

Roads to Success is a new program designed to help middle and high school students prepare for their futures. This newsletter will keep you posted on what we're doing in school, and how families can follow through at home.

For more information about Roads to Success, please visit our website: www.roadstosuccess.org.

Did you know? The average credit card debt for a college senior was \$4,100 in 2009. (This is on top of what they owe for student loans.)

SOURCE: Sallie Mae
https://www1.salliemae.com/about/news_info/newsreleases/041309.htm.

Less debt. No surprises. Budget before you go.

Students leaving home for college or careers may be experiencing financial freedom for the first time. The thrill of independence, plus a little cash, can make it difficult to think realistically about spending. Make sure that money is one of the things you talk about before your teen is out the door.

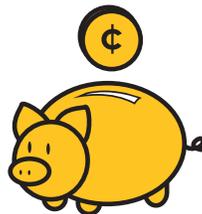
Why Budget?

Making a budget is not about depriving yourself of the good things in life. It is about 1) recognizing how much money you have, and 2) choosing the things that are most important to you.

Sensible spending can be difficult, especially when you're out in the world with lots of new options, people who may have more money than you, and a desire to reward yourself. That's why you need to make a budget before you're officially on your own.

Step 1: Add Income

Count up all the money you have coming in, and pay attention to when it will arrive. (For example, work-study is paid out during the school year, and won't be available for expenses at the beginning of the semester.) If you're working full time, don't forget to subtract your payroll deductions — about 30% of your pay.



Step 2: Add Expenses

Now add up all your expenses. Don't forget to include the hidden costs — like transportation to and from college, shampoo, and the occasional pizza.

Step 3: Subtract

Now subtract your expenses from your income. If

your income won't cover everything you want, you'll have to find ways to cut down or earn a little extra.

Step 4: Revise

This is the step that actually makes your budget work. Add up your monthly expenses and compare each category to your original estimate. Decide where you're doing well, and where you're spending too much. Revise your budget and aim for improvement next month.

Knowing how much you have and keeping your goals in mind makes it easier to say no. "No thanks, I can't afford it." "No thanks, I'm saving for a trip over spring break." "No thanks, I want to buy a house before I'm 30."

For more info on money matters, check out:

- www.themint.org
- www.360financialliteracy.org
- www.practicalmoneyskills.com

Grade by Grade

In Roads to Success, 12th-graders create a budget for the year after graduation. They include all the details they know about their lives after high school — whether they're headed off to college, moving into their own apartments, or living at home for now. Students figure out their incomes (including financial aid) and expenses (including housing, transportation, and health insurance). They consider where to cut spending, if needed. The goal is a realistic look at personal finances before they're on their own.