MONEY MATTERS PART 1 - BUDGETING

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Why is budgeting important?

- Majority of vet med students take out loans for their education
- Average indebtedness of Class of 2016 UFCVM grads- **$170,043**
  - *Nationwide, 1/5 of recent graduates had over $200,000 in debt!**
- Unsubsidized and Grad PLUS loans accrue interest while you're in school – so you will ultimately be responsible for repaying far more than you borrowed

But – A budget can help reduce your debt load!

- NEVER borrow more than you really need – Be honest with yourself about needs vs. wants and explore non-loan options
- Rule of thumb: Always Borrow Conservatively
- A budget will help you decide what expenses you need to cover - and therefore how much you need to borrow each academic year

*Reference: https://www.avma.org/about/savma/studentfinancialresources/pages/default.aspx

Why else is budgeting important, besides reduction of debt load?

- Avoid being broke – Aid is disbursed only once each semester
  - Remember – Some bills may be due before aid is disbursed
  - Your landlord, Cox, GRU, etc. likely won't care that you're a student!
- Know where your money is going
- Be prepared for the unexpected
- Relieve stress!

NOTE - Even if you're a senior, it's never too late to start budgeting!

Budgeting skills are important for life, not just school. (And are very helpful when your loans enter repayment!)

Still not convinced you need a budget? Ask yourself some questions…

- Can you make ends meet every month? Even at the beginning and end of the semester?
- Do you ever find yourself looking at your bank account and wondering how it got that low?
- Do you often make impulsive or spontaneous purchases? (Small purchases count!)
- Do you frequently have to forego buying things you want, or maybe even need, because you don't have enough money?
- Do you sometimes have to make late payments on bills?
- If you have a credit card, are you unable to make the minimum payment each month?
- Do you sometimes have to use credit cards to cover expenses?

If you answered "yes" to some or all – You need a budget!!

But…I don't have time to budget! I'm way too busy.

- Keep it simple! Complicated spreadsheets aren't necessary. Nor are expert math skills
- There's no one "right" way to budget - Find a method that's easily adaptable and works for you
- The hardest part is setting up your budget – and even that doesn't take too long
- After set-up, maintenance is generally quick and easy

Budgeting is very important (not just for school, for life) – so make it a priority and find the time!

Ok, you convinced me … I need a budget! How do I make one?

- Good news! There are tons of FREE resources to help you with creating a budget!

- Start with your bank or credit union
  - Many financial institutions offer free online banking accounts, budgeting software, and/or phone apps

- Figure out a way to track your spending on a consistent basis

- Track in whatever way works for you (an app, spreadsheet, on paper, etc.)

- No need to track down to the penny – but be realistic!
  - Round up instead of down

Financial Tools

http://www.sfa.ufl.edu/financial-tools/

Financial Calculators

- UF Net Price Calculator
- SFA Loan Repayment Calculator

Links

FAFSA's Financial Awareness Counseling Area is a great resource for students. It includes information on:

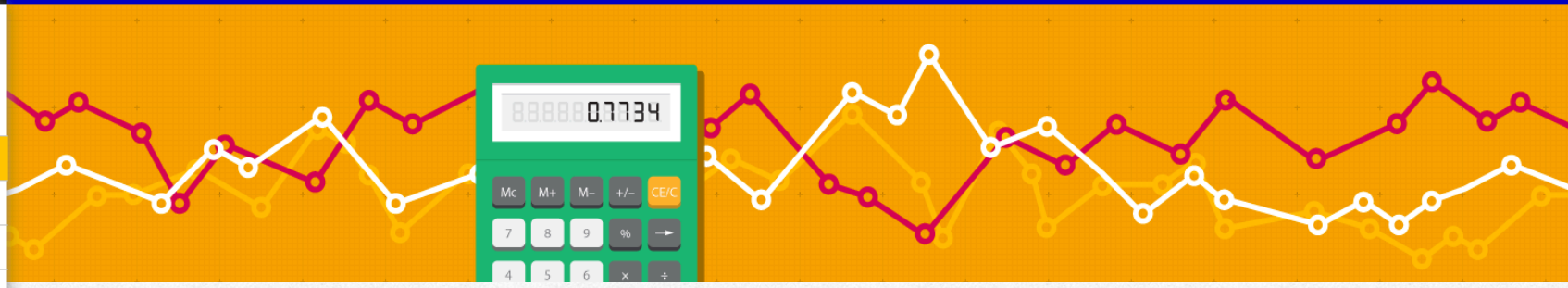
- Avoiding default on student loans
- Managing Your Spending & Budgeting
- Understanding Your Loans
- Repaying Your Loans

Cash Course is guide to taking charge of your money with online personal finance ou build financial skills.

