

WELCOME TO MONEY SMART DAY

April 15, 12:00 - 1:00



**Creating a
Budget and
Managing
Credit**

moneysmart.gmu.edu

Creating a Budget & Managing Credit

Presented by:

Financial Well-Being Peer Mentors

Student Support and Advocacy Center (SSAC)

fwb@gmu.edu

What does Financial Well-Being mean to you?

- Financial Balance
- Sense of Security
- Financial Freedom

Resources for Financial Well-Being

Creating a Budget

Creating a spending plan to see income and expenses. This helps track your spending and savings activities.

Establishing Credit

Credit is the ability to borrow money and can lead to better outcomes with terms on financial products.

EASIER TO MANAGE MONEY

BUILDS
DISCIPLINE

BUDGETING

why should we?

A SKILL FOR NOW AND TOMORROW

AVOID UNNECESSARY DEBT

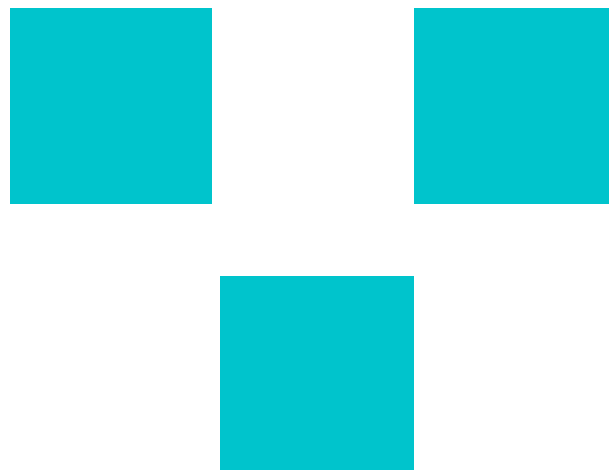
EXPENSES

=

anything you spend money on

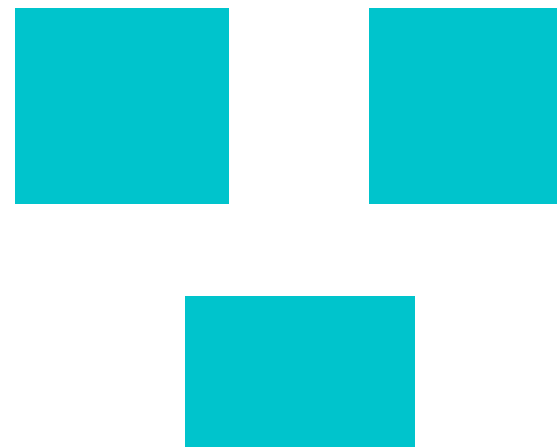
Fixed Expenses

Same each month



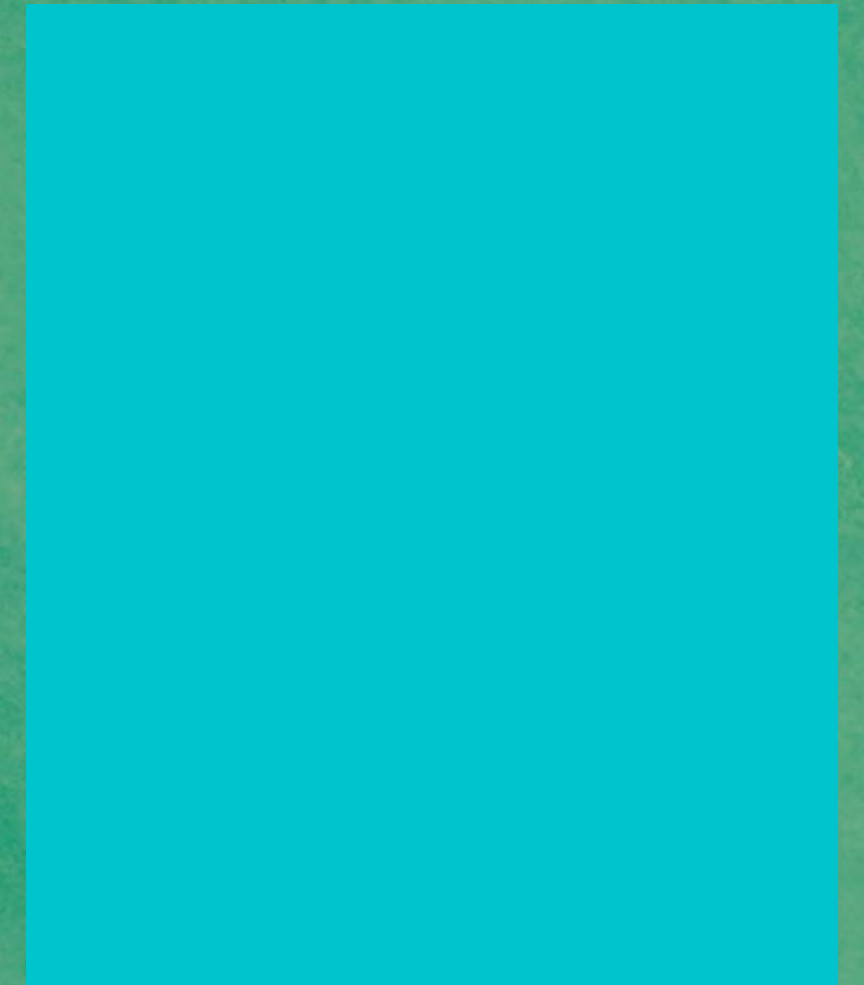
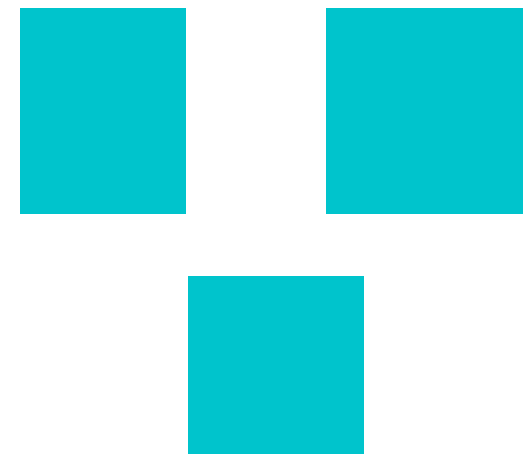
Variable Expenses

Vary each month



Periodic Expenses

Occur a few times a year



Needs VS Wants



Gas

$\$3.50/\text{gal} \times 15 \text{ gals} = \52.50
Monthly | \$105
Annually | \$1,260



