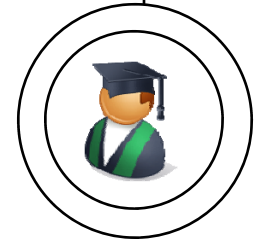
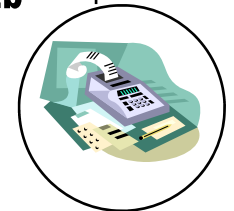


Budgeting Essentials for Students



- Taxes (property & other)
- Transportation (car only if their is inadequate public transportation)
- Student loan payments that cannot be deferred/postponed
- Personal care
- Child care
- Child-support or alimony payments
- Ongoing contractual obligations

- Payments in excess of monthly minimums to lower high interest debt
- Irregular expenses (auto, medical, home repair/maintenance)
- Spare of the moment/just because

See MEDebt Solutions The Art of Managing Medical School Debt for Free Budgeting Tools – www.medebtsolutions.com. You may also contact a MEDebt Solutions consolidation counselors at ASLCC for a no obligation, no pressure review of your repayment options by calling toll-free 1-800-741-4704. Be sure to reference AMSA.

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10% - 30% for Selected Wants:

- Cable TV
- Nonessential food purchases
- Dinners out
- Car and related expenses
- Personal care
- Recreational fees and gear
- Entertainment
- Birthday presents/gifts
- Vacations
- Magazine subscriptions

10% - 20% for Savings/Investment Goals:

- Emergency fund in federally insured account (at least \$500 with goal of one month's of expenses)
- Retirement contributions (IRAs, 401 Plans, Roth IRAs)
- College savings accounts

MEDebt Solutions Budgeting Essentials for Students

Budgeting Essentials for Students

Your budget (money in/money out) plan will be most effective when formulated before or during your medical school years before graduation with a commitment to borrowing **only** for your direct education expenses and basic minimum “student” living cost. On a regular basis, at least twice a year, preferably quarterly and even better monthly, review your budget. Compare your actual income and expenses with those you had projected and make necessary adjustment. Preferably you want to have something left over and at least break even at the end of the budgeted school year.

As you take on new borrowing, estimate and compare your monthly payments for all debt to projected residency and practice income so that you are informed and understand the implications on your future “living/lifestyle” and are able to make necessary adjustments

necessitated by your borrowing. Be sure to list all of your goals, their cost and your timeline for attainment, projected future income and expenses and be sure to include paying yourself - saving/investing.

Budgeting as a student dependent on student loan sources is somewhat different than budgeting as a resident or practicing physician earning a salary because you are committing future "take home" income. Students dependent upon loans should first identify all sources of funds available to pay for their education. Next you should deduct tuition, fees and related direct education cost due the institution. The remaining balance is what you have left to pay for all remaining expenses. Each school publishes a “school budget” which provides a general guideline for student’s cost of education and living. Every student must decide how much of their money they wish to spend on each cost item such as housing, transportation and personal expenses, but bad things will happen if your expenses exceed your available dollars or your calculated financial aid "need" exceeds your ability to "afford" and manage repayment.

As a student your first savvy financial move should be to creatively reduce your “living expenses” by 10 percent or more. This is the equivalent of giving yourself a scholarship because it reduces or eliminates what you must borrow and repay. Students can use the following Basic Budget Goals Breakdown template and recommendations to create a budget.

Basic Budget Goals Breakdown for Students

Income/Money In:

- Financial Aid
- Personal Cash/Savings/Investments
- Scholarships
- All Other Sources

Expenses/Money Out:

- Tuition, fees and related direct education cost due the school
- With the remaining funds after paying tuition, fees and related direct education cost due the school allocate:

60% - 70% for Must Have Committed Expenses:

- Rent/Mortgage
- Insurance Premiums
- Utilities
- Basic food needs