Videos

SFA Youtube page

There is also a budget worksheet available on the SFA "Forms" page.



Financial Tools

Budget Wizard
Enter your income and expenses to set up your personal monthly budget. You can return to the Budget Wizard whenever you make a purchase to keep yourself on track.

Coursework
These lessons measure how much you already know about your finances, and give you a self-guided lesson to expand your knowledge. Test how much you've learned by following up with a post-test.

Featured Videos
Watch a short video and get introduced to key financial topics. If you only have a few minutes to spend on CashCourse today, these videos can help you learn some new information in a short amount of time.

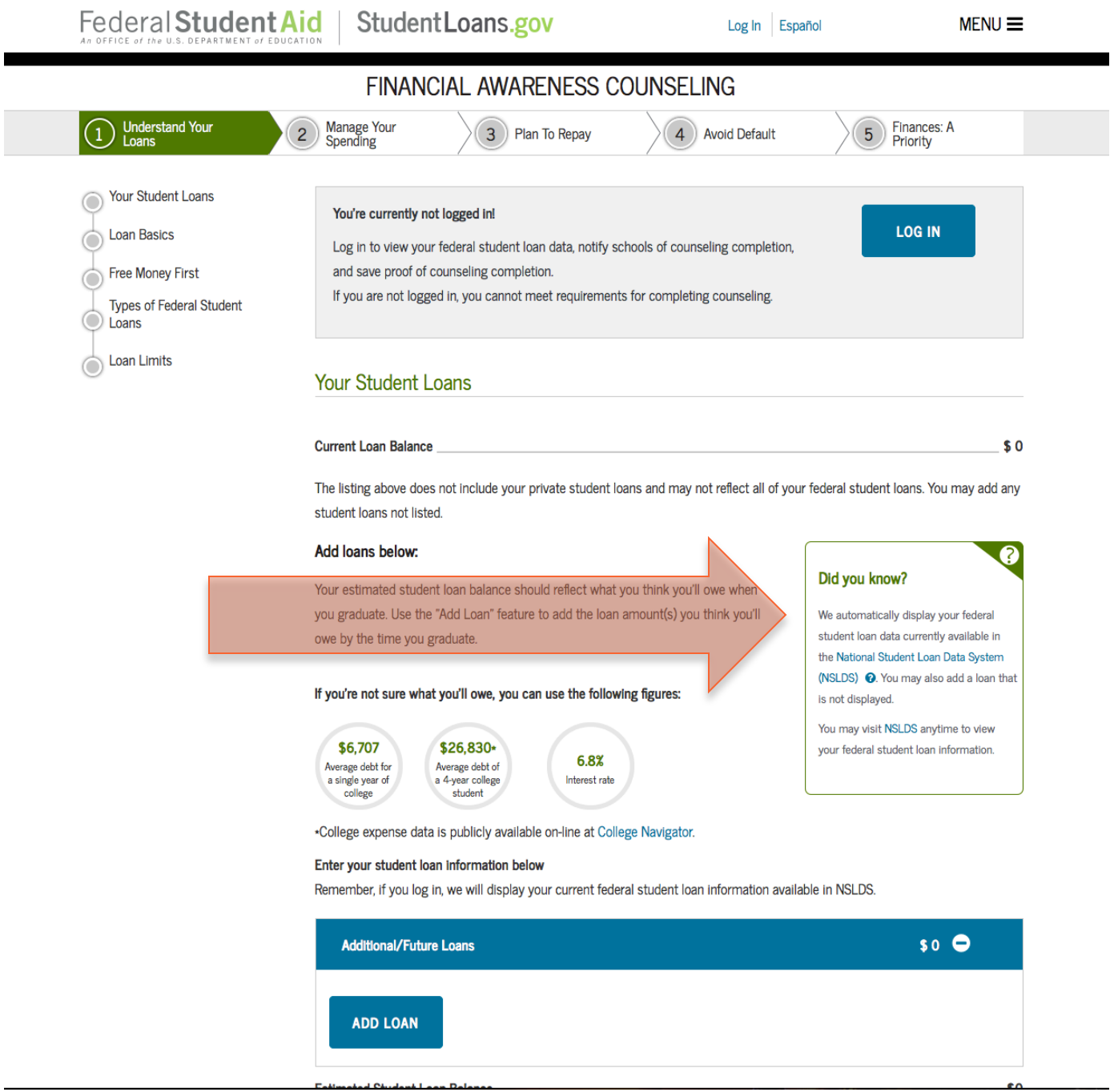
Financial Calculators
Enter real information about your finances, and figure out personal timelines for paying off debt, reaching your savings goals, estimating your loan payments and more.