Lunch

$\$12 \text{ twice per week} = \24
Monthly | \$96
Annually | \$1,152

What Are Your Needs

Cell Phone Clothes
Internet
Books Gas

What Are Your Wants

Gym Membership Netflix
Haircut
Food Vacation

Some Spending Alternatives



Public Transportation



Campus Club Events



Meal Prep at Home

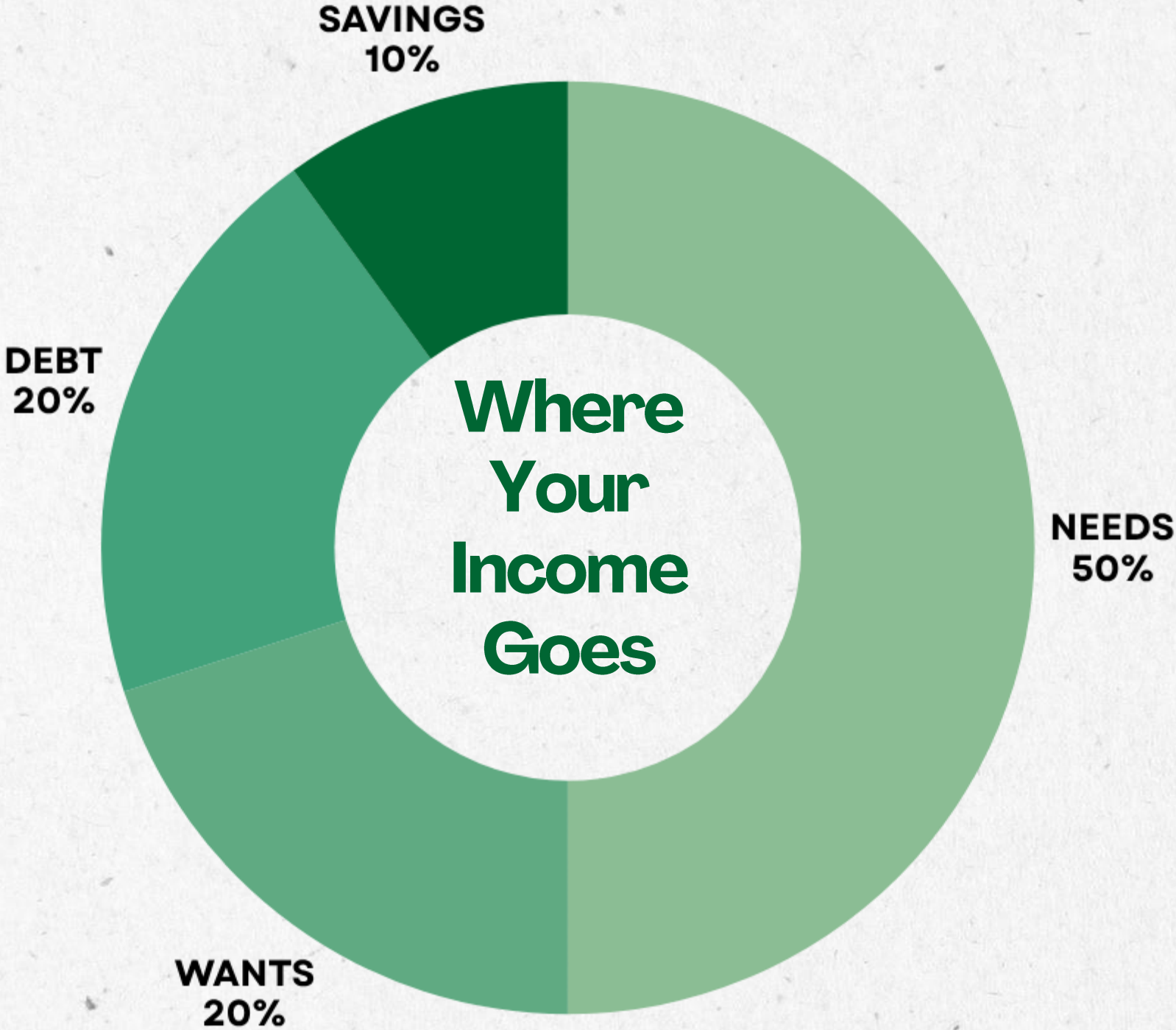


Student Discounts



Identify Needs vs Wants

50/20/20/10 BUDGET PLAN



NEEDS:

- Rent
- Utilities
- Groceries
- Car Payment

WANTS:

- Eating Out
- Entertainment
- Shopping
- Traveling

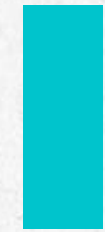
DEBTS:

Debt
Repayments

SAVINGS:

If no debt,
excess funds
can go towards
savings.

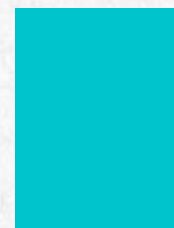
Creating a Simple Budget



List your income.



Write down your expenses.
Label which expenses are fixed
and which are variable.



Categorize expenses
as needs or wants.



