

Money Matters 101



Spring 2015

Budgeting



- œ *Living expenses:* meals, if not included
- œ *Academic expenses:* books, lab fees or supplies
- œ *Travel expenses:* airfare, passport, visa, local transportation

Budgeting



- ❧ *Communication expenses:* internet access, cell phone
- ❧ *Program expenses:* group excursions
- ❧ *Health and safety expenses:* insurance, immunizations
- ❧ *Personal expenses:* toiletries, souvenirs, entertainment

Budgeting



Or... just use the Budget Worksheet found on our website at:

<http://www.snc.edu/studyabroad/finance/costs.html>

Or the individual budget sheets for your program:

[http://snc.studioabroad.com/index.cfm?
FuseAction=Programs.MapSearch](http://snc.studioabroad.com/index.cfm?FuseAction=Programs.MapSearch)

Banking



- ☞ Notify your bank that you will be studying abroad (applies to debit and credit cards as well)
- ☞ Arrange for online banking
- ☞ Determine if bank has partner banks in your country, to avoid paying foreign ATM fees (for example, Bank of America and Barclays)

Banking



- ❧ Consider opening a local bank account – talk to students who have returned from your program to determine feasibility. (Or read program evaluations on Bemis 3rd floor)

Debit Cards & ATM



☞ There are **three** fees to consider when using an ATM in a foreign country:

☞ **Your bank's foreign ATM fee:** If your financial institution doesn't have a branch where you are traveling, you'll be at the mercy of an ATM belonging to a private company or other financial institution. In this case, your bank will probably charge a per-transaction fee to access your funds (as much as \$5).

Debit Cards & ATM



⌘ **The foreign ATM's fee:** Many foreign banks and almost all private ATMs will also charge a fee of their own for your use of their ATM machines.

⌘ **Currency Conversion fees:** To add insult to injury, you can additionally be hit with a currency conversion fee; this can be as much as 3%.

Debit Cards & ATM



☞ Debit cards with no fees:

☞ [Charles Schwab Bank](#) – unlimited reimbursement of ATM fees

☞ Some Credit Unions (try Pioneer, UW credit unions)

Debit Cards & ATM



Take a second card, in case your card is eaten by a machine.

Make copy of front and back of card, in case of theft or loss, so that you can notify your bank. (Leave extra copy with your parents)

Credit Cards



- ☞ Most common are **Visa** and **MasterCard**
- ☞ **American Express** is less widely accepted.
- ☞ **Discover Card** is rarely accepted overseas.

Credit Cards



- There are two fees commonly associated with credit card purchases:
 - 1-3% conversion fee (charged by credit card company)
 - 1-2% fee charged by bank

Call your bank to determine the fees that will be charged for your credit card purchases overseas.

Credit Cards



❧ Avoid paying these fees by using a credit card with no foreign transaction fees:

❧ Capital One

❧ Some Credit Unions (Pentagon Federal Promise Card)

Travelers Checks



- ⌘ These can be hard to cash overseas, and you might pay a hefty premium to redeem them.
- ⌘ You could take \$100 in travelers checks, just as a safety backup.

Currency Exchange



- ❧ Purchasing currency before leaving the US will give you the worst exchange rates.
- ❧ Don't carry a large amount of US Dollars for conversion upon arrival in your destination
- ❧ Every airport and train station overseas should have an ATM, giving you a better exchange rate.

Currency Exchange



- ✧ If you do take a small amount of US \$, don't convert your cash at the airport exchange booths, as the booths there don't offer favorable currency conversion rates. Instead, find a local bank or currency conversion booth away from the airport (Or use ATM for best rate).

Currency Exchange



☞ Know what the current exchange rate is:

☞ <http://www.xe.com/ucc/>

☞ <http://www.oanda.com/currency/converter/>

Currency Exchange



⌘ Beware of locals who offer to change your money for you; they're getting something for playing the middle-man, and you're the one paying for it.

Currency Exchange



- ✧ When negotiating a purchase, be sure to ask if they offer a discount if you pay cash (even if you always planned on paying with cash). Often if the vendor knows they are getting cash, they will be more flexible with price.

Resources



More information found on SNC Resources and Links:

[Money Matters](#)

Other websites:

<http://www.nerdwallet.com/blog/banking/study-abroad-money-tips/>

Final Thoughts



☞ This presentation is available on the SNC Study Abroad website under Resources and Links at:

<http://www.snc.edu/studyabroad/resources.html>