

SCHOLARSHIPS AND STUDENT AID OFFICE

Budgeting 101



Part of the [Frugal Scholar Money Management Program](#)

Content in whole or in part courtesy of [Financial Consumer Agency of Canada](#)



McGill University is on land which has long served as a site of meeting and exchange amongst Indigenous peoples, including the Haudenosaunee and Anishinabeg nations. We acknowledge and thank the diverse Indigenous peoples whose presence marks this territory on which peoples of the world now gather.



About this webinar:

- What is a budget? A financial plan?
- Why budget?
- How do I make a budget?
 - Frugal Scholar Toolkit & Guide
- Ways to save
- How do I track my expenses?
- Resources
 - How to apply for McGill Financial Aid
- Wrap up





What is a **budget**?

- A **budget** is a plan that helps you **manage** your money. It helps you figure out how much money you receive, spend and save. Making a budget can help you **balance** your income with your regular expenses and guide your spending to help you reach your financial goals.

What is a **financial plan**?

- A **financial plan** goes beyond a budget; it is a **road map** to help you manage your finances over the longer term to reach your financial goal(s).





What does a budget look like?

Expenses	Monthly	Overall
Tuition		6,000.00
Books & Equipment		1,200.00
Rent	850	10,200.00
Heating / Electricity	55	660.00
Food	410	4920.00
Clothing	120	1,440.00
Toiletries / Laundry	80	960.00
Telephone / Cell	90	1,080.00
Internet / Cable	86	1,032.00
Transportation	76	912.00
Amusements	130	1,560.00
Insurance(s)	30	360.00
Other expense(s)	50	600.00
Total:	1,527.00	30,924.00
Resources	Monthly	Overall
Parent(s)		5000.00
Non-Custodial Parent(s)		0
Relative(s)		0
Trust funds, Bonds, RESP		0
Federal / Provincial loan		4,932.00
Provincial bursary / Grant		12,830.00
Government income		0
Income tax rebate expected		0
Work study / Part-time job	0	0
Teaching / Research Assist.	0	0
Awards		0
Previous savings		2,000.00
Summer savings		0
Student line of credit		TBT -
Other resource(s)	0	0
Total:	900	19,762.00
Deficit/<Surplus>		6162.00

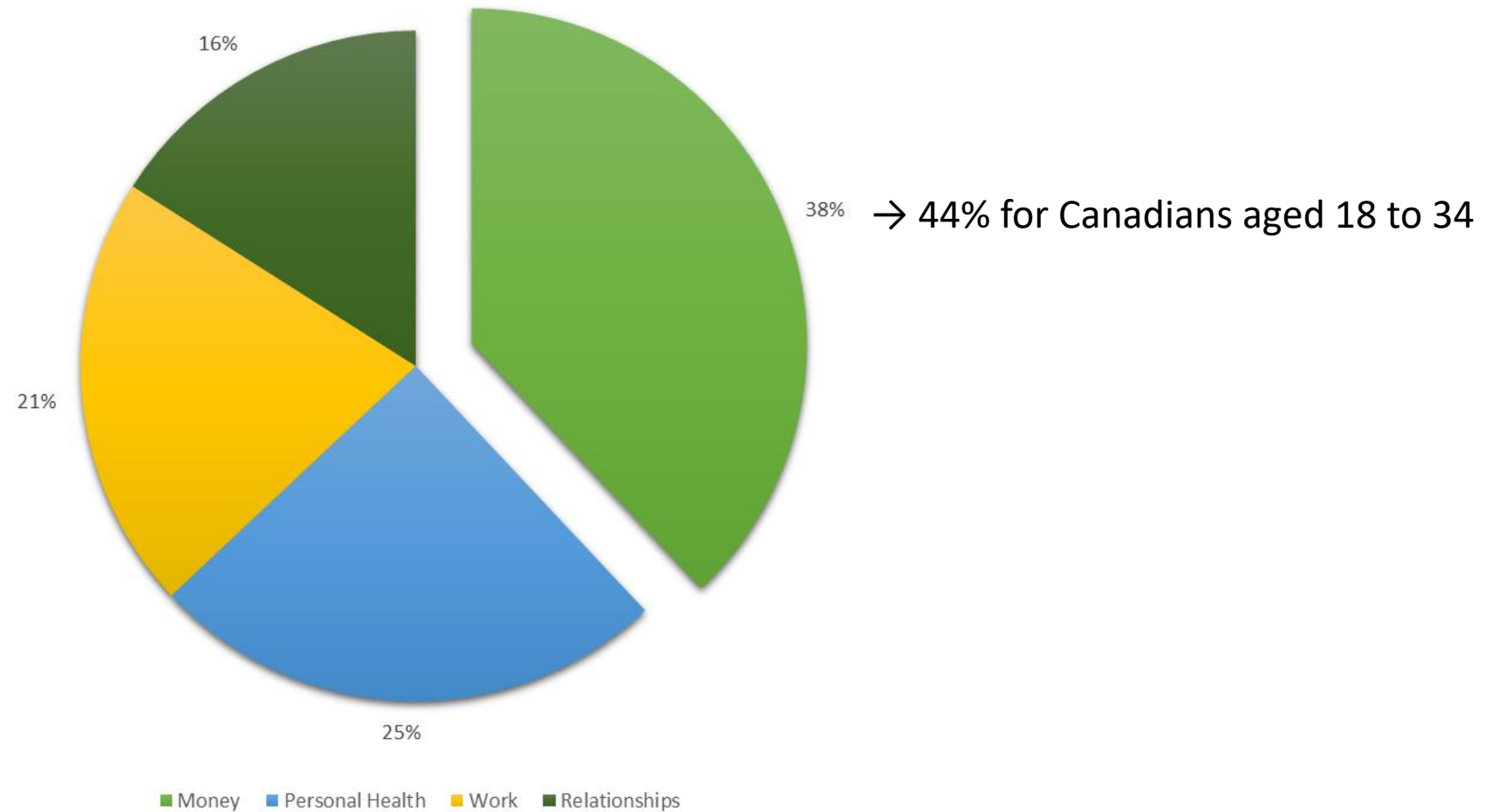
Why should I make a budget?

