

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 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 educational 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

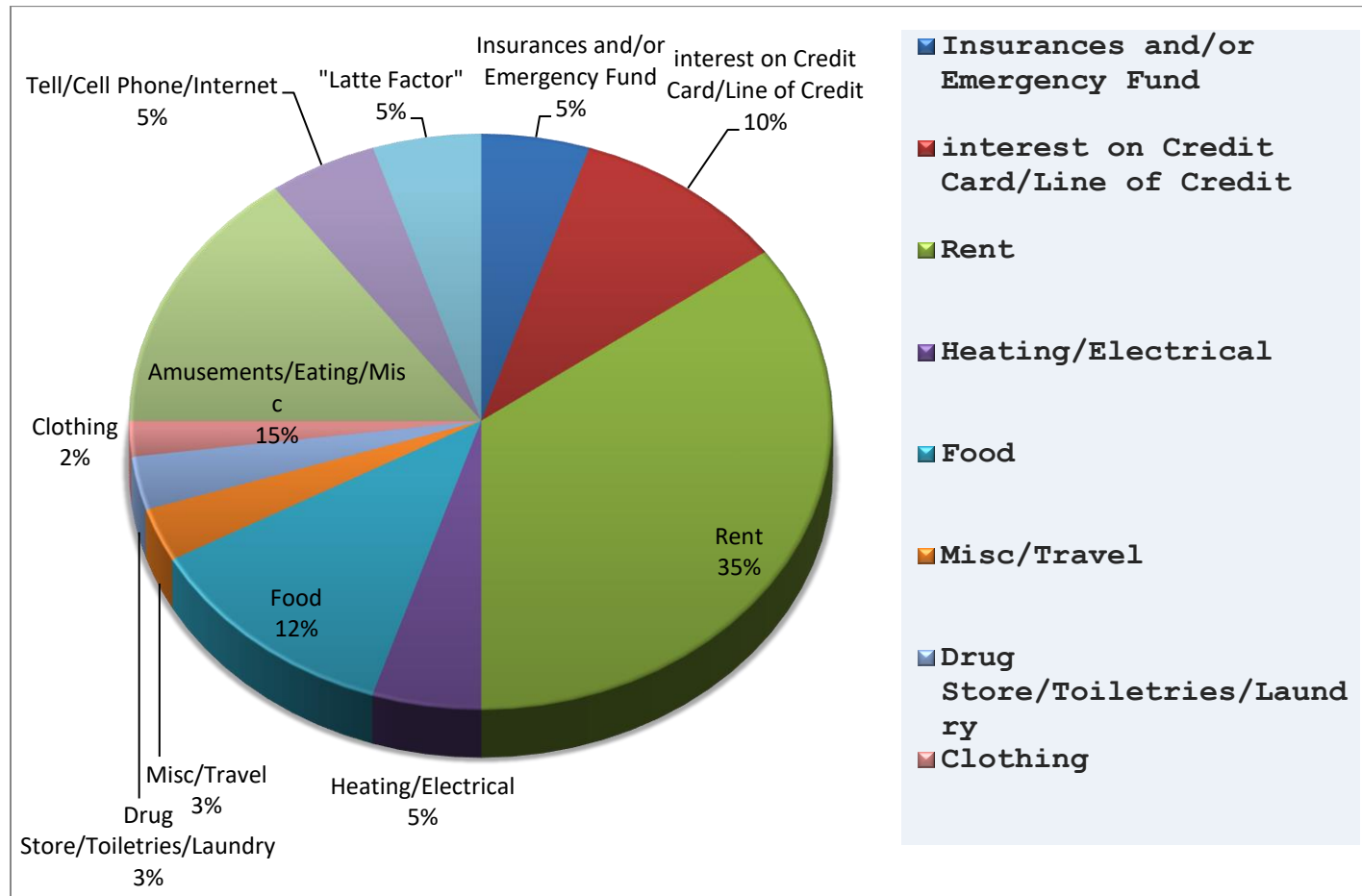
- from your own savings,
- from your parents and/or family,
- from government loans and grants,
- from scholarships and awards from the university or other entities,
- from employment income for the year
- from loans or lines of credit that you plan to take for the year

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. The spreadsheet will calculate this for you once you enter the numbers.

You have now calculated your "Net Resources" which is the amount of money available to fund your Living Expenses for one year (i.e. 8 or 12 months) depending on whether you are doing your budget for the academic year, or the full calendar year.

- Notice how the Net Resources number is converted into Guideline dollar amounts by month for each 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 must 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.
- 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 finding additional financial resources like a part-time job or borrowing from another pie, at a cost, like securing a Student Line of Credit from the bank.
- As you use the sheet, you may personalize your 'Budget Pie Guidelines' by updating the suggested percentages to correspond with your situation.

The Frugal Scholar Budget Pie



Step two: Budget Plan by Year (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 for each year of study. The sheet is designed to cover the duration of your degree, from three to five years depending on your program. You can delete any extra tabs if there are more than you need. To add an additional tab, left click on the tab itself and select the 'copy' option. To rename the tab once it has been copied, left click on the tab and select 'rename'.

- 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. If you are using the budget for the academic year only, you can leave the summer months blank.
- 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 where you want to input the same amount. When you release the mouse, the amount will be copied to the selected cells.

Step three: Budget and Debt Overview (green tab)

You will 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 5 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 changes.
- 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 make a minimum monthly payment. These payments can become costly so if you are finding your debt unmanageable, please consult www.mcgill.ca/studentaid/ for assistance. Our office offers one-on-one advising for debt management, and a [Credit and Debt Management](#) webinar.
- Print or save your worksheet and make 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](#) website for a Credit Card Repayment Calculator and other great tools.