

Crash Financial Course for College Frosh

There's still time to help your child learn to manage money before he or she heads to campus this fall.

By Janet Bodnar

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Could you do a column of advice for financially clueless college freshmen like my daughter? The other day I heard her tell a friend that when she uses her bank card to buy something, "I shut my eyes and hope I have enough money."

She's already spent her summer earnings, which she was supposed to use for spending money at school, on \$100 jeans and going out every night with her friends. Her father manages her account (often overdrawn) because it's easier to do it himself. But I shudder to think what's going to happen when she goes away to school.

What's going to happen is that college could cost a lot more than you bargained for. You don't have to track every penny, but your daughter needs a dose of tough love to make her more accountable and show her how to live on a limited income. Not only will you save thousands of dollars, but she'll get a priceless lesson in managing money.

Before she leaves home, have your daughter spend a week recording all her expenses with her friends. If she spends, say, \$20 a night, convert that into terms she can understand -- \$100 a week on food and movies equals 12-plus hours on the job or a new pair of jeans.

Ask Dad to back off and have your daughter manage her own account. That means making deposits, saving receipts, balancing the account (either online or on paper) and learning how to write an old-fashioned check. Hint: Buy a notebook and matching Post-its to jot down expenses, plus a colorful container in which to toss receipts. Little reminders make a big difference.

Before your shop for back-to-school gear (as your daughter will certainly expect), take an inventory of the stuff she already has. It's a hands-on lesson in distinguishing between things she really needs and those she merely wants.

Shop together, and set a reasonable limit on how much you're willing to spend. If that happens to be, say, \$400, your daughter will have to decide if she wants to use up one-fourth of her allotment on a single item of clothing.

Let her know up front which college expenses you'll pay for -- books, for example -- and which are her responsibility, such as food outside the meal plan.

Because she's spent her summer income, you'll probably have to provide an allowance. Dole it out one month at a time, lest she blow through a semester's worth of cash before October. When she calls in mid

September to say she's out of money -- and this is critical -- make her wait a couple of weeks. Bail her out once and you're sunk.

NEXT: [*Surprise! More College Costs*](#)

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