- Personal wellness: reduce stress and sleep better
- Feel in control of your finances
- Focus on, and achieve, goals
- Live within your means
- Become a smarter consumer
- Understand your values, needs and wants
- Build good habits for the future





What's stressing Canadians?



Source: [Canadian Foundation for Economic Education](#)

Common Student Regrets

- **77%** regret how they spent their money while in school
- 30% of graduates regret not having lived more frugally during their studies
- 25% regret not working more while studying
- 25% regret not avoiding more debts in form of car loans and credit cards

Source: ["Three in Four \(77%\) Canadian Graduates Under 40 Regret Taking on Student Debt" by Sean Simpson](#)



How to make a budget

- **Step 1:** Identify your financial goal(s)
- **Step 2:** Identify your resources
- **Step 3:** Identify your monthly expenses
- **Step 4:** Make a budget to help you achieve your financial plan
- **Step 5:** Track your expenses and review them regularly. Adjust as needed



Step 1: Identify your goals

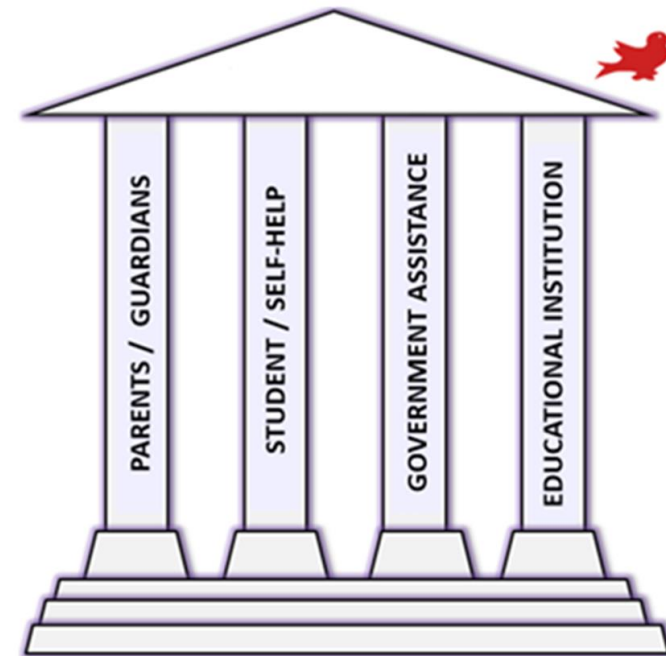
- Where are you going? How will you get there?
- Personal values
- Short and long-term goals
 - i.e. paying for your education, saving enough money to travel home for the holidays, keeping your monthly living expenses under \$1,300
- Reflect: needs vs. wants





Step 2: Identify your resources

- 4 primary sources of funding:
 - **Family contribution**
 - **Government financial aid**
 - **Self-help: work, work, work!**
 - **Institution: scholarships, bursaries and loans**



Step 3: Identify your monthly expenses

Monthly fixed expenses

- Housing
- Phone (plan)
- Transportation
- Internet/cable
- Electricity
- Emergency fund/savings
- Other (i.e. interest charges)

Monthly variable expenses

- Food
- Clothing
- Computer
- Pharmacy
- Amusements
- Other

Know Your Overall Costs: [Learn to do your budget – Frugal Scholar Tool Kit](#)



Monthly expenses: how to set spending priorities

- **Need:** necessity, required, essential for life
- **Want:** desire, wished for, non-essential
 - **Prioritize:**
 1. essential for healthy living
 2. non-essential, but important
 3. non-essential and not important
- **Tip:** Awareness of personal factors including your values, emotions, habits, and behaviors can help you make informed spending decisions





Step 4: Make a budget and do the math...