Financial Experts
See what information real students on CashCourse are asking for, and get answers to your money questions. With a combined 43 years of experience in the financial industry, our two CashCourse experts offer their know-how to help you make sense of your money mysteries.

Financial Glossary
Unsure about a term you've seen on CashCourse? Look it up in the Financial Glossary! Browse our list of keywords to expand your financial vocabulary.

Quizzes
How much do you know about saving and spending? These five-question quizzes will test your knowledge and show you topics you can keep exploring on CashCourse.

Worksheets
Use these worksheets online, or download them to your computer. With just a few pages of information, you can start figuring out your priorities to help you make decisions about your finances.



https://studentloans.gov/myDirectLoan/counselingInstructions.action?counselingType=fa

AVMA
Our Passion. Our Profession.

AVMA.org/mybudget

Economics & Finance ▸
Practice Management
Client Materials
Insurance

Personal Financial Planning Tool

Track, plan, overcome, succeed!

Reach your financial goals with the easy-to-use AVMA Personal Financial Planning Tool - track your expenses, plan for your future, and succeed!

Get started!

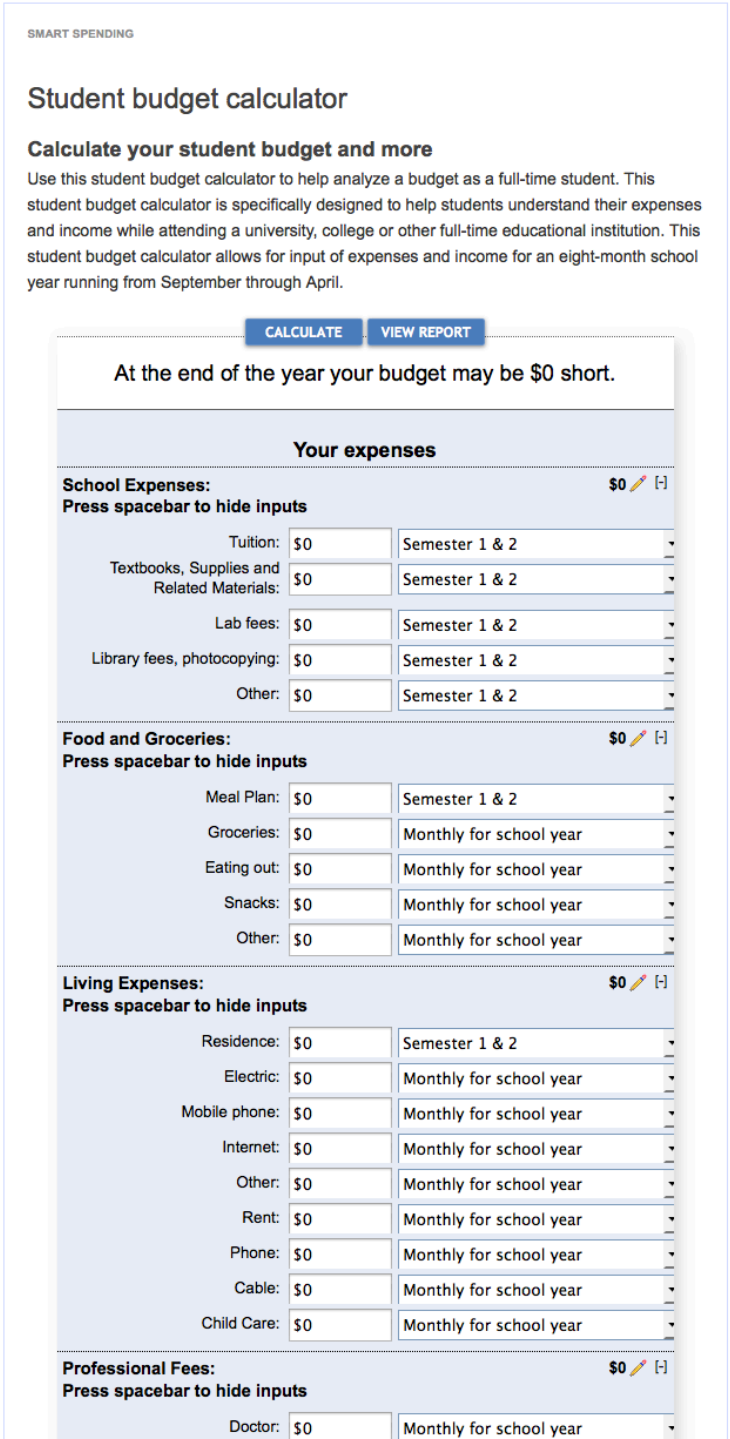
The AVMA's Personal Financial Planning Tool (PFP Tool) will help you build a personalized estimate of your budget needs so you can plan how to repay debt in an acceptable time frame while also saving for the future. Everyone talks about the importance of budgeting, but actually setting up a budget can be daunting. This tool helps make it easy by walking you through each of the essential steps.

