

## Managing your finances – 2011/2012

### Managing your Money: Before, During and After your Internship

Learning to manage money is crucial to creating the life you want. If you can't manage your money, there will never be enough no matter how much you earn.

An internship is a fantastic opportunity to learn how to manage a budget wisely. Many students sacrifice more lucrative summer jobs for a chance to be an intern. If your host-company makes a goodwill gesture and offers support with internship related expenses, then this will help your budget to go further.

Here are some tips for having a great internship experience and a positive cash flow:

#### **BEFORE YOUR INTERNSHIP:**

Calculate how much money you'll need: Your internship organiser should be able to tell you whether the host-company is offering any financial support during the internship. Add up all the expenses you're likely to encounter before you go. Add about 10 percent to your estimate, just in case.

Figure out where that money will come from: Do you have enough money in your bank account to cover your expenses? If not, can you get a part-time job to earn the money? Borrow money from a family member? Are you in receipt of a Erasmus/Leonardo grant? Perhaps your student loan officer can advise you on using financial aid to cover internship expenses.

Credit Card: If you have a credit card, you are advised to use it carefully. Learning to exercise self-discipline with credit cards is important. It's best not to charge anything you can't pay off the following month. As hazardous as credit cards can be, it is useful to have one when you travel to cover unexpected expenses. Just make sure you pay the balance off quickly.

Get in the habit of tracking your spending: Set up a spreadsheet and keep track of everything you spend, from the euro you spend on a beverage to the splurge on an iPad. When you can see where your money is going, you can make changes that will help you save money for things that really matter.

#### **DURING YOUR INTERNSHIP:**

Be your own accountant: Managing your money is simple, really. You need to spend less than you make. Look over your fixed expenses, such as your mobile phone plan, and make sure you are on track to come in under budget.

Put needs before wants: Another simple rule of personal finance: cover your needs first, such as food and transportation. Then, if you have money left over, think about stuff you want and what you can afford.

Value experiences more than stuff: Spend your money thoughtfully. As an intern in a new city, you might enjoy dinner at an ethnic restaurant or a visit to an amusement park more than a new item of clothing.

Track, track and track: As you keep tracking your spending, you'll gain insight into your spending patterns and can make changes to keep you on track.

### **AFTER YOUR INTERNSHIP:**

Look back and see how you did: Reflect on your internship and how you managed your money. What did you spend money on that made you really happy? What do you regret spending money on?

Keep tracking! Now that you are in the habit of tracking your spending, keep at it. Those spreadsheets will continue to be a great tool as you work toward graduation and starting your career.