# Personal Budgeting Tips for Your Teens Before Sending Them Off to College

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When budgeting and planning for college, parents and students often focus on the major expenses such as tuition, room and board, meal plans, and dorm essentials.

But once school is in session, students can average an additional $5,000 in spending per year on items that are frequently overlooked and not necessarily planned for.

For example, gas money, campus activities, University apparel, laundry, dorm room cleaning supplies, Taco Tuesday's with friends… the list goes on.

With the excitement and freedom that comes with the 'college experience,' it's easy for students to get carried away with their spending. Before they know it, they're running low on funds and having to ask parents for more money.

How can you help your college-bound student prepare for their new financial independence?

- One of the most useful tools is budgeting and helping your student prioritize their expenses. By identifying the fixed expenses and "needs" (books, lab fees, laundry service, groceries) vs. "wants" (club sports, formal events, trips), students and parents will have a better understanding of the cash flow needed to cover the extra expenses. Mobile banking and online tools, such as KeyBank's personal finance management tool HelloWallet, can help your son and daughter understand their financial situation, set budgets and track spending.

- Help them by opening a Student Checking Account. Students typically have a lower threshold for opening an account and have different perks. For example, the minimum amount needed to open a student account at KeyBank is $50. Other perks include reimbursement of ATM surcharges from other banks. Talk to your bank about establishing alerts so your son or daughter is notified about account activity.
- Review the bank's overdraft policies and explain what that means to your child. Every bank has a different overdraft policy. Do they offer overdraft solutions? What are the charges? Is there an alert or notification system to take advantage of when funds are low? These are important questions for your student to consider when choosing a new account, and to understand for successful management of their funds.
- Impress upon the importance of practicing responsible credit card usage. While the Credit CARD Act has helped curb college student credit card debt, 70 percent of students in 2016 carried a balance of $100 to $5,000 on their cards. If your college student needs a credit card, educate them on credit card basics such as managing debt, taking advantage of credit card perks, and the importance of building a healthy credit card score.
- Discuss good saving and investing habits. Include "paying" yourself first as part of the budget discussion, and reviewing your bank's savings account and investing options with your child will help them understand how saving now will pay off in the future. A small amount every week will help establish an emergency fund. You never know when a car will need repair, how many books will be needed for classes, or trips to the doctor during flu season. Establishing good saving habits and teaching them the time value of money can help set them on a path to achieve retirement or other financial goals earlier.

As a parent, you want to see your children succeed and have a bright future. Establishing smart spending and saving habits now will add up over time, leaving them with more financial resources after graduation, and help keep your financial goals intact.

For more money saving tips, please visit Key Bank's Financial Wellness Center tips Web page.

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