Additional Personal Financial Planning Resources

The time to complete the tool varies among users, from 30 minutes to 3 hours. You can start using the tool at any time, then save your information and return later to continue working. It may be helpful to have certain financial documents or information available as you complete your budget. These documents would include:

- Pay stubs
- Bills for utilities, cell phone, internet, cable/satellite television, etc.
- Rent/mortgage payment information
- Vehicle lease or loan information
- Information on student loans and other loans/debt (you may want to visit NSLDS to retrieve your federal student loan balances)
- Credit card statements for up to a year
- Statements indicating your savings and retirement contributions
- Dues invoices for associations, clubs, or other organizations
- Charitable donation documentation
- Receipts for groceries, restaurants, entertainment, personal hygiene products, etc.

Once you have completed your budget, submit the data anonymously so that you may compare yourself to your peers and access benchmark information in the coming year. As we build our database, you will be able to search income and expenses by certain categories, such as graduation year, occupation type, and ZIP/postal code.



SMART SPENDING

Student budget calculator

Calculate your student budget and more

Use this student budget calculator to help analyze a budget as a full-time student. This student budget calculator is specifically designed to help students understand their expenses and income while attending a university, college or other full-time educational institution. This student budget calculator allows for input of expenses and income for an eight-month school year running from September through April.

CALCULATE | VIEW REPORT

At the end of the year your budget may be $0 short.

