

The LIFE Center
An Overview of Time
Management, Budgeting &
Credit Scores

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Today's Agenda

- What is the LIFE Center?
- Time Management
- Budgeting
- Credit Scores

What is the LIFE Center?

- A FREE service on campus offered to all students
- Information and assistance on a variety of financial topics
 - Time Management
 - Debt Management
 - Budgeting
 - Credit Cards
 - Credit Scores
 - Student Loans

Where to Find Us?

- 3015 Lumpkin Hall
- Office Hours:
 - Monday: 2:00-4:00pm
 - Tuesday: 12:00-4:00pm
 - Thursdays: 10:00am-12:00pm
- Email me at life@eiu.edu to make an appointment!

What Do I Do?

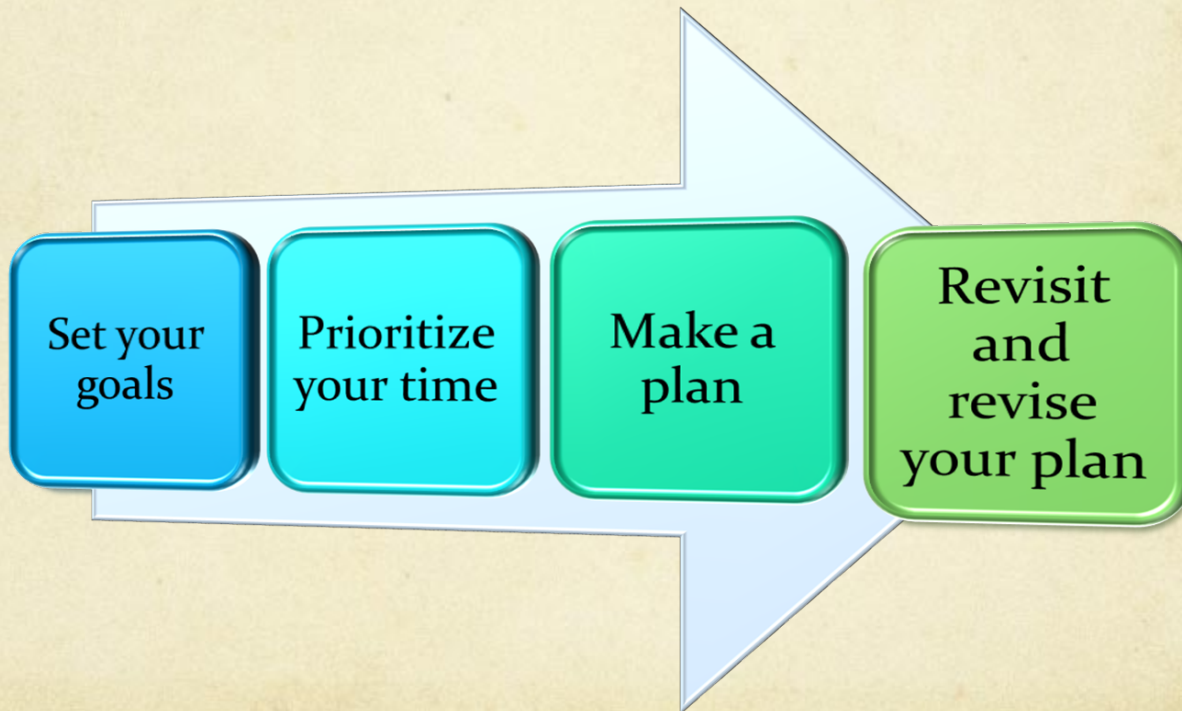
- Marketing and promotional work
- Presentations
- Tabling
- Committee member
- Bring awareness about financial literacy to EIU campus

Time Management

- One of the most important skills to have in college is to effectively manage your time
- Benefits of time management:
 - More time for leisure activities
 - Reduces stress of uncertainty/decision making
 - Be happier and healthier
 - More productive while working
 - Accomplish more with less effort
 - Easier to balance activities
 - Improve quality of life

The Process

- Here are some general steps to help manage your time effectively



Setting Goals

- Can use goal setting in all areas of your life
- Gives you a head start on your tasks
- Can be short- and long-term
- Make them SMART goals
 - Specific, measurable, attainable, relevant and timely!

Prioritizing

- What tasks are most important?
 - How long will each task take/how time consuming?
 - What things need to be done first i.e. deadlines, due dates and obligations
- What tasks can be done simultaneously?
- Is there time left for things you enjoy to do?
 - Ex: exercising, reading, crafting, watching movies, etc.

Make a Plan

- Based on known priorities and obligations, make a written plan
 - In phone, buy a planner, sticky notes, etc.
- Set up a semester plan
 - Start by writing down class times
 - Next write down your work schedule
 - Then put in due dates for assignments, projects and exams
 - Finally write down any other requirements
 - Ex: clubs, organizations, Greek life, appointments, daily exercise

Example:

	MON	TUES	WED	THURS	FRI
8:00a	Workout	Workout	Workout	Workout	Workout
9:00a					
10:00a			Meeting	Office Hours	
11:00a			Tabling	Office Hours	Prep
noon		Office Hours			
1:00p	Meeting	Presentation		FCS Office	
2:00p	Office Hours	Office Hours		FCS Office	
3:00p		Office Hours		FCS Office	
4:00p	Class Article #3 Due	Class/Exam	Class/Exam	FCS Office	
5:00p	Class	Class	Class		
6:00p	Class	Class	Class		

Avoid Procrastination

- It will lead to...
 - Increased stress
 - Poorer performance
 - Missed deadlines

Budgeting

- What is budgeting?
 - Setting aside or providing a particular amount of money for a set purpose
 - Quantitative—planning for a defined period of time

Why Budget?

