

DID YOU KNOW: Student stress

A poll done for the Bank of Montreal of post-secondary students who borrow to pay for their education suggests 58% expect to graduate with close to \$20,000 in debt while another 21% expect to owe more than \$40,000.

Student cash flow low?

Stretch your summer savings while in school

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Special to QMI Agency

They've worked hard for their money.

According to The Canadian Education Project, 85% of university students worked this summer, either full- or part-time. Now back in the classroom, students need to stretch cash earned over the summer months well into the school year.

Jonathan McCauley, manager of student services at the University of British Columbia, says the most important thing students can do to manage cash flow is create a budget.

"A budget is of the utmost importance, especially in the first year of study because they will be running into costs where they may not have expected," says McCauley, who adds students can download sample budgets from the university's financial services webpage.

McCauley recommends students make use of technology tools such as smart phone apps that track spending and allow the user to set weekly or monthly goals and categorize spending.

"It's a matter of being aware of where money is going," he says.

Graham McWaters, author of The Canadian Student Financial Survival Guide, advises students to think about how small daily expenditures affect their overall budget and be ready to make changes.

"Buying a \$4 coffee at Starbucks on the way to school every day adds up to \$20 a week, and \$80 a month and over \$1,000 a year. That's money students can use elsewhere," says McWaters. Filling up a thermos at home provides the same caffeine buzz you need to get through the day, at a fraction of the cost.

Six ways to stretch summer savings:

Buy used

Textbooks are the second largest expense after tuition. Shop the used books section, craigslist.ca or textbookexchange.ca and look for flyers posted by upper-year students for used books.

Collect interest

Tax-free savings accounts allow students to accrue better interest on summer savings, and the money can be pulled out at any time.

Host group meals

Cut food costs and hang out with friends at the same time. Host a potluck dinner in which everyone brings a dish. This is

a great way to save and you get lots of food.

Shop for a credit card

Credit cards are a great way to build credit history, but make sure it's a low-interest and low-limit card. McWaters recommends a limit of no more than \$2,000. "The card should only be used for emergency purposes and you should use it and pay it off," he says. Some cards offer points that can be redeemed for gas or groceries.

Boost savings

Aside from the campus Pizza Hut, departments often require administration help and many universities hire student notetakers to provide notes to disabled students. Upper-year students can post flyers offering tutoring or essay reviewing services to lower-year students to make some extra cash.

Think long term

"Students tend to look at their bank balance and think short term," says McCauley. While it may be tempting to use summer savings on a trip to Mexico for Christmas Break, McCauley recommends monitoring spending for the first few months of school before making any big financial decisions.

