

5 FINANCIAL TIPS

EVERY BUSINESS STUDENT SHOULD KNOW

Tip #1: Build a Good Credit Score Early

It is important to have a good credit score when renting an apartment, purchasing a home or a car, or even starting a business, so start building your credit early! Ways to do so include: opening a credit card account, opening a bank account, taking out a loan and paying it off correctly, paying bills on time, paying credit cards off every month.

Tip #2: Learn the Advantages and Dangers of Credit Cards

Advantages of Credit Cards

- When used appropriately, credit cards can help establish and build good credit.
- Some credit cards offer perks and rewards like earning hotel points, travel miles, and cash back.
- Certain credit cards offer free credit score information.
- Credit card companies often offer protection against credit card fraud.

Dangers of Credit Cards

- A best practice for having a credit card is to pay off the balance every month.
- It can be easy to overspend when relying on a credit card to make large purchases.
- Interest on credit card debt can make it very difficult to pay off your balance.
- Just as credit cards build credit, they can also negatively impact your credit score if not used wisely.

Tip #3: Use Student Loans Wisely

- It can be tempting to borrow the maximum offered but remember to only borrow what you need.
- This is a loan and it will have to be paid back with interest.
- Use the student loans only for educational purposes such as tuition, books, room, and board.
- Begin paying off your loans as soon as possible to minimize interest costs.

Tip #4: Know how to Check Your Credit Score for Free

Everyone is entitled to one free credit report per year from the three major credit reporting agencies:

- **Equifax** (www.equifax.com)
- **Experian** (www.experian.com)
- **TransUnion** (www.transunion.com)

Tip #5: Know How to Budget Your Money Effectively as a Student

- Create a budget and make monthly adjustments based on upcoming expenses.
- Determine what you need versus what you want.
- Start with the most important categories first.