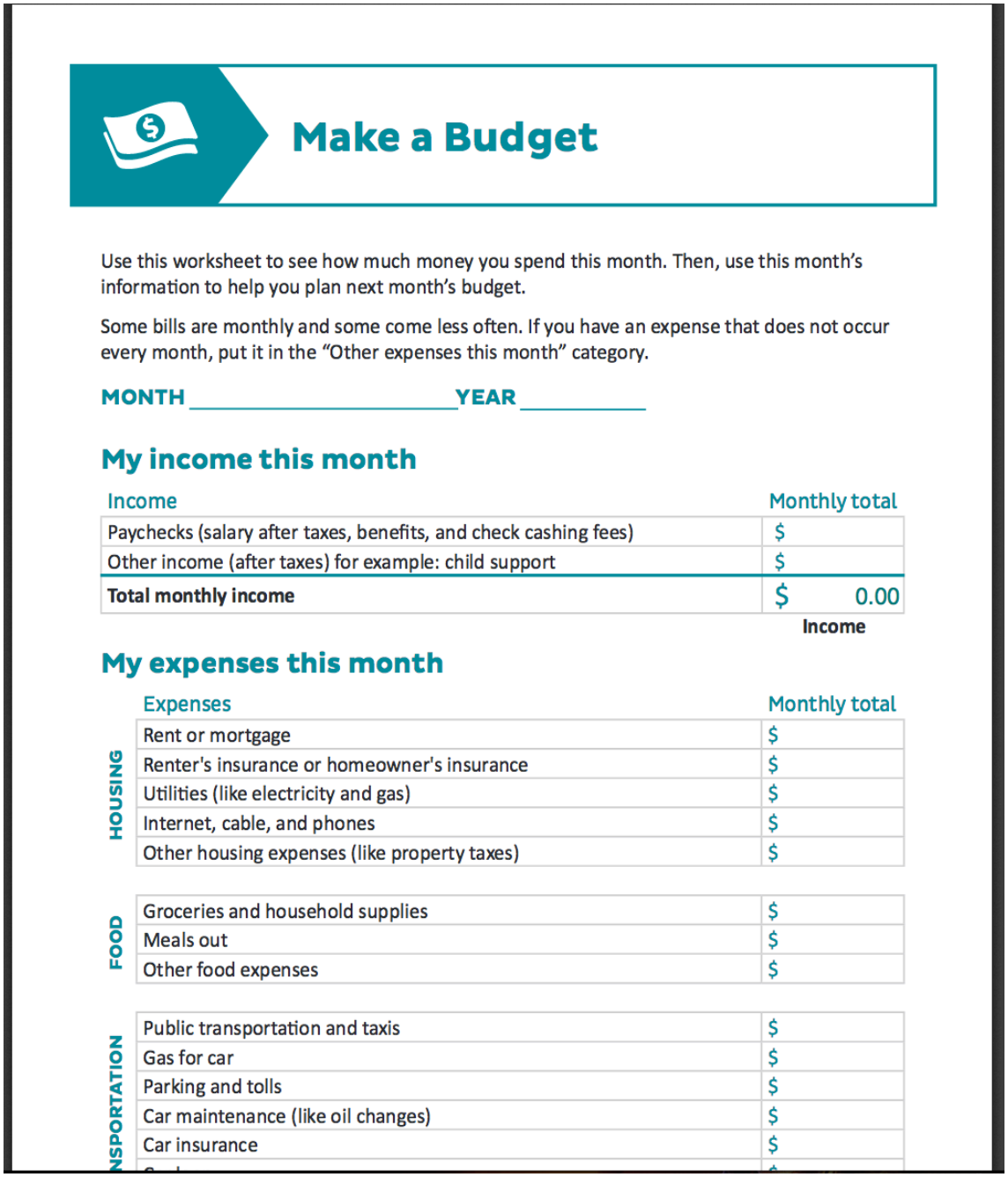
Your expenses

School Expenses: Press spacebar to hide inputs		$0 [-]
Tuition:	$0	Semester 1 & 2
Textbooks, Supplies and Related Materials:	$0	Semester 1 & 2
Lab fees:	$0	Semester 1 & 2
Library fees, photocopying:	$0	Semester 1 & 2
Other:	$0	Semester 1 & 2
Food and Groceries: Press spacebar to hide inputs		$0 [-]
Meal Plan:	$0	Semester 1 & 2
Groceries:	$0	Monthly for school year
Eating out:	$0	Monthly for school year
Snacks:	$0	Monthly for school year
Other:	$0	Monthly for school year
Living Expenses: Press spacebar to hide inputs		$0 [-]
Residence:	$0	Semester 1 & 2
Electric:	$0	Monthly for school year
Mobile phone:	$0	Monthly for school year
Internet:	$0	Monthly for school year
Other:	$0	Monthly for school year
Rent:	$0	Monthly for school year
Phone:	$0	Monthly for school year
Cable:	$0	Monthly for school year
Child Care:	$0	Monthly for school year
Professional Fees: Press spacebar to hide inputs		$0 [-]
Doctor:	$0	Monthly for school year

Bankrate.com Student Budget Calculator

*Relevant categories for students
*Can change time periods to monthly, start of school year, etc.

http://www.bankrate.com/calculators/smart-spending/college-student-budget-calculator.aspx



Make a Budget

Use this worksheet to see how much money you spend this month. Then, use this month's information to help you plan next month's budget.

Some bills are monthly and some come less often. If you have an expense that does not occur every month, put it in the "Other expenses this month" category.

MONTH _____ **YEAR** _____

My income this month

Income	Monthly total
Paychecks (salary after taxes, benefits, and check cashing fees)	$
Other income (after taxes) for example: child support	$
Total monthly income	$ 0.00

Income

My expenses this month

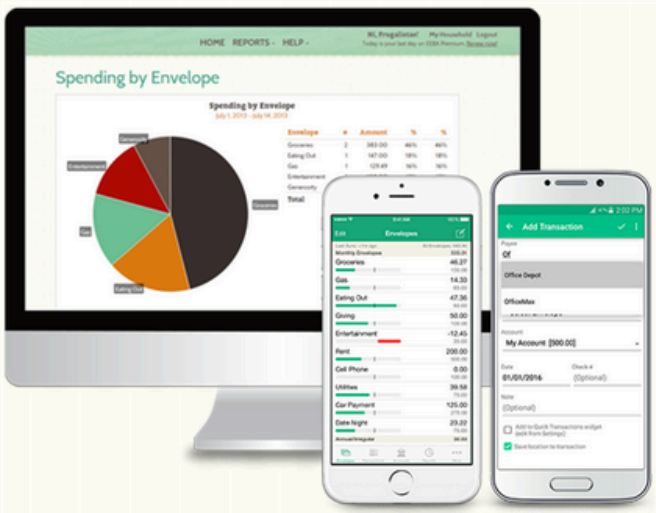
	Expenses	Monthly total
HOUSING	Rent or mortgage	$
	Renter's insurance or homeowner's insurance	$
	Utilities (like electricity and gas)	$
	Internet, cable, and phones	$
	Other housing expenses (like property taxes)	$
FOOD	Groceries and household supplies	$
	Meals out	$
	Other food expenses	$
NSPORTATION	Public transportation and taxis	$
	Gas for car	$
	Parking and tolls	$
	Car maintenance (like oil changes)	$
	Car insurance	$

MyMoney.gov

*More traditional budget model – based on monthly income/expenses

http://www.mymoney.gov/spend/Pages/spend.aspx

Smartphone Apps – Track your money wherever you are!



