

PLANNING YOUR FINANCES

Learning to manage finances is a challenge for many students, especially during first year when they already have a number of new adjustments to make. However, with proper planning before you start university and with good communication with your family or others who are assisting you financially, managing your money will be easier. This worksheet will offer you information about financial planning, including a personal budget form, as well as some hints about communicating with your family about financial expectations.

Students who have survived the financial maneuvering during university agree that **communication and planning** are the keys to a stress-free and successful year.

Planning for university encompasses much more than just budgeting your money. Your decisions about where to go to university, whether or not you will live in residence, your academic program choice and your standard of living are all part of the planning process. Without making some of those decisions first, financial planning will be more difficult.

Answer these questions to establish a starting point.

A. List the universities you have applied to, or are applying to, in order of preference.

- 1. _____
- 2. _____
- 3. _____

B. Is the cost of living in these cities significantly different than the cost of living in your home town?

- a) Yes, significantly more expensive.
- b) Yes, moderately more expensive.
- c) It's about the same.

- d) It will be less expensive to live there.
- e) I have no idea, but I need to find out!

C. Do you plan on living:

- a) In an on-campus residence?
- b) With a friend or relative?
- c) At home?
- d) Off-campus by yourself?
- e) Off-campus in shared accommodation?

D. Does your academic program of choice cost more than a regular program?
(Check the university calendar for details.)

E. What are you prepared to give up? Few students can live exactly as they have with their families. Many students have to learn to live without the family car, DVD player, summer vacations, a lot of new clothes, etc. Take a minute to think about what you normally have that you may choose to do without during your university years.

COMMUNICATION ... THE FIRST STEP

Many people find talking about financial matters to be awkward and uncomfortable. How much money you have, how much you and your parents make and how you spend it is often considered to be very private information. But one of the most important steps in planning your finances is realizing that communication with your family (or other people who are going to be helping you financially) is essential.

Talking about money doesn't have to be uncomfortable. Straightforward communication, dealing with facts, can make the most awkward conversation manageable. In order to help you with your conversations and your planning, it's important to get as specific an idea as possible about exactly what things will cost **and** how much money you will have to spend.

Use the following budget form to get a sense of your expenses and resources for your years at university. Remember that we are talking about September to April, not a full calendar year.

Tuition

Tuition refers to the money you pay that is applied to your academic costs. Tuition will vary, depending on the university and the program you choose. Check your university calendar and add 7% to get an idea of what next year's tuition for your program will be. \$ _____

Fees

While tuition is applied to academic costs, fees typically refer to student activity costs. This includes student government, student organizations (newspaper, radio station, campus activities, etc.), basic prescription plans and athletic fees. Some programs also have additional fees associated with them. Check your calendar and add 7% to get an estimate of your student fees. \$ _____

Books

Costs may vary, depending on the program you choose. Book and supply lists are generally handed out during the first class meetings, but a call to your university bookstore, your program counselor or academic department may give you an idea of book costs. \$ _____

Be sure to check out used book sales organized by your campus book store or student government. Check bulletin boards in your department or residence as well. Most first year students spend between \$400 and \$700 for books and supplies.

Supplies and Special Equipment

If you will be in a program that requires special equipment like art supplies, a camera, special clothing or a computer, add in an appropriate amount here. Again, if you have no idea what to budget for this item, call the university or talk to a student you know who is enrolled in your program. \$ _____

Rent

Many students choose to live in on-campus residences during their first year at university. There are sometimes varying costs for residence rooms, based on the building and style of room. Since you won't know specific costs until later, estimate your residence costs based on an average of last year's residence fees plus 7%. Your university housing department will be happy to give you that information. If you choose to live off-campus in an apartment or a room and board situation, check with the off-campus housing office at the university you will be attending. You can easily obtain lists of available accommodation and rents charged. Keep in mind that some off-campus accommodations require a deposit of the first and last month's rent.
\$ _____

Living off-campus may also require you to pay for the basic start-up costs, such as having your electricity, heat and water turned on, and buying furniture and a refrigerator and stove. Even if you already have furniture, you may have to rent a truck to move.

If you plan to live with friends or relatives, make sure you discuss costs before you move in. Having clear expectations about shared rent, food and utilities costs will make it easier to be good roommates and friends.

Telephone, Internet, Cell Phone, etc.

Check with your housing office to see if basic telephone service is included in your residence fee. If it isn't, or if you live off-campus, costs can include installation charges, a deposit, plus your monthly rate for basic service. Of course, long distance costs are not included in that monthly rate. Some don't get a telephone hooked up but rather they use a cell phone. Make sure you check out what plans are offered as some can be quite expensive. \$ _____

If you live away from home or have close friends who live some distance from your campus, you might establish a monthly budget for long distance calls. Or arrange for your family and friends to call you at certain times during the week or month. Long distance calling cards are a great way to save on long distance calls and sometimes offer great rates. One example is VOX DIRECT. Check out www.voxdirect.com

Utilities

If you will be living off-campus, you may be responsible for the costs of heat, electricity and water. Although an apartment or room may seem inexpensive, make sure the utilities are included, or ask about the total bills for last year. This will give you an idea of what you might be paying this year. If you will be living in residence, all utilities are included in your residence fee. \$ _____

Food

Some residences require that you purchase a meal plan from the campus hospitality or food services department on campus. Check your university calendar for details of meal plan sizes and costs and again, add 7% to approximate next year's fee. Include some spending money to keep beverages and snacks in your room for studying!

