

The Frugal Scholar's Path to Financial Wellness

Are you new to McGill University and wondering how you are going to pay for your studies?



Follow the Frugal Scholar's Path to Financial Wellness!

Plot your path by using the following steps to help you calculate how much money you need to fund your studies during your time at McGill.

Step One: **Budget Pie Guidelines** (orange tab)

It's hard to know how much you can or should spend on things like rent or amusements.

Use The Frugal Scholar's Budget Pie Guidelines to help you estimate how much money you have to live on after paying for your Education expenses such as tuition and books.

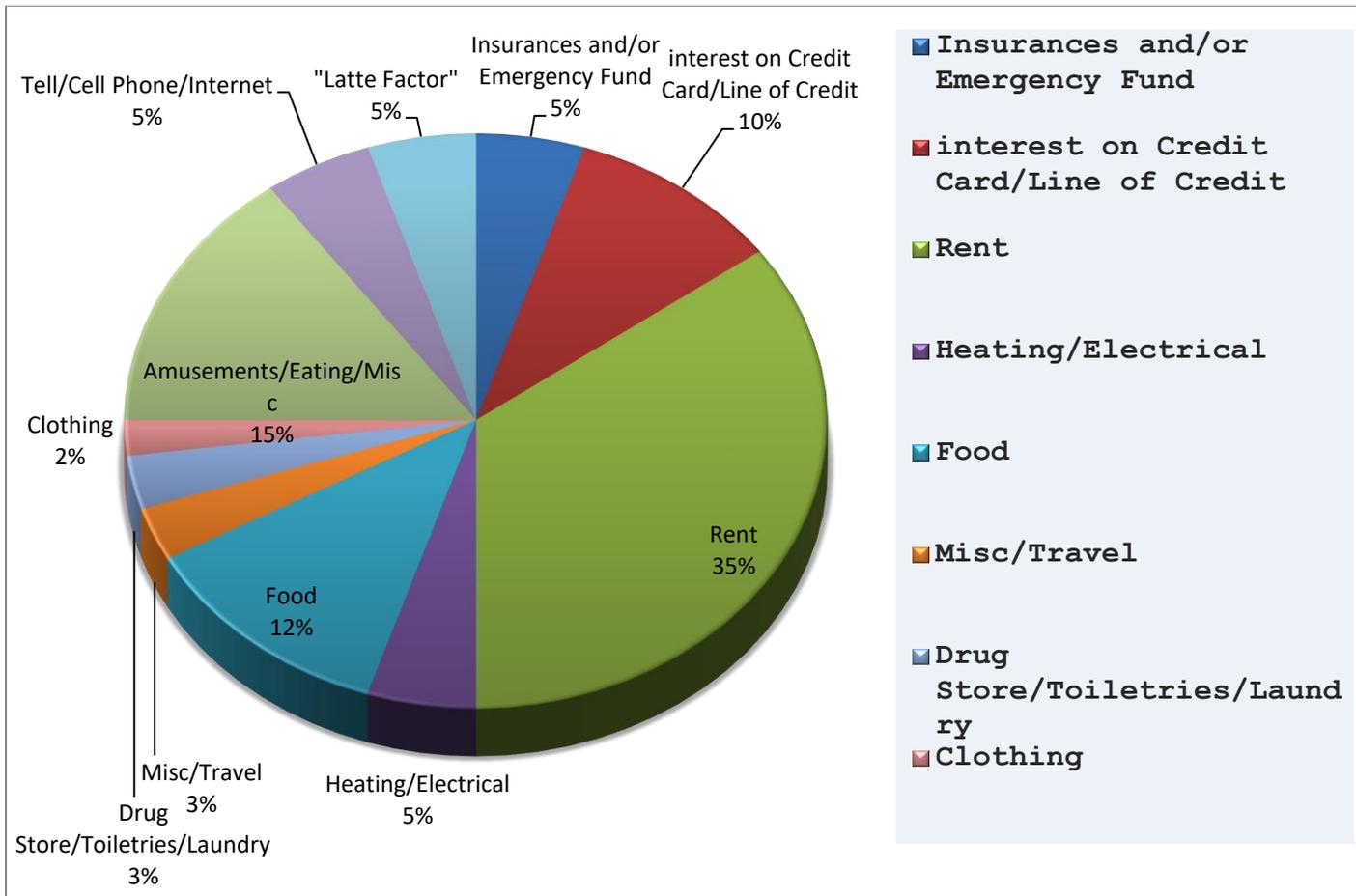
First, estimate all the Resources (i.e. sources of money) that you are likely to receive for one year

