

Congratulations! The following information could very well be the springboard to your financial freedom. Information contained in this issue of the INCISOR, if properly applied, will empower and enrich your life far beyond dental school. The concept, which has been around for ages yet few utilize, is a BUDGET. Trust me folks, a budget will help you survive as a college student and will propel you to thrive when you have abundant income as a dentist.

The following is a list of budgeting tips. Use it as a guide to start your budget. It is amazing how far your money goes when you have a plan. Without further ado:

### **TK's Top Ten Tips for a Better Budget:**

#### **1) Write it down.**

Over a two-week (preferably one month) period, write down EVERYTHING you spend your money on. This includes morning coffee, trips to the snack machine, parking and sodas. Every penny, nickel, dime and dollar you spend, write it down. No one, unless they keep track of it in written form, realizes how much they spend. Particularly on the little things and, believe me, the little things add up. When you initially write things down, you will find plenty of areas where you can save some money.

#### **2) Have a plan.**

Otherwise known as a budget. Having a plan means that you spend your money on purpose. A very wise and wealthy man once said, "give every dollar a name". The very essence of spending on purpose, or budgeting, keeps you from spending money that you do not have. When properly constructed a budget can allow for you to spend money on "fun" stuff. A budget does not have to be stuffy and restricting. A budget only means that you spend money on purpose, with a plan.

#### **3) Marathon, not a Sprint.**

At the beginning of the term it is very easy to feel rich! Hey, you just got a large sum of money in your bank account. The key here, which some forget, is that the financial aid check that you receive must last the entire semester. The best thing to do is get on a weekly budget. After bills and other necessary expenditures, limit yourself with a weekly budget. Spending a set amount each week will keep you from having nothing at the end of the term.

#### **4) Mad Cash.**

Have a budgeted category for “going out” or “tailgates”. Budgets do not have to be completely boring. This item goes back to tip 2, have a PLAN. A budget does not mean that you cannot have fun, just make sure that you plan for it.

#### **5) Budget, Budget and Budget again.**

No one ever gets a budget right the first time. For many, a budget takes years to perfect. Another thing to remember is that over time your budget items are going to change. Regular review of your budget categories is essential and often times can lead to finding items in your budget from which you can cut.

#### **6) Life Happens.**

A typical budget includes the obvious. Rent, Food, Clothing and Utilities are all essentials in everyone’s budget. Another essential, which many leave out, are expenses that do not occur monthly. These items include vehicle expenses, doctors’ visits and association dues. These unexpected costs are why you need a “Life Happens” category. Call it whatever you want, but you must have a category covering these expenses. Just in case.

#### **7) Create a Savings category.**

This tip will help you now and well into retirement. As for right now, just try to set aside a few dollars a week to save. Even if you end up blowing it on a party at the end of the term, the discipline learned from saving will be well worth it. Once you start earning an income it is strongly suggested that with every pay raise, a large portion of the raise is diverted to a savings account. Having the increase directly deposited into savings takes away the temptation of spending the extra money on things that you do not need.

#### **8) Stay away from plastic.**

I know. It is tempting. Many have already jumped in. The fact is that credit cards are the biggest budget busters out there. The allure of quick cash and a way to have extra money for things you want will soon turn into a money pit. I am sure that I do not need to tell you that interest rates on a credit card are a killer. Once you start down the credit card minimum payment road, the credit card can easily become a permanent fixture in your budget.....DO NOT LET THIS HAPPEN!

**9) While in school – Get with the roommate.**

Make sure that you, and any roommates that you have, are on the same money page. You do not have to be on the same budget, but you should be clear as to who pays what. Divide the costs that you share and make sure that you both have a clear understanding of money obligations.

**10) It's a Lifestyle thing.**

It all starts with attitude. Having the right attitude can make all the difference in the world when it comes to budgeting. Attitude, along with a lifestyle that does not exceed your take home pay, will enable you to reach your financial goals. Remember, becoming wealthy requires a marathon mentality. A solid plan over the course of time is a surefire, proven way to build wealth.

Stay tuned for continuing INCISOR tips for healthy borrowing. We hope you find this information both informative and helpful as you build a solid spending plan. Please forward any comments or suggestions to Tom Kolb at INCISOR headquarters. Until next time.....Be Safe.

TK