- Total resources – Tuition and fees = Resources for living expenses
- Resources for living expenses ÷ 8 months = monthly budget
- Monthly budget – monthly expenses = SURPLUS or **DEFICIT**?



Surplus or Deficit?

Surplus

- Congratulations!
- Increase monthly savings
- Increase emergency fund

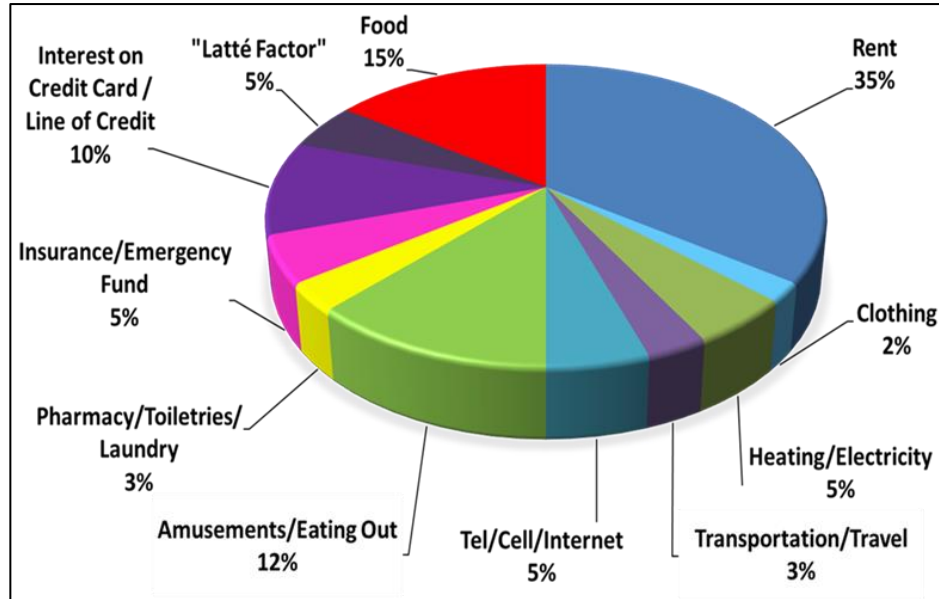
Deficit

- Determine wants vs. needs
- Prioritize expenses
- Take a look at discretionary expenses
- Put in place plan to reduce expenses
- Look for ways to increase your income

A (modest) surplus or balanced budget is your ultimate goal



But how do I make a budget?



- [Frugal Scholar Toolkit](#)
- [My Monthly Budget](#)
- [Envelope](#) method
- [Shoebox](#) method
- [Calendar](#) method
- [Budget Tracker and Planner](#)
- Various apps available on the web or from your bank



Frugal Scholar Toolkit and Guide

- Use this spreadsheet to create your yearly budget
- Build a financial plan for the duration of your degree
- Track your debt and total spending
- [Download](#) and customize it to fit your situation



How do I reduce my expenses?

- **Discretionary spending:** Spending on wants rather than needs; includes items like restaurant meals, video games and concerts
- **Impulse spending:** Spending decisions that are made on the spur of the moment, as opposed to planned spending decisions

What can I do?	Average cost	# of times/ week	Weekly Savings
Make lunch instead of getting takeout	\$10	2	\$20
Share streaming services with your roommate (3 services)	\$6.50	-	\$3.25
Make your own coffee	\$3	5	\$15
Order directly from a restaurant instead of Uber, DoorDash, etc.	\$6	1	\$6
Borrow from the library instead of buying (leisure)	\$17	1	\$17

Total weekly savings: \$61.25 = Total yearly savings (52 weeks): \$3,185



Spend the smart way

- Compare prices by volume or weight when shopping
- Plan your meals and make a shopping list
- Prepared foods are more expensive than cooking at home
- Shopping at convenience/corner stores is more expensive
- Don't shop when you're hungry!
- Avoid taxis, ride sharing services and use public transit or walk as much as possible
- Cash in on more tips by downloading the [Frugal Scholar Cheap Sheet](#)



Be a **SAVVY CONSUMER** and save!

- Check bills and statements for mistakes or overcharges
- Look for late charges and penalties
- Get errors corrected
- Did you know about the Accurate Pricing Policy?
- Are you using all your subscriptions? Consider cancelling unused services
- Call the bank and cell phone/ internet service providers to negotiate better plans
 - Talk to the loyalty department
 - You can renegotiate for a better plan
 - Can I bundle services?
 - How can I reduce my banking costs?
 - Can I have a better interest rate on my credit line?



