

7 habits of savvy spending and saving

1

Set yearly money goals

To help you stay on track, talk about your goals with your friends. For example, one goal many people have is to build their credit score. To start, research credit cards, find one with a low APR, use it for a regular monthly expense, pay your bills on time, and don't max out your cards. Then you will reach your goal!

2

Take control of your spending

The first step is to start tracking your spending so you will know where your money is going. This will help you understand if you have unhealthy spending patterns and if you could cut spending. Use an app or budgeting worksheet to track your expenses.

3

Take control of your finances

Gather all your financial information – student loan amounts, credit card info, investments – in order to get a clear picture of your finances so you can create action plans for saving, investing, and debt repayment.

4

Make savings automatic

Try to save a little each month, especially for an emergency fund. If something like a car repair comes up, you don't want to rely on high-interest credit cards. Start by making a small savings goal such as \$100 to cover small emergencies. The money will be waiting for you when you need it.

5

Make reminders automatic

Set alarms on your phone or calendar so that you never forget to pay a bill on time. One late payment can lower your credit score. And think of paying off your credit card debt as a goal akin to finishing a race. Find a way to celebrate when you "finish," such as spending extra time with friends, or a small treat like a lunch out.

6

Understand compound interest

Earning compound interest is how people get rich. You earn interest not only on the amount you put in a saving or investing tool, but you also earn interest on any interest that accumulates. The earlier you can save and invest, the more free money – compound interest – you'll earn!

7

Practice delayed gratification

Building savings is all about delayed gratification. Start with little things, like saying no to the vending machine and using the money you don't spend on a nice dinner instead. Then move on to the big stuff, like cutting back on shopping so you can funnel money toward savings.

Credit: adapted from content from University of Nebraska Student Money Management Center.