If you won't be on a meal plan, start now to learn how to cook quick, inexpensive but nutritious food. Keep in mind that every kitchen needs some basic food supplies, utensils and cleaning supplies. \$ _____

Personal Items

These things add up. Think about the personal things you currently spend money on ... magazines, movie/game rentals, CDs, haircuts and hygiene items. If you'll be living away from home, add to that list the costs you will have for laundry and dry cleaning. \$ _____

Medical Expenses

Some universities have medical plans of their own that you must join. Check your calendar or ask at Health Services to find out. If there isn't a health insurance plan at your school, you may be covered under your parents' health insurance plan. It's important to know that you are covered, so ask questions now. Be sure to bring your health insurance numbers with you when you come to school. \$ _____

If you live in another jurisdiction, check with your local office to determine the coverage you will have while living away.

Dental Expenses

Many families have dental plans through parents' employers. Some universities have student dental insurance plans. Check to determine your coverage and if you don't have dental coverage, you may want to include an amount for basic dental care.

\$ _____

Clothing

It's possible that you will have to buy some new clothes throughout the year as well as replace some essential items. If you know you will need to make major clothing purchases ... a new coat or new boots ... include them in your budget. Some people spend more on clothes than others do, so be realistic about what you might spend and what you can afford to spend. \$ _____

Local Transportation

Students living in residence won't have daily transportation costs to get to classes, but you will have to have some money for taking the bus downtown or to get to the movies.

If you will be living off-campus, you may ride your bicycle or walk during the good weather and take a bus when it's cold and rainy.

Calculate your transportation costs based on four months of nasty weather and remember to include weekends, because you'll want to get to campus to study. Most cities charge between \$1 and \$1.50 per bus fare. Look into special student rates and monthly passes to save money.

If you will have a car during the school year, remember to estimate the costs for fuel, insurance, maintenance and parking on campus. \$ _____

Transportation Home

Everybody has different ideas about the number of times to go home. Some students leave campus every weekend and others don't go home until the December break. Estimate the frequency of your visits and figure out the best way to travel.

Most universities have car pool boards where you can find rides to share. Look into reduced fares for students on buses, trains and airlines. \$ _____

Entertainment

No, you won't be spending all the time in the library! Achieving a balance in your life is important to being a successful student, so it's essential that you include some budget for the social side of life. Remember that what you can afford to spend on entertainment may differ from what you'd like to spend. Consider costs of movies, restaurants, concerts and pubs. Watch your student newspaper/newsletter for free activities. \$ _____

Gifts, Hobbies and Other Things

Purchasing cards and gifts for families and friends can cost a lot of money. This might be the time to discuss expectations around family gift-giving so you have a clear idea of what you might spend during the year.

If you are involved in activities that cost money ... photography, playing sports, taking lessons, add in an amount that will help you to maintain your activity.

\$ _____

Before you add up all the figures you have estimated, go back over each category and ask yourself if the figures are realistic. Have you over-estimated your needs? Have you allotted enough?

TOTAL ESTIMATED COSTS PER YEAR \$ _____

After you have picked yourself up off the floor, remember that you haven't yet listed all the sources of income you have. As with costs, you will probably have to estimate some of the amounts in this section.

Summer Job Savings

You might not know what you will be doing this summer, but use what you made last summer as a guideline. It's important to estimate only what you save from your summer job, not what you actually earn. \$ _____

Other Savings

Some students still have money they earned on their first paper route. Others have saved gifts of money or a portion of earnings from past part-time jobs. It's likely wise not to use all of your savings at once, but spread it out over your three or four years at university. Use the amount of your savings that you plan to spend this year.

\$ _____

Parent(s) Contributions

Many students will be working through this worksheet with their parents. If you aren't, it might be a good time to start talking with them about how much money you will need to go to university and how much they might contribute. \$ _____

Awards

Universities use the term 'awards' to mean the scholarships and bursaries given to qualifying students by high schools, universities, employers and service clubs. Bursaries are normally based on your financial need and scholarships are based on your academic performance.

Some awards are given automatically and others require application. Check in your university calendar for a list of available awards at your school. Usually the list tells you if you have to make an application. If you have questions, contact the awards office at your university. (It might be called the Financial Aid Office or Student Awards.)

You might not know if you will be receiving an award until shortly before you start university. \$ _____

Part-Time Work While You Are at University

Most first year students choose not to work until they get adjusted to their new learning environment. However, if it's necessary for you to work, most universities have job boards in Career Services, where you can look for available part-time jobs. It is recommended that you try to find a job on campus first, and that you work no more than fifteen hours a week. For the purposes of this calculation, use student minimum wage x 12 hours per week. \$ _____

Government Income

You might receive some government income. Calculate the amount you will receive during the school year. \$ _____

Other Income

Do you have any other income? This could include support paid directly to you by a non-custodial parent or gifts of money from other relatives or friends. \$ _____

Out-of-State/Province Sources

Students from out-of-state/province should look into every avenue of support. Check your own state or province award plans for information about support while attending university in another jurisdiction.

TOTAL ESTIMATED SOURCES OF INCOME FOR YOUR FIRST YEAR \$ _____

Take a careful look at the figures you have estimated.

Enter your total costs here \$ _____

Enter your total resources here \$ _____

If your resources are equal to or greater than your costs, you are in a good financial position. If your costs are greater than your resources, don't panic! There are some things you can do.

Review your costs. Are you sure you have been realistic? Can you reduce any of the amounts given?

1. **Review your resources.** Have you included all of the sources of income you have? Have you talked with your parents or spouse? Are they aware of how much money you will need each year?
2. **Review your resources.** Have you included all of the sources of income you have? Have you talked with your parents or spouse? Are they aware of how much money you will need each year?
3. Look at **alternative ways** to generate additional funds.