



## Regions Next Step Podcast

### Insights for Students Series: Creating a Financial Plan for the First Year of College

In this podcast, Kariene Fortner, Financial Wellness Manager for Regions Bank's North Region from Mobile, Ala., discusses how to create a financial plan for your first year of college.

You'll hear Kariene's perspective on these topics:

- Costs and expenses, outside of tuition, students should plan for in their first year of college
- Creating a realistic financial plan to help minimize unexpected expenses throughout the school year
- Initial college costs vs. potential ongoing college expenses in the first year

### *Episode Transcript*

Kariene Fortner:

You're listening to the Next Step podcast "Creating a Financial Plan for the First Year of College" part of our Insights for Students Series presented by Regions Next Step – advice, tools and resources to help you get closer to reaching your unique financial goals. My name is Kariene Fortner, and I'm a Financial Wellness Relationship Manager at Regions Bank in Mobile, Alabama. Today, we'll be discussing how to create a financial plan for the first year of college.

Even with its hefty price tag, tuition doesn't capture all of the costs of higher education, particularly for students in their first year of college. Creating a realistic plan can help minimize unexpected expenses that could pop up throughout the year. Today, I'll be sharing some tips for planning out some of these unexpected expenses so that any student is set up for financial success.

Start off by visiting the school's website, which usually has estimates on the total cost of attendance. You can get a sense of which fees and services are part of tuition, as well as room and board — including campus gym access, health services, other meal plans, and more.

After examining included costs, I advise families to consider common expenses for first-year students.

Let's start with initial costs.

These are for necessities freshmen need to furnish their dorm or apartment, including toiletries, cleaning supplies, kitchen utensils, laundry products, and storage. Your student should coordinate with roommates to avoid buying two of the same products. Also plan for big-ticket technology items



like a laptop or tablet, a printer, and a phone. Some retailers, including computer companies and college bookstores, offer student discounts.

Next, think about ongoing expenses.

Budget for monthly phone bills, off-campus meals and entertainment, haircuts, clothes, and laundry. Consider the savings if your freshman eats on campus most of the time, but plan for days your student may dine at restaurants with friends. If your student won't be eating on campus for all meals, check if the school's meal plan has a rollover option that allows students to use the funds in later semesters.

Next, consider transportation costs.

If your student will be out of state, I recommend families budget for five trips home per year: Thanksgiving break, winter break, spring break, the return trip home following the school year, and an additional trip for events such as milestone birthdays, weddings, or reunions.

The costs — and number of trips — are often dependent on the mode of transportation, be it car, train, bus, or airplane. Students who commute from home or live off campus should budget for gas, insurance, parking, and public transit costs.

Don't forget health insurance.

Many colleges require students to have health insurance. Under the Affordable Care Act, anyone under 26 can stay on their parents' health insurance plan. If your student is not under your health plan or if he or she needs additional coverage, some universities offer student health care plans. Make sure you compare plans to find the best rates and packages.

Next, remember books and supplies are usually not included in tuition costs.

Look carefully at the cost of new books, used books, e-books, and rentals to find the best options and prices. If your child plans on taking courses requiring additional equipment such as music, or science classes with lab work, take these additional costs into account.

Your first year of college will be filled with activities and entertainment, on campus and off.

Some student activities like volunteer organizations, club sports, and performance groups may have dues or fees. And it's wise also to leave room in the budget for entertainment, from campus-sponsored events such as concerts or football games to off-campus recreation such as bowling or movies.

Lastly, don't forget saving for emergencies and potential extras.

I recommend budgeting an extra \$1,000 annually for unexpected events like computer repair, cell phone replacement, and special opportunities like a volunteer trip or studying abroad.



When you and your child start budgeting, set up a system online, on a spreadsheet, or with a pen and paper. Make sure both sides — parents and children — understand their financial contribution, along with parental limits. Ensure there is an ongoing dialogue starting the student's senior year of high school. The first year of college is new for everybody, so this needs to be a holistic discussion, and the clearer parents are on expectations upfront, the easier the whole process becomes during the year.

Once you have a solid financial plan in place, do ensure your student's expenses don't exceed income.

And that concludes this Insights for Students podcast. You can find additional information about student finances and more online at [www.regions.com/nextstep](http://www.regions.com/nextstep). No matter your goals, Regions will help you with each step you want to take. Thank you for listening.

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