

Pointers For Parents

School's Out—But Now Comes the Real Test

(NAPSA)—For most students, the transition from high school to college brings the first taste of financial independence. After 18 years of free room and board, young adults begin paying bills and managing money on their own. Parents can help them get off to a good start with these simple tips:

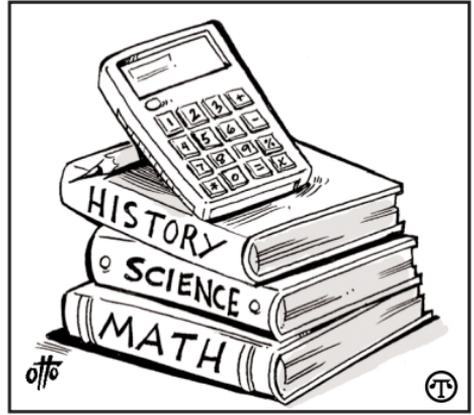
- **Set a Game Plan**

Whether they're living at home or moving away, parents should sit down with their children and set an annual budget that outlines estimated expenses for dorm fees, tuition, travel, entertainment, and textbooks against income from loans and scholarships, parental contributions, part-time jobs and savings. Be sure to add in mandatory extras such as flights home for the holidays and new clothes for a colder (or warmer) climate. Break down discretionary spending by term, then month, then week, then day. Five-hundred dollars for the term may sound like a lot; thinking of it as \$2-\$3 a day will help students watch spending on those extra lattes.

- **Meet Deadlines**

In the classroom, late papers are likely to earn lower grades. In real life, late payments can lower a more permanent score—the consumer credit rating. Moving away from home is the first time most students begin to pay their own bills and it's important to get in the habit of paying them on time. "Late payments show up on credit report scores that affect not only interest rates and eligibility for future loans, but are even used by some employers to assess job candidates," said Diana Knox, senior vice president, Visa USA. "There are tools and services available to help grads begin their financial life on the right footing."

Automated bill payment through a Visa debit or credit card can make sure payments are delivered on time and securely, whether your student can find the return envelope and a stamp or not. Managed online, the service is particularly useful for nomadic



One of the most important lessons a parent can teach is how to manage personal finances.

students who often have as many as three addresses in a calendar year. For more information, visit www.visa.com/billpay.

- **Discuss Money with a Mentor**

Talking about money is taboo for many people, but students need to be open to discussing their financial fears and goals either with their parents or with another trusted adult. Pressure to keep up with the Joneses can begin in the dorms, where students may be mingling for the first time with people who have a lot more—or a lot less—than they do. Parents should discuss the importance of thinking long term, setting savings goals and comparing financial offers for cell phones and insurance.

- **Monitor Progress**

Professors give grades throughout the term so students know where they stand. By closely monitoring their bills, students have an instant snapshot of where they stand financially. Using a debit card for everyday expenses, including household bills, can help keep track of spending in one place. A daily journal of finances is another tool to help trim excess spending—or bolster a case to mom and dad for getting more money next term.

Good financial habits start young and with the right counsel every student can make the grade. For more tips and advice, visit www.practicalmoneyskills.com.