percent. By making only the minimum payment each month, it will take 250 months (almost 21 years) to pay off the debt and cost \$4,868 in interest. Ouch!

10. **Unused memberships** -- Costhelper.com reports that the monthly service fee at gyms average between \$35 and \$40. At \$40 per month, an unused gym membership runs \$480 per year. Free gym equipment is available for use at the Kermit M. Rudolf Fitness Center, take advantage of it instead of using other gyms!

Information taken from: Bankrate.com
Additional information available at:
http://www.bankrate.com/brm/news/Financial_Literacy/July07_savings_money_drains_a1.asp