

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. The Office of Financial Aid, Chicago encourages you to live as cheaply 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.

You will need a copy of your most recent *Financial Aid Award Notice* in order to complete this worksheet. If you no longer have a copy of your award notice, you may download, print, and complete your award notice at <http://www.northwestern.edu/caesar>. You will need your NU Netid and password to log into CAESAR. Once you are in CAESAR, click on "For Students, then click "Financial Services", then click "View My Financial Aid", then click aid year 2009 in the Select Aid Year to View page, and then click "Print Award Letter", and finally click "Generate Award Letter". This will allow you to print an exact copy of your most recent 2008-09 Award Notice.

In this worksheet, you will first determine your total resources for the year. You will then subtract any ***fixed educational expenses*** you have (see the box below) to determine the resources you have available for your ***discretionary living expenses***. You will break down this total annual amount of discretionary resources into monthly amounts. It should be easier to calculate an accurate monthly budget than an annual budget, because most regular living expenses (e.g., rent and food) are monthly charges.

Note: "*fixed expenses*" are defined as expenses that you **must pay** every term or every month where you have **no control** over the amount of the expense. For example, tuition is a fixed expense, because you must pay it and it is a set amount. However, food is not a fixed expense, because although you have to eat, it's up to you how much you pay 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.

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

ANNUAL RESOURCES

Your *Financial Aid Award Notice* lists all of your financial aid as amounts per term and as total annual amounts. In Step 1, list all the resources you will receive annually from any source during the upcoming award year

STEP 1:

CALCULATE YOUR ANNUAL RESOURCES

Grants/Scholarships	\$ _____
Federal Stafford Loan	\$ _____
Unsub. Federal Stafford Loan	\$ _____
Grad Plus Loan (net)	\$ _____
Other Loans (Perkins, NU Loan)	\$ _____
Parent/Family Contribution	\$ _____
Summer Earnings (net)	\$ _____
Academic Year Income (net)	\$ _____
Investment Income	\$ _____
Savings/Other Income	\$ _____
Spouse Earnings (net)	\$ _____
_____	\$ _____
_____	+ \$ _____

TOTAL ANNUAL RESOURCES \$ _____ (A)

FIXED EDUCATIONAL EXPENSES

Fixed educational expenses are expenses that you must pay where you have no control over the amount of the expense once you've chosen which school to attend. These expenses (e.g., tuition, books, fees) are typically paid once per term. You can find your tuition and books and supplies (including instrument fees where applicable) budget amounts in the lower left section of your *Financial Aid Award Notice* under the heading "Estimate of Costs."

STEP 2:

CALCULATE FIXED EDUCATIONAL EXPENSES

Tuition:	\$ _____
Books and Supplies:	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL FIXED EDUC. 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 all of your living expenses.

STEP 3:

CALCULATE NET ANNUAL RESOURCES

Annual Resources:	\$ _____ (A)
<i>minus</i>	
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), however, setting a budget is easier if you consider your available net resources per month. 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)
<i>divided by</i>	
Months/Academic Year (<i>see Table 1</i>):	÷ \$ _____ (D)
NET RESOURCES/MONTH:	\$ _____ (E)

Table 1: Number of months in the academic years of Chicago campus students

Program (Class):	MD (3,4); DPT (1,2)	Law (all); MD (1,2)	Prosthetics/ Orthotics (all)	DPT (3)
Months in Acad. Year:	12 (11 mo. for M4)	9	8	3

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 your target spending amounts that will leave you with 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), and 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, but when you pay for the meals with your credit card, include the \$50 in your “Eating Out” expense but 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 or 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	_____	_____
Child Care/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)
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MONTHLY SURPLUS/SHORTFALL:	\$ _____ (G)	\$ _____ (G)
<i>times</i> Months/Academic Year (<i>from Step 4</i>):	x _____ (D)	x _____ (D)
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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. Call our office at (312) 503-8722 to make an appointment with a financial aid advisor if you would like to decrease your educational debt for this year.

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 additional 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 financial position you will have 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 contacting a financial aid advisor. Call our office at (312) 503-8722 to make an appointment to meet with a financial aid advisor.

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 Office of Financial Aid, Chicago if you have any questions regarding this worksheet or your budget.

NAME: _____	DEGREE PROGRAM: _____
SSN: _____	DATE: _____