



4 Tips to consider when budgeting as a student

Budgeting is important for your financial stability and ensuring that you can pay key expenses such as food, rent, electricity, transport, credit card bills or even entertainment. Creating a budget may sound complicated, but all you need to do to get started is set aside some time and get organized. The benefit will make the effort worthwhile.

For many students, making decisions on financial independence, balancing the burden of tuition, cost of living, and recreation expenditures with a limited income can be a bit challenging and complicated. Students should view a budget not as a restrictive measure, but as a spending plan designed to help them manage their finances better and be able to track their spending. Being in control of finances allows individuals to avoid debt, prioritize achievement of goals and lessen stress.

Everyone's budget will look a little different but some general advice will apply to most students. Here are some of the tips to consider when budgeting.

Income structure

When assessing your income for budgeting purposes, only take into consideration your current and guaranteed income to avoid speculation about the future. Track the amount of money you have coming in every month from pocket money, student loans, side hustles, employment if you have a part-time job, work-study or scholarship money. This pools the money you have available for your budget.

Financial goals

Setting realistic financial goals gives you a head start to create your budget. Think about what kind of goals you want to set, both short-term and long-term. Examples of short-term goals

may include saving or setting aside some money enough for next semester's books and stationery. Long-term goals may include saving up for the down payment for a new car or paying off your student loans within the next five years.

Orient Asset Managers are the best at helping you set realistic financial goals and they will go ahead and hold your hand through the journey.

Expenses

For budgeting to be effective, you need to identify all your expenses so that you have an accurate view of how you are spending your money. After listing your monthly expenses, you can determine which are fixed and which ones are more discretionary or non-essentials in nature. Identifying the non-essentials expenditures makes it easy for you to know where to cut on your spending. Do not confuse luxuries with necessities. Eating is a necessity but eating at a four-star restaurant is a luxury. If you have to trim expenses, pare back on luxuries.

Spending habits

Understanding what you spend on is very important to determine how to tweak your budget. How money exits your income statement is equally critical to your cash flow. For example, do you have a few larger expenses that you need to save for throughout the year or are you spending more than you would like in one or more categories?

Monitor your spending habits and learn to 'live within your means'.

Orient Asset Managers, goal is to empower you and help you on the next steps to make your dreams a reality.

