

## Financial

The concept of financial wellness requires that we acknowledge that everyone's financial circumstances are different and depend on a broad array of variables that include level of personal or family wealth, ability to earn additional income or not, differing personal needs, spending habits, debt levels, lifestyle preferences, personal initiative and more. However, in any circumstances, financial wellness involves setting and achieving short and long term personal financial goals within the context of resources available to us.

Whether we have relatively unlimited resources from family or are trying to live modestly off of student loans and scholarships, we still benefit from thinking critically about what are our actual needs, versus wants, versus extras. Beginning this approach in college, regardless of current resources, sets us up to be more financially well and balanced throughout later life.

This may particularly be relevant regarding **student loans**. It is very easy to take out the maximum amount that is offered each semester/year without thinking fully about the later implications of loan debt and our ability to access other essential credit needs such as apartment rent and car purchases. Consider using a conservative model for estimating your basic living needs in college and only borrow what you think you will need at the beginning of each semester. If you have qualified for more, you can always go back to Financial Aid and request the additional loan amount if your later circumstances require it.

Another financial endeavor to critically consider is use of **credit cards**. It is also easy to get caught up in what initially seems like 'free money' when you can purchase something on a credit card and walk away without having to pay anything at that transaction. However, ultimately the monthly bill arrives and we can often be shocked at how much we actually purchased over the past several weeks and how quickly the total added up. Add to this the growing interest on that amount and suddenly we can be in over our heads. Again, think critically about whether and where a credit card fits into your overall financial needs and wellbeing, and proceed with caution.

Its also never too early to begin a good **savings** process - whether that includes a set amount of \$25 a month or a standard 10% or so of each paycheck. It is much easier to set up an ongoing contribution to our savings account that comes out automatically than

to rely on ourselves to either remember to contribute regularly, or decide if we 'can' save as an afterthought once everything else has been paid.

This includes the benefit of beginning a ***retirement savings account*** (IRA or other) as early as possible and committing to regular contributions. This can be hard to consider while still in college, but we cannot underestimate the benefits of compounded interest over the years. Again, even if just adding \$10 to \$25 a month, it can slowly add up. You will appreciate the power of this early investment when you reach the point in your career where you are ready to step back and consider full or partial retirement.

At Student Wellness, we encourage students to explore resources that help them develop a healthy relationship with finances. We work with students to weigh their options within their own personal financial and economic context. This may be as simple as advising of the most practical and affordable way to take advantage of Carolina Dining Services' dining halls, a recommendation to enroll in a money management class or providing guidance about financial aid options.

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