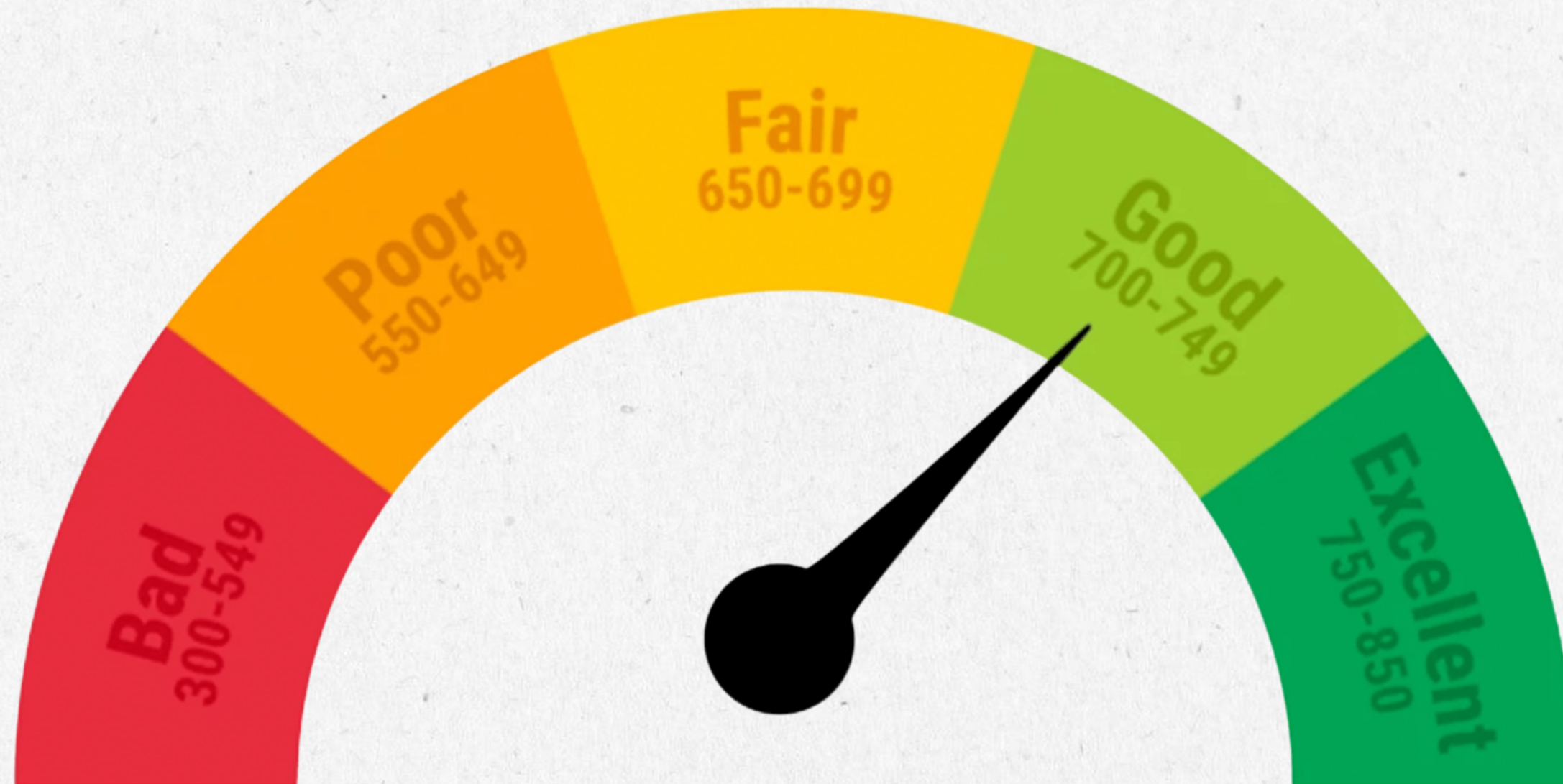
Adjust periodically as
changes come.

