

STUDENT BUDGET WORKSHEET

This worksheet is provided to help you estimate your monthly budget and manage your financial resources. Setting and following a monthly budget is one of the best financial habits you can develop. We encourage you to live as conservatively as possible while you are a student so you can graduate with the lowest possible debt. This worksheet will help you analyze your spending habits. Once aware of those habits, you can decide if you need to make changes in your spending and/or financial aid.

In order to complete this worksheet, you will either need to view your financial aid award in CAESAR (Financial Aid > View My Financial Aid) or estimate the amounts. You will first determine your total resources for the year, and then subtract any **fixed educational expenses** (see the box below) to determine the resources you have available for your **discretionary living expenses**. Finally, you will break down your discretionary resources into monthly amounts. It is usually easier to calculate an accurate monthly budget than an annual budget, since most living expenses (e.g., rent and transportation) are monthly expenditures.

Once you have determined the amount of money you have for discretionary expenses, you can look at how you are spending this money. At the end of the worksheet, you can compare your spending against your resources, and make any necessary changes. You will then have a flexible budget set up for yourself.

Note: “fixed expenses” are defined as expenses over which you have **no control**, which **must be paid** every quarter or every month. For example, tuition is a fixed expense, because the amount is set and must be paid if you wish to continue attending classes. However, food is not a fixed expense, because (although you have to eat) it’s up to you how much you pay for food each month. The amount you spend is *discretionary*. Rent is also a discretionary expense because you can choose where to live, and therefore how much to pay in rent, although once you’ve made that choice, it becomes a fixed expense for the term of your lease.

ANNUAL RESOURCES

In Step (1) list all the resources you expect to receive from any source during the upcoming academic year. Your financial aid award in CAESAR lists all amounts per quarter and as total annual amounts.

STEP 1: CALCULATE YOUR ANNUAL RESOURCES

Grants/Scholarships	\$ _____
Federal Direct Stafford Loan (net)	\$ _____
Federal Direct GradPlus Loan (net)	\$ _____
Private loans	\$ _____
Parent/Family Contribution	\$ _____
Summer earnings (net)	\$ _____
Academic year income (net)	\$ _____
Investment income	\$ _____
Savings/other income	\$ _____
Spouse’s earnings (net)	\$ _____
_____	\$ _____
_____	+ \$ _____

TOTAL ANNUAL RESOURCES \$ _____ (A)

FIXED EDUCATIONAL EXPENSES

Fixed educational expenses are amounts over which you have no control once you've made your choice to attend a particular school. These expenses (e.g., tuition, books, and fees) are typically paid once per quarter. You can find your tuition, and estimated books/supplies budget amounts in CAESAR under Financial Aid > Accept/Decline Financial Aid by clicking on "Estimate of Costs." (If your award is not available, use the Cost of Attendance Worksheet available at: <http://www.northwestern.edu/sfs/graduate-financial-aid/forms-and-resources.html>)

STEP 2: CALCULATE FIXED EDUCATIONAL EXPENSES

Tuition:	\$ _____
Books and Supplies:	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL FIXED EXPENSES:	\$ _____ (B)

Now subtract your total fixed educational expenses from your total annual resources to determine the amount of your net annual resources. This amount is how much you have to spend this year on your living expenses.

STEP 3: CALCULATE NET ANNUAL RESOURCES

Annual Resources: \$ _____ (A)

Minus

Fixed Educational Expenses:	-\$ _____ (B)
NET ANNUAL RESOURCES	\$ _____ (C)

MONTHLY RESOURCES

You now have determined the net amount you have to spend each year on discretionary living expenses. Since most regular living expenses must be paid at least once per month (e.g., rent), setting a budget is easier if you determine your monthly available net resources. So, in Step (4), divide your net annual resources by the number of months in your academic year.

STEP 4: CALCULATE NET RESOURCES PER MONTH

Net annual resources: \$ _____ (C)

Divided by

Months/Academic Year	_____ (D)
NET RESOURCES/MONTH:	\$ _____ (E)

DISCRETIONARY MONTHLY EXPENSES

Your "Net Resources/Month" determined in Step (4) shows the amount of discretionary funds that are available to you. Now it's time to list your monthly expenses. Use the "Current Spending" column to list what you are spending now **each month** in each of the categories below. Later, if you think you need to alter your spending, you can use the "Budget Goal" column as a work space to list the target spending amounts that will result in a balanced budget. Before you start, however, please read the following note regarding how to deal with credit card payments.

