

Shape Up Your Spending

A Guide for College Students



How Do You Feel about Money?

If you received a \$500 gift, what would you do with it? Put it in the bank? Buy clothes? Make a down payment on a car? Buy a VCR? Put it toward paying your college tuition?

How you spend your money depends on how you feel about money. To some people, money is power. To others, it means status and prestige. To others, it means security. Some people use money to get the things they want. Others just want to have enough to pay for day-to-day needs. What type of money spender are you? Do you fit into more than one category?

Money Spender Type 1. These spenders spend money only for what they need. They like to save for emergencies and have money in their pockets. These spenders shop around for the best deal.

Money Spender Type 2. People in this category like nothing but the best. They feel they must spend money to get ahead in life and that cheap stuff isn't worth much. Expensive clothes are important to this spending group.

Money Spender Type 3. This group of spenders feel they deserve the nice things in life and that nobody ever has enough. They feel people should buy the things they want NOW, so credit is necessary.

Money Spender Type 4. These spenders feel worrying about money never helps. They live by the philosophy people should not worry because the money will come from somewhere. This group thinks keeping track of spending can drive people crazy.

Money Spender Type 5. This group feels that money cannot buy happiness. They think they can have fun without spending money and that other things are more important than money.

Shape Up Tip #1

Try to understand how you feel about money. This helps you shape your spending to meet your needs.

How Will You Pay Annual Expenses?

Creating an annual spending calendar can help you remember when large expenses occur. You may be able to spread these out over the year if you plan ahead and save for them. Expenses paid regularly are easy to remember, but those not paid every month may cause trouble if you don't plan for them.

Shape Up Tip #4

Plan ahead for your expenses by using the spending calendar in Worksheet 3. Write in amounts for expenses you will have once or twice a year.

Worksheet 3 - Annual Spending Calendar

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Tuition													
Books													
Holidays													
Birthdays													
School Supplies													
Clothing													
Organizations													
Subscriptions													
Goal #1													
Goal #2													
Goal #3													
Other													
Other													
Other													
Total													

Making Changes

You may find your income does not always meet all of your expenses. When this happens, you will need to look for ways to spend less. Here are some suggestions:

- **Find the best buy** — Look several places – two or three stores, newspapers, catalogs – to find the best deal for your money. Spend time looking before you spend your money.
- **Use wisely** — Take proper care of things you buy to make them last longer.
- **Share it** — Stretch resources by sharing with others.
- **Find it free** — Some items are free. Use university facilities instead of expensive health clubs for exercise. Borrow books, records, and videotapes from the library rather than buying.
- **Watch phantom money** — Keep track of the money in your wallet. Cut back or cut out unnecessary spending on snacks, phone calls, movies, magazines, and record/book/ videotape clubs.
- **Don't buy it** — Ask yourself if you really need this item or if there is something you want even more. Learn to say no to yourself, to salespeople, and to things you feel pressured into buying. Doing without one item now can help you get something else you want more later.
- **Minimize credit purchases** — Buying on credit ties up future income. Before making a purchase on credit, make sure the credit payment will fit into your overall budget.





Do Your Income and Expenses Balance?

Now you are ready to match expenses with income. Just follow the steps below and use Worksheet 4 to set up your own spending plan and make sure that you are not spending more than you make.

Step 1. On the top line, write down the income you expect to receive each week. This could be money from a part-time job, parents, scholarship, and/or student loan.

Step 2. In the top half of the worksheet, list your fixed expenses. **Fixed expenses** are those you pay a specific amount of money for every week or month for a specified period of time. These include budget items such as tuition, rent, credit card payments, and car payments. Check your spending calendar to be sure you have included all of them. You may need to spread some expenses over two or more weeks.

Step 3. As you list a fixed expense, subtract it from the amount left from your income.

Step 4. List your flexible expenses in the bottom half of the worksheet. **Flexible expenses** vary from week to week and can be controlled and managed to some extent. Examples of flexible expenses include food, clothing, gasoline, telephone, and personal care. Again, check your spending calendar to be sure you have included all of your irregular annual expenses. You may need to spread some expenses over several weeks.

Step 5. As you list a flexible expense, subtract it from the amount you have left from your income.

Worksheet 4 - Spending Plan

Fixed Expenses	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____	_____
	Balance				
	_____	_____	_____	_____	_____
	Balance				
	_____	_____	_____	_____	_____
	Balance				
	_____	_____	_____	_____	_____
	Balance				
	_____	_____	_____	_____	_____
	Balance				
Flexible Expenses	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____	_____
	Balance				
	_____	_____	_____	_____	_____
	Balance				
	_____	_____	_____	_____	_____
	Balance				
	_____	_____	_____	_____	_____
	Balance				
	_____	_____	_____	_____	_____
	Balance				

Publication 1929 (POD-05-19)

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Produced by Agricultural Communications.

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Extension Service of Mississippi State University, cooperating with U.S. Department of Agriculture. Published in furtherance of Acts of Congress, May 8 and June 30, 1914. GARY B. JACKSON, Director