



Tips to save money while you're in school

For most post-secondary students, money is tight. But remember that every dollar you save while you're in school is one less dollar that you'll owe in student debt when you graduate. Consider whether the tips below will work for you.

1. Live at home for school.

Going away for school can be a great experience, but the trade off is that it is much more expensive. In 2009, the average cost of a four year degree for someone living away from home was \$77,132, compared to \$51,763 for those living at home, a difference of \$25,369.

If living at home isn't an option for you, consider roommates. Sharing your accommodations is usually much cheaper than living in residence or living on your own.

2. Apply for grants, bursaries and scholarships.

It's worth your while to research and apply for as many as possible. If your application is successful, the big benefit is it's money that you won't have to pay back. Keep in mind that many post-secondary institutions offer automatic scholarships for maintaining your grades at a certain level. Generally, the higher your grades, the more money you receive.

Visit the following sources for help finding grants, bursaries and scholarships that you might be eligible for:

- Canlearn.ca
- Studentawards.com
- The website of the college or university you plan to attend

3. Manage your student loan and other borrowing carefully.

If you are offered more money than you actually need, request a lower amount. Avoid the mistake of spending everything and increasing your debt simply because the money is available.

Review your spending against your budget each month to be sure you are on track and that your money will last until the end of the term.

4. Be wary of credit cards.

University and college campuses are popular advertising spots for credit card companies looking for new customers. Be cautious - credit cards are a very expensive way to borrow money if you aren't diligent about paying off your balance in full every month. The average interest rate for student credit cards is 17.3 % (based on student cards in FCAC's credit card selector tool database).

For example, if you have a \$1,000.00 balance and the minimum payment is either 2% of the balance or \$10 (whichever is greater), and you make only the minimum payment, it would take you 19 years and 4 months to pay off your balance and you would have paid \$1,931.11 in interest. Your total cost would be almost triple the purchase price.

5. Opt-out of health and dental coverage IF you already have similar coverage.

Your tuition will often include fees for health and dental insurance. However, in most cases you'll have the opportunity to 'opt-out' of the school's coverage. If you opt-out, you will usually be reimbursed the fees that would have automatically been included in your tuition. Depending on the school's plan this can be up to a few hundred dollars a year. But keep in mind:

- Do not opt-out unless you have similar health and dental coverage elsewhere.
- You may have to provide proof that you have equivalent coverage elsewhere to successfully opt-out.
- There is often an 'opt-out' deadline. After that point, you won't be able to opt-out.

6. Sell old textbooks.

Sell or trade your textbooks yourself, or find out if there is a student-run or local consignment shop that will sell your old textbooks for you. They will take a share of the money, but you will still almost always earn more than you would get selling your books back to your campus bookstore.

7. Buy used books.

New textbooks are expensive. Whenever possible, buy a used version of the textbook you need.

There is often pressure to buy the latest edition of a textbook, but keep in mind that the latest version may not have changed significantly from the previous version. Look into whether you can use an older (and cheaper) version without missing out on any key information.

8. Use your student card.

Many businesses offer discounts to students, so take advantage. Check with your school's student association for a list of local businesses that offer student discounts.

You can also sign up for the International Student Identity Card (ISIC) at www.isiccanada.ca/en/ which can get you a discount on a range of products and services, including travel. The ISIC is usually free for university and college students. Visit the ISIC web site to see what kinds of discounts are available.

9. Shop around, use coupons, and look for bargains.

It might seem tedious, but for the budget-conscious student, a few dollars in savings will add up over the course of a degree or diploma.

10. Take advantage of tax deductions and tax credits for students.

Both the federal and provincial governments offer tax deductions and tax credits for students for things like tuition fees, books, moving expenses and more.

11. Save on transportation costs.

Walking and biking are the cheapest ways to get around but if those options aren't practical for you, consider public transit. Some schools include the cost of a transit pass, sometimes called a "U-pass", in your tuition. Be sure to find out if that's the case for your school.

Notes

About Financial Consumer Agency of Canada (FCAC)

With educational materials and interactive tools, the Financial Consumer Agency of Canada (FCAC) provides objective information about financial products and services to help Canadians increase their financial knowledge and confidence in managing their personal finances. FCAC informs consumers about their rights and responsibilities when dealing with banks and federally regulated trust, loan and insurance companies. FCAC also makes sure that federally regulated financial institutions, payment card network operators and external complaints bodies comply with legislation and industry commitments intended to protect consumers.

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