BUDGET SOFTWARE BUILT FOR DAILY LIFE

Over the years, we've seen Goodbudget and EEBA, the Easy Envelope Budget Aid, help thousands of people stick to a budget.

You'll save for big expenses, share budgets with the people who matter most—with cloud sync-enabled apps—and create a budget that actually works.

With the foundation of the time-tested envelope budgeting system, the Goodbudget app for Android and iPhone is chock full of powerful features without compromising simplicity.

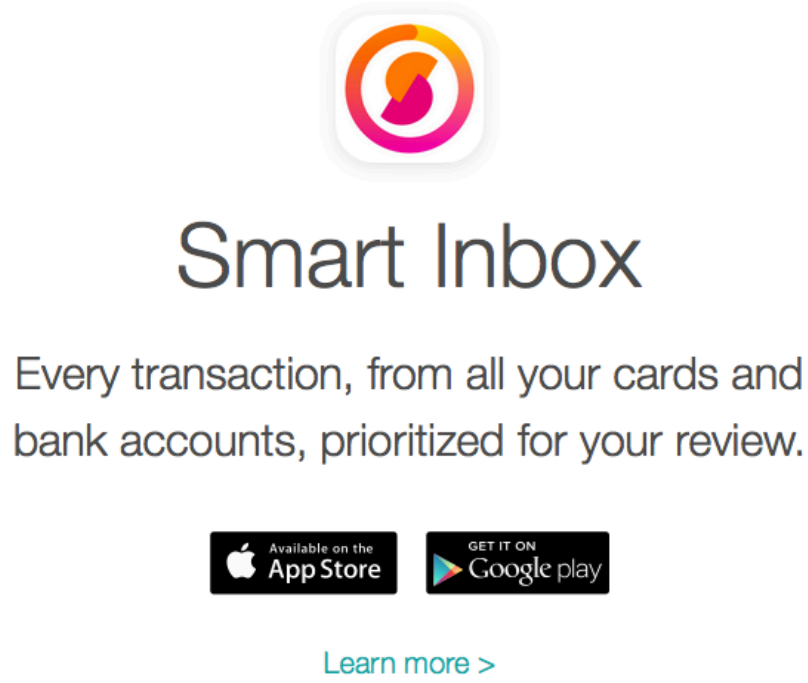
ON THE GO. ALWAYS UP-TO-DATE.

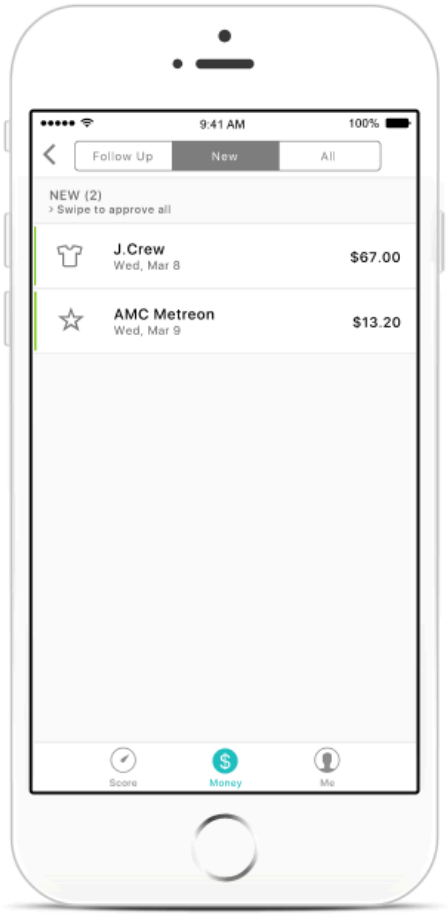
ANDROID APP ON Google play Download on the App Store

Goodbudget – Based on the "envelope" budgeting system

https://goodbudget.com/

Smartphone Apps – Track your money wherever you are!