Step 5: Tracking your expenses

- Electronic payments- banking or credit card statements
- Keep your receipts
- With an app- manual or automatic
- Write them down in a little book
- Weekly cash withdrawals for budgeted expenses
- Review weekly, monthly, quarterly- find a system that works for you!

Tracking your expenses

Banking or credit card

Automatic

File book

for budgeted expenses

quarterly- find a system that

Source	Category	Amount	Subtotal
STCU	PAYCHECK		1480.30
STCU	STCU CC		1308.00
STCU	TBM INCOME	485.00	1249.85
STCU	CASH ENVELOPES	150.00	1080.85
STCU	JAMES	111.70	780.85
STCU	BILLS	118.75	193.85
STCU	AT&T	1109.00	182.98
STCU	STUDENT LOANS	300.00	
STCU	VENTURE	587.00	
STCU	CHASE	10.87	
STCU	DISCOVER	8.00	
STCU	SPATIFY	29.00	
STCU	STARBUCKS	14.00	
CASH	BEAUTY	11.00	
CASH	EATING OUT	5.00	
CASH	EATING OUT	12.00	
CASH	BAR	29.00	
CASH	TACO TIME	31.00	
CASH	MCDONALDS	11.00	
CASH	PIZZA	20.00	
CASH	STATION	18.00	
CASH	MCDONALDS	10.00	
CASH	STAPLES	11.00	
CASH	EATING OUT	14.00	
CASH	EATING OUT	30.00	
CASH	WALMART	10.00	
CASH	GAS	18.00	
CASH	EATING OUT		

MISC = 8



Resources: we are here to help!

- Offering one-on-one advising and workshops on financial matters including:
 - Budgeting
 - Debt management
 - Loan repayment
- Administering 14 government aid programs
 - Support with applications and appeals
- Administering McGill's need-based financial aid programs
 - Modest McGill Interest-free Loans and Bursaries- no core funding
 - Work Study
 - Emergency Cash loans
 - Fee deferrals
 - Mobility Bursary for Exchange
 - Enriched Educational Opportunities (EEO)



McGill Financial Aid: How to apply

- Anytime in the academic year
- Minerva application
- Prompted when need to schedule one-on-one appointment with a Financial Aid Counselor
- Tailored package, disbursement schedule/mode of payment



McGill Financial Aid: How to apply

- MINERVA> Financial Aid and Awards> Financial Aid Menu> Apply for McGill Financial Aid



The screenshot shows the McGill Minerva website interface. The browser address bar displays the URL: https://horizon.mcgill.ca/pban1/twbkwbis.P_GenMenu?name=bmenu.P_BsacMnu. The navigation menu includes: MAIN MENU, SR Admin, AR Admin, FAA Admin, Finance, Reports, Personal, Student, Employee, Applicant, and Financial Aid/Awards. The 'Financial Aid/Awards' menu item is highlighted in red. Below the navigation menu is a search bar with a 'Go' button. The main content area is titled 'Student Awards and Financial Aid' and contains four sections: 'Financial Aid Menu' (Apply for entrance or in-course financial aid; Update financial aid profile; View status of applications/awards; View loan status; View financial aid and awards; Direct deposit banking information; US Direct Loans), 'Scholarships & Awards Menu' (View your awards; Apply for a Major Undergraduate Entrance Scholarship), 'Award Confirmation Letter' (Generate a standard proof-of-awards letter confirming your awards for a given academic year (for current and former students). Letters can only be produced for the 2011/2012 Aid (Academic) Year onwards), and 'Defer Payment of Tuition and Fees' (Apply to defer payment of your current or upcoming tuition and fees).



Where to find us...

- Downtown: Brown Student Services Building, 3600 McTavish, Suite 3200
- Hybrid service: in-person and virtual appointments
- 'Go back to your app' frequently!
- Rotational presence at Macdonald Campus
- Email: student.aid@mcgill.ca
- Website: www.mcgill.ca/studentaid/
- Phone: 514-398-6013



Other Resources

- Follow us on [Twitter](#) @McGillAid and [Instagram](#) @mcgillstudentaid
- Like us on [Facebook](#) @McGillAid
- [Credit Canada](#)
- [Financial Consumer Agency of Canada](#)
 - [Budget Planner](#)
 - [Credit Card Comparison Tool](#)
 - [Paying Back Student Debt](#)



Final Tips

- Make a budget and review it regularly
- Track your expenses
- And repeat! Budgeting takes practice
- Align budget with your goals and values
- Find the right budgeting method for you
- Need some help? **Remember we are here to help!** Contact us at student.aid@mcgill.ca





THANK
YOU!