

# Survey Shows College Students Get Jump Start Budgeting, Say Saving Should Start Early

## Ally Bank Provides Top 6 Tips to Ace Personal Finance 101

**SANDY, Utah, Aug. 28, 2018** -- Paying tuition, buying books and covering room and board can add up and be overwhelming. For a generation that may have watched family and others struggle financially through the recession, planning and being financially prepared has been its mantra. In fact, a Harris Poll of 362 current and recent college students<sup>1</sup> conducted online for Ally Bank, Member FDIC, found that many students are using their college years to develop good personal finance habits and have the right idea about saving for the future.

One good first step in managing personal finances while in college, said Anand Talwar, Deposits and Consumer Strategy executive for Ally Bank, is to establish a budget early on. That is something current and recent college students are doing or have done. The survey showed almost 9 in 10 (87 percent) have/had a budget while in college and more than a third (36 percent) are/were "die hard budgeters," sticking to that budget as best they could.

"College is all about planning for the future and money management skills should be part of that plan," Talwar said. "Establishing a budget, setting aside some savings and planning for the unexpected can all help new college students prepare themselves for a solid financial future."

Talwar outlined six key tips for college students to help them pass the real-life personal finance exam.

- **Make a budget and stick to it:** Determine how much is needed for typical expenses such as transportation, utilities, meals and entertainment. For a generation that has grown up with smartphones, one way they can make budgeting easier is to use technology at their fingertips by setting up account alerts and reminders to pay bills on time.
- **Managing overall spending:** The survey also found that the biggest financial surprise the majority (57 percent) of current and recent college students experienced while in college was just how much things cost. One way to manage those costs is to forego signing up for the plan with the most features – be it a cell phone, dining hall, cable, etc. Figure out what is really needed versus wanted then select the appropriate plan.
- **It's never too early to start saving:** Three-quarters (75 percent) of current and recent college students said saving for the future should start before or during their college years. A majority (54 percent) said that saving should start before college and another 21 percent said saving should start while in college. Talwar recommends seeking out savings accounts free from minimum deposit requirements and monthly maintenance fees that deliver competitive interest rates. Putting money aside on regular basis can grow in time thanks to compound interest.
- **Plan (and save) for the unexpected:** More than a third (35 percent) of current and recent college students said one of the biggest financial surprises they experienced while in college was having to pay for unexpected bills. It is important to stash some cash in a savings account to cover unpredictable costs to prevent from having to use a credit card and risk building up potential debt. Consider the convenience of online banks, which tend to offer better savings rates. Ally Bank offers a rate comparison chart on its website at [www.ally.com](http://www.ally.com).
- **Find deals with a little work and imagination:** Before buying anything or heading out to eat, check out sites like Groupon or Ebates. Also, don't just trash those unused gift cards. Some can be cashed in online. Plus, students also may find that a variety of off- and on-campus restaurants and other retailers offer a college ID discount.
- **Start now to establish good credit:** If a credit card is needed, think about getting one with no annual fees and flexible rewards. Using a card for classroom expenses then paying off the balance monthly can be a good way to manage expenses but also establish good credit for the future. According to the survey, college students are getting a head start on this as well. More than 7 in 10 current or recent college students (72 percent) indicated they had a credit card while in college and 69 percent of those with a card paid off the balance every billing cycle.

One college student who spent the summer as an intern at Ally Financial said learning to budget and save were just as important as his major studies.

"It's really easy to be overwhelmed by how much everything can cost in total, especially books and food," said Phillip Adams, a Clemson University student interning in the Digital Technology Channel Group at Ally Financial. "It's a tricky balancing game to

manage how to reserve money for rent, utilities, and other necessities while also having some for social activities."

<sup>1</sup> Attended college in the past 5 years

**Survey Methodology:**

This survey was conducted online within the United States by The Harris Poll on behalf of Ally from August 17-21, 2018 among 362 adults ages 18 and older who are currently in college/attended college in the past 5 years. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Gene King at [Gene.King@ally.com](mailto:Gene.King@ally.com).

**About Ally Financial Inc.**

Ally Financial Inc. (NYSE: ALLY) is a leading digital financial services company with assets of \$171.3 billion as of June 30, 2018. As a client-centric company with passionate customer service and innovative financial solutions, Ally is relentlessly focused on "Doing Right" and being a trusted financial partner for its consumer, commercial, and corporate customers. Ally's award-winning online bank (Ally Bank, Member FDIC and Equal Housing Lender) offers mortgage-lending services and a variety of deposit and other banking products, including CDs, online savings, money market and checking accounts, and IRA products. Ally also promotes the Ally CashBack Credit Card. Additionally, Ally offers securities brokerage and investment advisory services through Ally Invest. Ally remains one of the largest full-service auto finance operations in the country with a complementary auto-focused insurance business, which together serve more than 18,000 dealer customers and millions of auto consumers. Ally's robust corporate finance business offers capital for equity sponsors and middle-market companies.

For more information and disclosures about Ally, visit <https://www.ally.com/#disclosures>.

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