Additional Resources

- Mint - through Credit Karma
- YNAB (You Need a Budget) free trial
- CashCourse

- Excel - Google courses through Coursea
- MyMoney.gov
- Consumer.gov

Credit



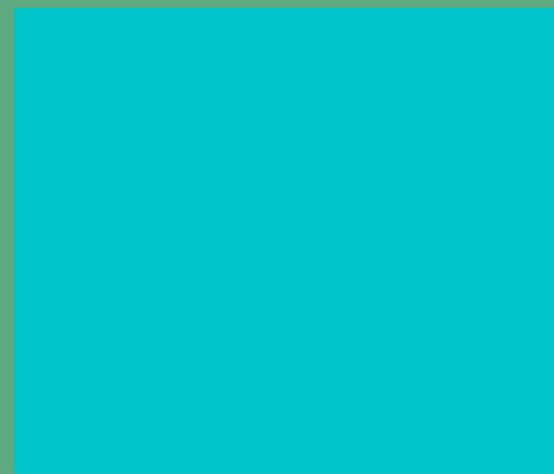
Credit

Is the ability to borrow money for goods or services that you will pay later.

Caution: usually subject to interest and/or additional costs (annual fee).

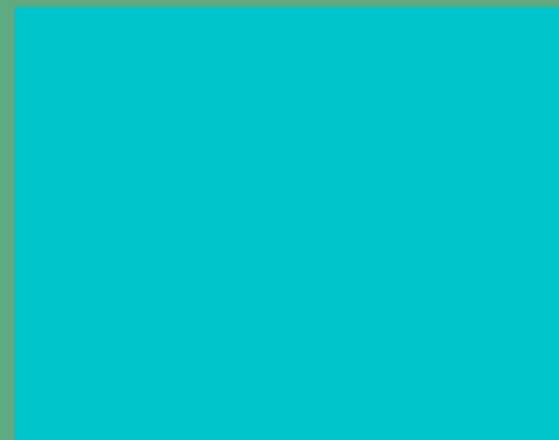
Principal

Amount borrowed or financed. The money that you originally agreed to pay back.



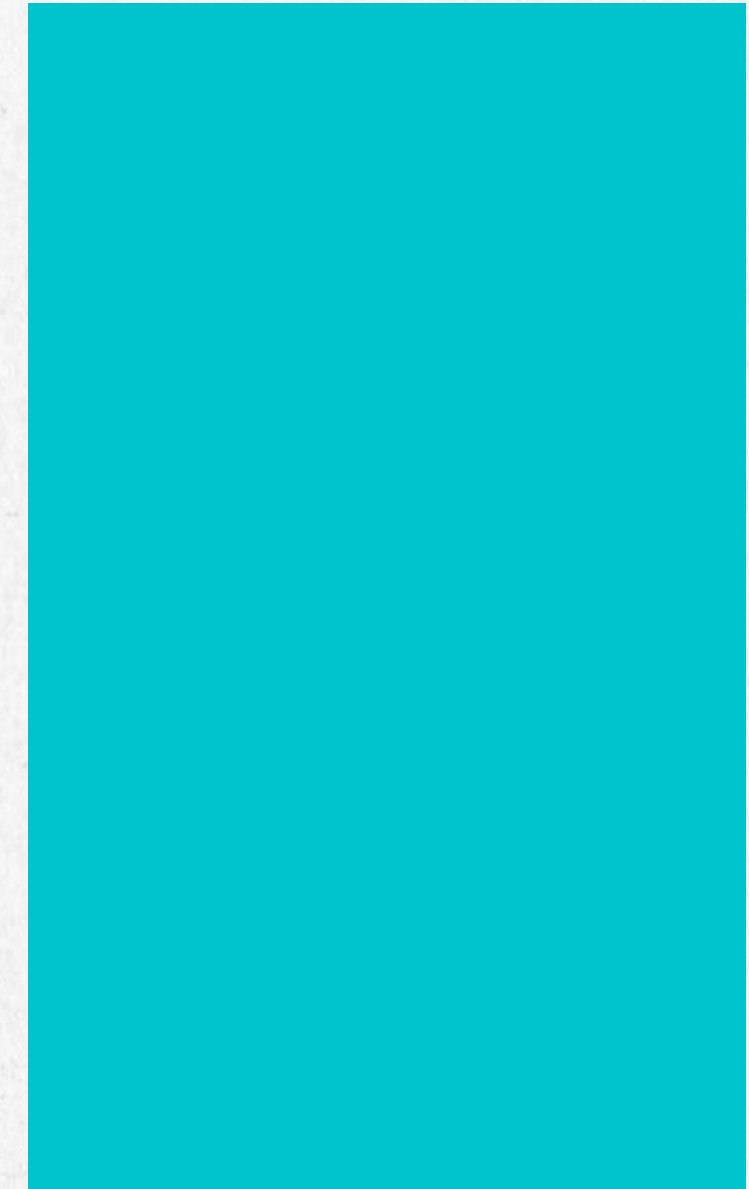
Interest

Charged typically monthly, this is expressed as a percentage of the principal or credit balance.