CREDIT CARD PAYMENTS

- Credit card payments are discretionary, because the amount you charge is under your control. When you use a credit card, you *choose* not to pay with cash and therefore to pay the credit card company. If you let the balance carry over from month to month, you *choose* to pay the interest that accrues as a result.
- **Be careful not to double-count items.** For example: your "Eating Out" budget is \$50/month. When you pay for meals with your credit card, make sure you include the \$50 in your "Eating Out" expense, not as a credit card payment.
- We recommend that you list credit card payments in the following manner:
 - 1) When you use your credit card, count the amount of the charge in the category of whatever you bought; for example, if you buy clothing with your credit card, count that expense in the "Clothes/Shoes" category.
 - 2) If you do not pay off your card every month, count the interest that accrues in the "Credit Card Interest/Fees" category, since the interest is an additional expense.

STEP 5: LIST YOUR DISCRETIONARY EXPENSES PER MONTH

<u>EXPENSE</u>	<u>CURRENT SPENDING</u>	<u>BUDGET GOAL</u>
Rent/mortgage	\$ _____	\$ _____
Utilities (electric, gas, cable TV, etc.)	_____	_____
Telephone (local/long distance)	_____	_____
Credit card interest/fees	_____	_____
Insurance (health, renter's, car, etc.)	_____	_____
Groceries:		
Food	_____	_____
Personal supplies (aspirin, hairspray, etc)	_____	_____
Household supplies (laundry, dish soap, etc.)	_____	_____
Laundry/dry cleaning	_____	_____
Local/public transportation (cab, bus, el, etc.)	_____	_____
Car/motorcycle payment	_____	_____
Car/motorcycle maintenance (gas, oil, etc.)	_____	_____
Parking	_____	_____
Medical/dental/medication	_____	_____
Childcare/babysitting	_____	_____
Pet care	_____	_____
Health club memberships	_____	_____
Haircuts/hair care	_____	_____
Clothes/shoes	_____	_____
Eating out	_____	_____
Music	_____	_____
Magazine/newspaper subscriptions	_____	_____
Cigarettes/beer/wine/etc.	_____	_____
Entertainment (movies, concerts, bar-hopping, etc.)	_____	_____
Travel/vacation expenses	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL DISCRETIONARY EXPENSES/MO.:	\$ _____ (F)	\$ _____ (F)

BUDGET SURPLUS/SHORTFALL

STEP 6: CALCULATE YOUR SURPLUS/SHORTFALL

NET RESOURCES/MONTH:	\$ _____ (E)	\$ _____ (E)
<i>minus</i>		
DISCRETIONARY EXPENSES/MONTH:	-\$ _____ (F)	-\$ _____ (F)
MONTHLY SURPLUS/SHORTFALL:	\$ _____ (G)	\$ _____ (G)
<i>times</i> Months/Academic Year (from Step 4):	X _____ (D)	X _____ (D)
ANNUAL SURPLUS/SHORTFALL:	\$ _____ (H)	\$ _____ (H)

If your budget is balanced, your annual surplus/shortfall is zero, and you can go to Step (7). If it's not zero, you're not done.

If you have an ANNUAL SURPLUS (amount in line H is GREATER THAN zero):

Based on your current spending figures, you have more resources than you need. If you are borrowing loans, this means that you should be able to decrease the amount of your educational borrowing for this year. This will decrease your educational debt, and put you in a stronger financial position after you graduate. To decrease your educational debt for this year, make your request in writing to gradfinaid@northwestern.edu.

If you have an ANNUAL SHORTFALL (amount in line H is LESS THAN zero):

One or both of the following statements apply to you: 1) Your spending is too high. 2) You need additional resources. In order to balance your budget, you must cut spending and/or find additional financial resources. It is to your advantage to cut spending or to obtain funds from your family or another source (if possible) before borrowing additional educational loans. You should only increase your educational debt as a last resort. The less you borrow while in school, the stronger your financial position after you graduate. Here's what you can do.

- First, go back through Step (5) to see if there are areas in which you could reduce your spending and so balance your budget. If so, you are done! Go on to Step (7).
- If you still have a budget shortfall once you have cut back spending wherever possible, you need to research ways to increase your resources. We will assume at this point that you will maximize your funds from sources that you don't have to pay back (or that you have to pay back at a very low interest rate).
- If you have rejected financial aid that you were previously offered, you can accept it now by making your request in writing to gradfinaid@northwestern.edu.

STEP 7: STICK TO YOUR BUDGET

This may be the toughest part. Keep a copy of your *Budget Worksheet* with your financial aid records, and keep track of your actual spending in each category. You may need to modify your budget later in the year. Please do not hesitate to contact the Evanston Office of Graduate Financial Aid if you have any questions regarding this worksheet or your budget. Our contact information is at the top of this worksheet.

NAME: _____ DEGREE/PROGRAM: _____

STUDENT ID: _____ DATE: _____