



Student Financial Aid  
Information Centre

# Five Steps to help manage your money

Here are five steps to help you manage your money. Although there are a lot of budgeting tools out there, here is a simple breakdown of tracking where your money is coming from and where it is going. The key is to be as accurate as possible with your numbers. Make a few copies before using every one or two months.

## I. Identify every source of income

- Income = any money that you will have that can pay off your expenses.

Here are some examples:

Scholarships, grants, bursaries, Family support, Student loans, Savings, Part-time job, GST Credit, Income tax refund, Child/Spousal support, Pension, Rental income, Assure Income for the Severely Handicapped, Employment Insurance, Worker's Compensation Benefits, Indian and Northern Affairs/Band Funds, National Child Care Benefit.

Write the amount from each source **you** have under the month you will have it. If your income comes in regular installments, such as part-time work, provide the total amount over 8 months under Total.

Income Source Examples	September - December	January - April	Total
Scholarships			
Savings			
Government loans, bursaries, grants			
Earnings during the school year (part-time job)			
Contribution from parents/relatives			
Contribution from spouse/partner			
Social assistance, child benefits			
Investment income			
Other income (specify):			

**2. Identify every up-front, one-time expense**

- Expense = the amount of money spent in order to receive something in return.

Here are some examples:

Tuition, Non-instructional fees, books, supplies, damage deposit, Internet/Phone hook-up, moving expenses, furniture, bedding, kitchenware, household incidentals.

<b>Up-front, one-time expenses</b>	<b>Amount</b>
Tuition	
Other fees	
Books	
Supplies	
Damage deposit	
Internet/Phone hook-up	
Moving expenses	
Furniture	
Kitchenware	
Other expenses (specify):	

### 3. Determine the amount of your average monthly income

- Remember: Income = any money that you will have that can pay off your expenses.
- This is the average income you will have from month to month after your up-front, one-time expenses are spent.
- Some simple math is involved to find your average monthly income. Follow these instructions:

Add together your *total income* over 8 months of school.  
(From the “Total” column in Step #1)

Add together your *up-front, one-time expenses*.  
(From the “Amount” column in Step #2)

Subtract total one-time expenses from total income.  
**Total income – Total one-time expenses =**

Divide the difference by 8 months of study to get monthly income.  
**Monthly Income = (Total income – Total one-time expenses) / 8 months**

#### 4. Determine the amount of your monthly expenses

- Identify what type of expenses and the amount that **you** pay per month. Add them together for the total monthly expense.
- Estimate your amounts as close as possible. The more accurate, the better. You may need to Record your expenses. We'll talk more about this in Step #5.

Here are some examples of monthly expenses:

Rent, utilities, food, child care, phone bill, clothing, laundry, credit card payments, medical/dental, personal care, household incidentals, transportation, recreation, personal spending and occasional night out with friends.

<b>Expense Types</b>	<b>Example average per month</b>	<b>Your expense per month</b>
Rent	\$400-\$1000	
<i>Electricity</i>	\$50-\$100	
<i>Water</i>	\$50-\$100	
<i>Heat (if not electric)</i>	\$50-\$100	
Telephone	\$25-\$50	
<i>Cell phone</i>	\$25-\$100	
<i>Long Distance</i>	\$20-\$50	
Internet ( <i>w/o hook-up</i> )	\$20-\$50	
Cable TV	\$10-\$50	
Groceries	\$150-\$300	
Personal Care ( <i>Toiletries, feminine products, etc.</i> )	\$10-\$80	
Household incidentals ( <i>newspapers, bank fees etc.</i> )	\$40-\$50	
Clothing	\$50-\$200	
<i>Laundry</i>	\$5-\$20	
Transportation ( <i>bus, gas, parking, insurance, repairs</i> )	\$20-\$300	
Eating out	\$20-\$80	
Movies	\$5-\$40	
Gifts	\$10-\$30	
Health Care	\$44	
Recreation	\$50-\$100	
Credit card payments	Variable	
Other (specify):	--	
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	--	
<b>Total Monthly Expenses</b>		

## 5. Three Rs – Record, Review and Revise

### Record

- Continue to keep track of your spending by keeping your receipts, pay stubs, cheque stubs and credit card statements. Keep them in the same place by storing them in a shoebox, large envelope or file folder.
- Use these records to get the most accurate numbers for your spending plan.

### Review

- Is your...
- **Monthly Income** > **Monthly Expenses**, or
- **Monthly Income** < **Monthly Expenses**?

What is your Monthly Income? (From Step #3) =

What is your Monthly Expenses? (From Step #4) =

\$ \_\_\_\_\_ < or > or = \$ \_\_\_\_\_  
Your Monthly Income (circle one) Your Monthly Expenses

If you circled > , you have a surplus.

If you circled < , you have a shortfall.

If you circled = , you have a balanced spending plan.

### Revise

- If you have a *surplus*, you can save the extra money for traveling, an emergency fund, or your tuition for next year, whatever your goals may be.
- If you have a *shortfall*, you will need to either *spend less* money or *get more* money. This may involve changing your lifestyle. A lifestyle change could be getting a roommate or two, riding the bus to school instead of driving, or cutting out cable TV.
- Even if you get the balance just right, try to review and if needed, revise your spending plan about once a month especially if circumstances change to make sure your numbers are accurate.
- Although this worksheet looks at money management over the school year, planning to see if you will have enough income to cover your expenses for your entire degree is a good exercise too!

### Spend Less

- Cut back on things you can spend less money on and fulfill the same purpose as spending lots of money.
- Things you can cut back on are usually flexible expenses. I.e. Food
- For example:
  - Eating out every Friday could mean \$20/night, \$80/month, and \$640 during the school year.
  - Eating out one Friday a month and having potlucks all other Fridays with your friends can save you up to \$480. *Don't know how to cook? Ask your friends to come over and share recipes.*
- See our Helpful Hints handout for more tips.

### More Money

- Increasing your income to match or exceed your expenses does not necessarily mean getting a job.
- You can look into other sources especially if you are a student.

Here are some examples:

- University bursaries
  - Access Fund: [www.su.ualberta.ca/accesssfund](http://www.su.ualberta.ca/accesssfund)
  - Supplementary Bursaries: [www.uofaweb.ualberta.ca/ubef](http://www.uofaweb.ualberta.ca/ubef)
- Other family members
- Co-op internships
  - Alternate between terms of paid work and class time.
- Student line of credit
  - Interest bearing immediately but usually at a low interest rate.
- Spousal income
- Registered Education Savings Plan (RESP)
  
- For more information about these examples contact SFAIC.

**SFAIC is a Students' Union service that assists students in finding the financial resources necessary to fulfill their academic objectives.**

We have forms and information for most government loan programs, as well as the applications and information for other programs such as the Access Fund and Emergency Loans.

***Don't guess – ASK SFAIC!***

May to August:  
M-F: 8:00am – 4:00pm

September to April:  
MVWF: 8:30am – 4:30pm  
Tuesdays: 8:30am – 6:00pm