Credit Cycle

A credit card's billing cycle is the approximately one-month period between statements' closing dates.



Interest Rates

Interest is the cost of borrowing money and is typically a percentage of the borrowed amount.

Fixed Rates

Interest rates stay the same during the term.

More stability and predictability.

Variable Rates

Interest rates may increase or decrease during the term.

May increase costs over time.

Understanding Interest helps with smart borrowing.

Advantages



Buy now and pay later

Online shopping is easier

Avoid carrying large amounts of cash

Opportunity to establish a positive credit history

Protection against fraud

Disadvantages



Spend more than if using cash

Easy to overspend

Debt hinders you from saving and investing

Not making payments on time negatively leads to poor credit history

All About Loans



What is a Loan?

It is money borrowed by a lender that must be paid back, usually with interest.



Who is the Borrower?

The person who takes out the loan is the borrower and is responsible for paying the loan back.



Who is the Co-Signer?

The person who becomes co responsible for the loan with the borrower. this person supports the credit of the borrower and becomes responsible for the debt if the borrower stops paying it.



Who is the Lender?

The lender is the institute or organization who lends money to a borrower.

Credit Score vs. Credit Report

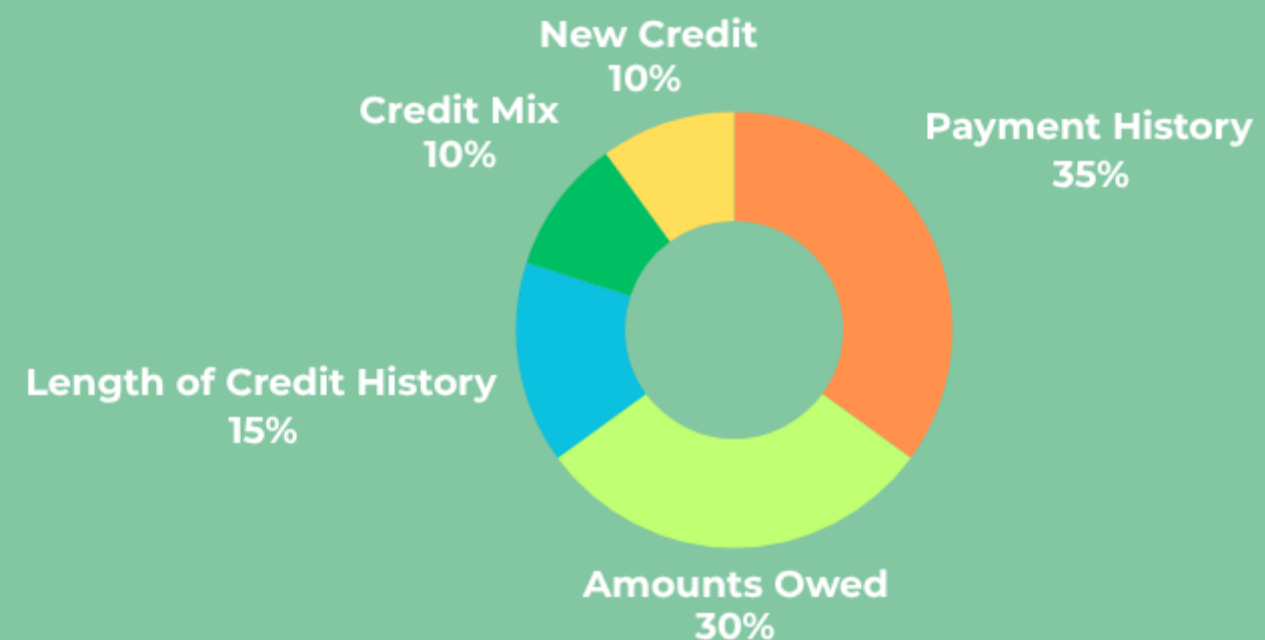
Single Numerical Grade of Creditworthiness (300 to 850)