- Keep track of spending habits
- Learn to save
- Know exactly how much money is coming in and how much is going out
- Cut back to “need to haves” not “nice to haves”
- Foundation for financial literacy
 - Start good habits now → benefits later
- Pay Now Pay Later

50/20/30 Rule

- 50% on living costs
 - Ex: food, water, electric, shelter
 - Can be reduced if necessary
- 20% away for savings
 - Optional, but a smart to do!
- 30% flexible spending
 - Dining out, subscriptions, activities, and leisure
 - Can be eliminated or reduced if necessary

Where to begin?

- 1. Know your income (income sources, how often you get paid, how much you get paid, etc.)
- 2. Write down your fixed costs
 - Rent, car insurance, certain bills (Netflix, gym membership, cell phone, etc.)
- 3. Write down your variable costs
 - Groceries, gas, electric and/or water bills
- 4. Separate your costs into identifiable categories
- 5. Make room for those “nice to haves”
- 6. Consider saving
- 7. Make sure it all adds up
 - $\text{Income} - (\text{fixed costs} + \text{variable costs}) = \text{leftover } \$\$ \text{ for Nice to Haves}$
- 8. Put your plan into action

Double Check/Add It Up

- Does your budget add up? All spending should add up to equal your income?
- Good rule of thumb: never spend more than you make in a month
- Where can you move some things to make it work?
 - Maybe conserve more energy to lower electric bill
 - Maybe ride your bike to class/work to save on gas
 - Maybe share groceries with your roommates to save on monthly groceries

Group Scenarios

- Split into groups of 4
- Half of you will be paid \$1,000 once a month
- The other half will be paid \$420 twice a month
- Your job is to utilize successful budgeting strategies for these families!
- Then we'll share our work

What is Credit?

- The ability to borrow money
- Being able to obtain goods and services before paying for them
- Consumer examples:
 - Loans, mortgages, credit cards, cars
- Important to remember
 - The choices you make now can impact you later on!!

Good vs. Bad Credit

- Good credit:
 - Those who can borrow sensible or large sums of money at a reasonable interest rate
- Bad credit:
 - Those who cannot borrow such amounts at such rates

Advantages of Credit

- Credit can be useful in an emergency
- Can be used to acquire valuable assets
 - Houses, cars, etc.
- It can allow consumers to take advantage of opportunities such as sales
 - Advertisements for low interest rates, etc.

Disadvantages of Credit

- Credit increases the cost of purchases
- Reduces the capacity of borrowers to make future purchases
- Can cause individuals to borrow more than they can afford to pay back
- Can lead to personal bankruptcy

Problems with Credit

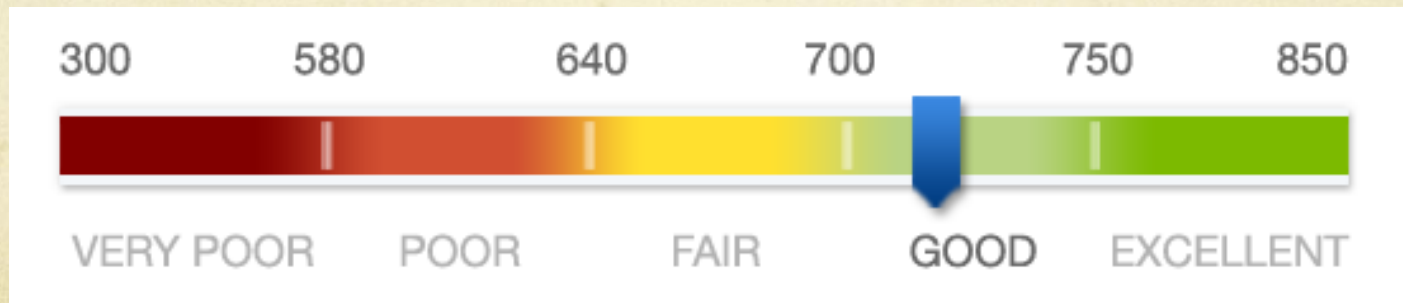
- If borrowing becomes excessive, it can become a problem for individuals
- You don't want to be paying a loan longer than you have the item
- Credit should not be used to pay for goods and consumption in everyday life
- Rule of thumb: if you can't pay it off in 30 days, should you buy it?

Credit Cards

- Credit cards are not money
 - You need to be able to pay it back
- They come with responsibility and should be used wisely

Credit Scores

- Scores range from 300-850
- Around 720 or higher is considered good
- Lenders can have different standards for what they consider to be a good credit score
- Always keep building your score



Credit Scores

- You have to have a good credit score to be able to borrow money or get a credit card.
- Falling behind on payments for a loan, bills, rent, etc. today can jeopardize the ability to borrow in the future.
- High monthly payments can prevent you from buying other things during the month.

Credit Scores

- When payments are not made the individual may be penalized and more money can be added to their debt.
- Some people face foreclosures or declare bankruptcy because they can no longer keep up with paying their debt.
- All of these issues can prevent them from borrowing in the future.
- It's important to note that what you do now, will affect you later.

Common Myths About Credit Scores

- There's only one credit score used by lenders.
- The decision to grant a loan is based solely on the credit score.
- As soon as a person pays off their credit card debt, their credit score will get better.
- If a person disputes something on his or her credit report, their credit score can get worse.
- Student loans do not impact credit scores.
- A person that always pays bills on time doesn't need to check his or her credit report.

Thank You!

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