

# Just for Students: Budgeting 101

Congratulations! Your hard work and perseverance have paid off and starting this fall, you're off to pursue your post-secondary education. It's something to be proud of, because getting to this point isn't easy – especially when it comes to saving money and having enough to support yourself until you graduate. These basic budgeting skills will help your dollars go further and get you through your studies with as little debt as possible.

## Be the subject of your own research

Step #1 to mastering money management is understanding your spending habits. Track where your money goes so you can separate the must-haves from the nice-to-haves. That way you can create a realistic budget, because you know where you can tighten up or cut costs. Don't forget to allot some money for emergencies and other unforeseen expenses, especially if living away from home is new to you. Properly managing a household, however small, takes practice.

## Beware the lure of instant credit

Not all debt is created equal. Getting a student loan to fund your future is one thing, going on a shopping spree with a high-interest credit card is something else entirely. Choose a no-fee credit card, keep the limit low, avoid using it regularly and pay off any balance monthly.

## Save smart

You may be eligible for certain tax credits and deductions, including an income tax credit for money spent on tuition and a student loan interest deduction. If you have money to set aside, direct it toward a tax-advantaged savings vehicle like a Tax-Free Savings Account (TFSA) or a Registered Retirement Savings Plan (RRSP). The earlier you can start saving, the earlier the magic of compounding can take over, allowing you to focus on other priorities.

## Educate yourself

With the increasing number and complexity of financial products, financial literacy is as important as ever. As you graduate out of school and become more financially independent, the skills you develop around money matters will set you up for greater success. Harness your curiosity to teach yourself about finances and seek out experts who can help – the payoff in the form of long-term financial stability is well worth the time and effort.

## Your homework

Good budget planning can help you avoid a financial crisis – now and in the future. Don't wait until you're living away from home and paying for rent, a meal plan and tuition to start thinking about your financial obligations.

We can help you start now.



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