Detailed Record on Financial History

Generated from Credit Report

Lists Every Item in Credit History that Affects Credit Score

Calculated Using Five Categories



Assembled into Four Categories

Identifying Information

Credit Accounts

Credit Inquiries

Public Records

Who Creates Your Credit Score?



FICO | Fair Isaac Corporation, Credit Scoring Model

Knowledge Check

You must spend 50% of your income on your needs.

False | 50% is used as a guide, but this can look different for everyone.

All credit cards are created equally.

False | Check the fine print for terms, rates, fees, etc.

People spend more money when using credit.

True | Research indicates that credit users make larger payments with credit than they would with cash.

A credit card comes with a credit limit.

True | Credit limits are determined largely by your FICO score.

Using your debit card wisely will help you establish good credit.

False | A debit card withdraws money from your checking account and does not impact your credit even though the card may have MC or Visa logo.

Credit cards are the only way to build credit.

False | Anytime you are borrowing money you can be building your credit. This includes Subsidized Student Loans.

Next Steps



Check Out CashCourse

CashCourse is a free online financial education resource designed specifically for college students. The program takes a whole-life approach to personal finance.

ssac.gmu.edu/cashcourse

Access Code:
7495



Budgeting Basics

Audit your expenses from last month and see if your spending aligns with your values and where you want your money going.



Request Your Credit Report

Request a copy of your credit report. You are eligible to receive one free credit report per year from each of the three credit reporting agencies.



Credit Reporting Agencies

There are three credit reporting agencies. Not all vendors report to all three. Info and services may vary.

Experian: www.experian.com

Equifax: www.equifax.com

TransUnion: www.transunion.com

For more information on Financial Well-Being, visit our website at

<https://ssac.gmu.edu/fwb/>

Financial Well-Being Office

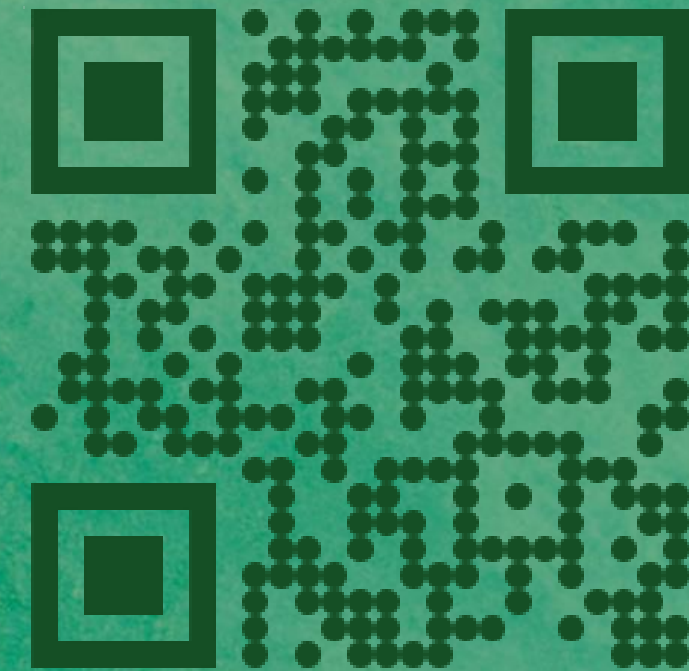
(703) 993-3686

Financial Well-Being Team

fwb@gmu.edu

Financial Well-Being Peer Mentors

fwbpeers@gmu.edu



MONEY SMART DAY

April 15, 2026

THANK YOU!

All the sessions recordings will be available on
moneysmart.gmu.edu



University Life
**STUDENT SUPPORT
AND ADVOCACY CENTER**
George Mason University®