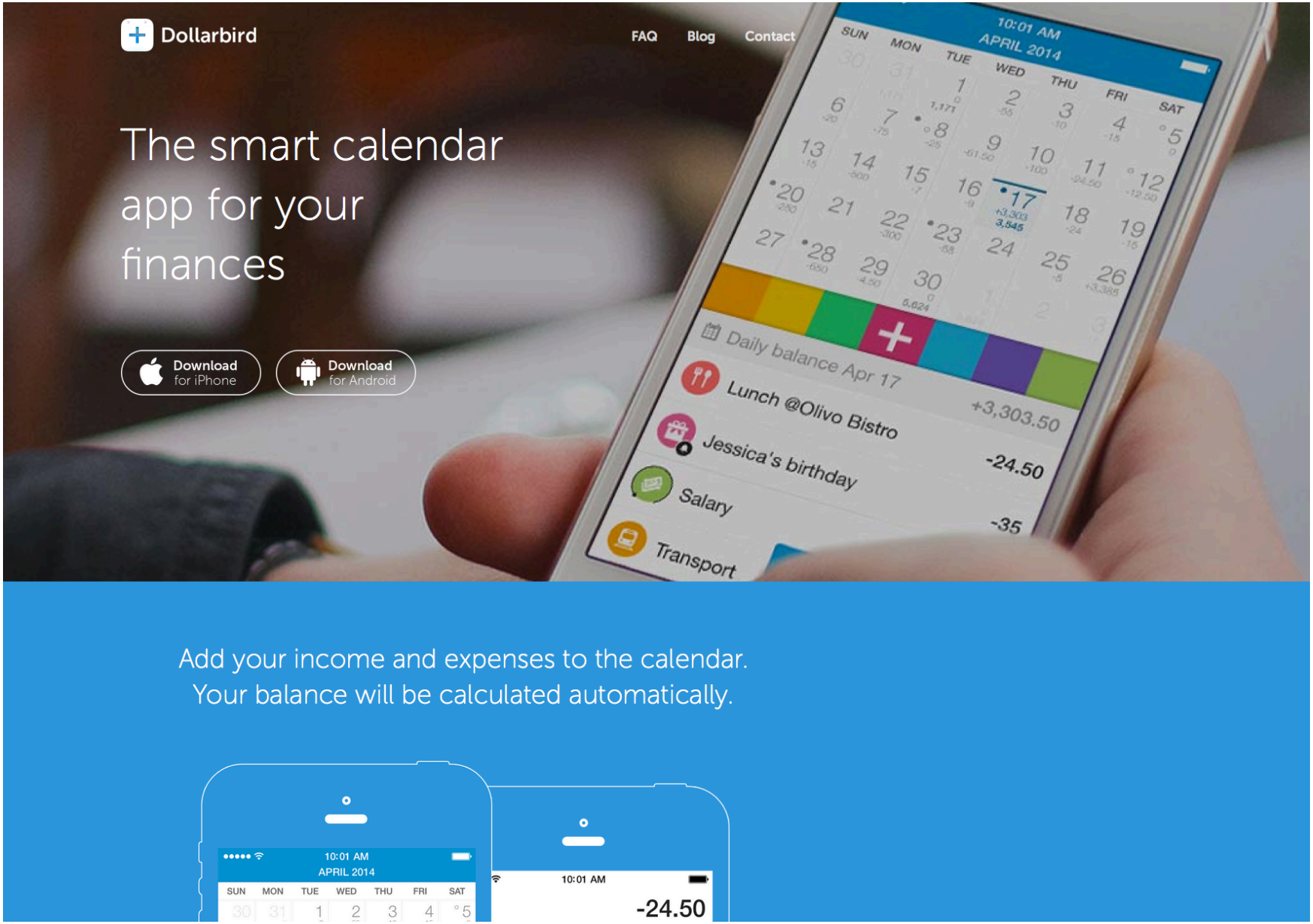




Prosper Daily – Syncs up to your bank accounts and credit cards

https://www.billguard.com/

Smartphone Apps – Track your money wherever you are!



http://www.dollarbird.co/

I've got a tracking system – Now how do I actually CREATE my budget?

Timeframe: Can be monthly, semester, academic year, etc. – Whatever works for you!

1. Identify Income
   - Remember to include ALL sources of income
     - Financial aid, family contributions, employment, etc.
   - Underestimate income! Better to end up with a surplus than a shortfall

2. Identify Expenses
   - Types of expenses
     - Fixed – Same amount each month
     - Variable – Change from month to month
     - Periodic – Occur irregularly
   - May be helpful to categorize (your budget tracking system can help with this!)
     - Examples: Utilities, Housing, Food, Entertainment
   - Create an expense category to prepare for the unexpected
     - Essentially – pay yourself each month so you're ready in the event you have an unanticipated expense arise
     - If it doesn't – great, you have some savings! Don't spend that, keep it in case you need it later
   - Overestimate expenses! Same as with income – better to end up with a surplus than a shortfall

3. Evaluate & Adjust

   The million dollar equation!