- from your own savings,
- from your parents and/or family,
- from loans and grants from the government,
- from scholarships and awards from the university or other entities,
- from employment income for the year
- from loans or lines of credit that you plan to take for the year

Next, deduct the total cost of your tuition for the year as well as your estimate for books, lab equipment and any other school supplies.

You have now calculated your "Net Resources" which is the amount of money available to fund your Living Expenses for one year (i.e. 12 months).

- Notice how the Net Resources number is converted into Guideline dollar amounts by month for each type of Living Expense. The Guideline amounts are what the Frugal Scholar suggests you should be budgeting on a monthly basis for each type of Living Expense. We call this the Budget Pie because once you get your pie (i.e. net resources for the month); you have to slice up your pie in some way to meet all your needs.



- If you know now what you will be spending for Living Expenses such as rent, you can input your Actual amounts and easily see if you are spending more or less than what the Frugal Scholar is recommending. You can then adjust your spending - or not- accordingly.
- If you find that you will not have enough money to meet your needs, you will have to find additional resources. See <http://www.mcgill.ca/studentaid/> for assistance.
- But remember, if you spend more on one slice of the Budget Pie, you must take away from another slice- or get yourself more pie which often means borrowing another pie, at a cost, from somewhere else.
- As you use the sheet, you may personalize your 'Budget Pie Guidelines' by updating the suggested percentages to correspond with your situation.

Step two: Yearly Budget Plan (grey tabs)

Now that you have thought about the cost of studying at McGill and living in Montreal, you can prepare your Budget Plan by month over one year. Notice the sheet is designed to cover the four years of your degree.

- Input your Education expenses, your Living Expenses and your Resources for one school year to the best of your knowledge. If you are not sure about your Living Expenses, refer to Step One "The Frugal Scholar's Budget Pie Guidelines" for guidance on living expenses as a student in Montreal.
- Read the Instructions under each heading and the Notes for tips on how to fill in each of the categories on this worksheet.

- New to Excel? Here's how you can auto-fill amounts (i.e. instead of entering rent for 12 months individually):
- 1. Select the cell that you want to copy. When you select the cell, it will be outlined in dark green, with a small square in the bottom right hand corner.

6	HOME EXPENSES			
7	Rent/ mortgage	\$675.00		
8	Home/rental insurance			

2. When you hold your cursor over the green square, a black cross will appear. Right click on the green square, and drag it to the cells in which you want to copy the same amount. When you release the mouse, the amount will be appear in the selected cells.

Step three: Budget and Debt Overview (green tab)

You are going to be at McGill for more than one year. This worksheet allows you to keep track of your debt, available credit and total cost of your degree.

- This sheet is linked to the information provided in the Year 1 to Year 4 worksheets and will crunch the numbers for you such as debt by category, year and total. Note: Credit card balances need to be recorded in this worksheet manually since the balance tends to change frequently.
- Use your work for Steps One and Two to help you estimate your tuition costs, Living Expenses and Resources (i.e. sources of money) over each year you plan to be at McGill. Your situation may change by year, so you can use the information from Step One and Two to forecast, but then update the numbers in the individual Year tabs as your situation evolves. As a student, you may have different amounts and types of debt that you incur in each year of study. While government and student loans typically do not require any interest or principal repayment during the time you are a student, bank borrowings and other types of consumer debt may require you to at least pay (or accumulate) interest or a minimum payment monthly. These payments can become costly so if you are finding your debt unmanageable, please consult www.mcgill.ca/studentaid/ for assistance. Print out your worksheet and write notes for your own records on how you plan to manage your bank and credit card debt and how you will pay your student loans post graduation. Check out the [Financial Consumer Agency of Canada](http://www.consumer.gov) website for a Credit Card Repayment Calculator and other great tools.