INCOME – EXPENSES = ???

0 = Balanced Budget

On point. But no "wiggle room" – are you ready for the unexpected?

Positive number = Great! You've got extra money**!**

Hint, hint: Save it and/or use it to pay the interest on your student loans

Negative number = Uh-oh. Time to cut back!

I need to reduce my expenses! What can I do?

Needs vs Wants – What can you live without?

The answer to this is very individualized. You don't have to get rid of entire categories of expenses (e.g., Entertainment) – Be realistic!

Decide what is important to YOU and what takes priority in your life.

- Categorize by "Must have", "Really want", "Would be nice"

Areas to Reduce Costs –

- Do you have cable or satellite TV? Consider downgrading your package or eliminating altogether
  - Get an antenna for over-the-air channels
  - Netflix, Hulu, Amazon Prime, etc.
  - UF library – Has lots of shows and movies on DVD available
- Cell phone! Evaluate your plan and inquire about cheaper options
- Transportation
  - RTS - Free to all UF students!
  - Carpool (split the cost of a parking decal)
  - Shop around for your car insurance – make sure you're getting the best deal

I need to reduce my expenses! What can I do? cont.

More Ideas-

- Entertainment – Lots of free or cheap things to do in Gainesville
  - Take advantage of being a UF student!
- UF Dept. of Recreational Sports - 2 fitness centers, classes, equipment rental
- Eating out is VERY expensive – pack a lunch, bring your own coffee, etc.
  - Stay away from vending machines!
- Going out with friends – Drinks, movies, etc. add up fast!
  - Again, take advantage of those free/cheap opportunities
  - Hang out at someone's house instead of going out
- Utilities
  - Turn up your A/C thermostat a couple of degrees
  - Be mindful of how much water you're using
- Groceries
  - Buy generic instead of name brand
  - Be savvy about sales and coupons! Just because it's on sale or has a coupon doesn't mean it's the best deal
  - Know yourself – If you end up throwing out fresh food because it goes bad before you eat it, buy frozen or canned
  - Lots of websites to help you budget and meal plan

Ok, my budget is ready! What do I do going forward?

- Your budget is a living document – It shouldn't be rigid and unchanging

- Regularly review and update your budget

- If you make a mistake and overspend, don't waste time fretting about it! Forgive yourself and get back on track.

- If you're about to impulsively buy something, stop and ask yourself:
  - Do I really need this? (not want!)
  - Can I afford this?
  - If I buy this now, will I be happy I bought it a month from now?
  - Do I need to save this money to meet a goal?
  - Should I wait to buy this item when it goes on sale?
  - Can I buy this in generic instead of name-brand?

- AnnualCreditReport.com – Official site to obtain your yearly credit report from all 3 credit agencies (FREE! Do not pay for your report)

- MyMoney.gov – Sponsored by the federal government's Financial Literacy and Education Commission
  - Covers 5 areas of money management – Earn, Borrow, Save & Invest, Spend, Protect
  - Easy to understand

- Mint.com – Very thorough money management tool (including budgeting)
  - Sponsored by Intuit
  - You may receive solicitations/ads, but the tool itself is free

- Your personal bank or credit union

- Your loan servicer (Go to NSLDS.gov to look up)

- YouCanDealWithIt.com – Sponsored by FedLoanServicing
  - Simple, practical information on budgeting, saving, credit cards, student loans, and more

- StudentAid.gov and StudentLoans.gov

References

American Veterinary Medical Association - https://www.avma.org/about/savma/studentfinancialresources/pages/default.aspx

Federal Student Aid – https://studentaid.ed.gov/sa/prepare-for-college/budgeting/creating-your-budget
https://studentaid.ed.gov/sa/prepare-for-college/budgeting/budgeting-tips

Great Lakes SmartSessions webinar: "Checks and Balances: Help Students Budget More and Borrow Less" (originally presented 12/15/2016)

Great Lakes SmartSessions webinar: "What If I Can't Pay: Options for Financially Challenged Borrowers" (originally presented 1/17/2017)

UF Office for Student Financial Affairs - http://www.sfa.ufl.edu/resources/financial-literacy/

QUESTIONS?

Questions?

Please feel free to contact me any time! I'm here for you!

Office Hours: 8:00-4:30 Monday-Friday

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