

- Vacation/Travel
- Memberships/Subscriptions
- Other

\*Car payments and related expenses is a "Must Have" expense only if public/alternative transportation is not a viable, lower cost, reasonable, safe option. Otherwise, it is a "Selected Want." Automobile ownership for the purpose of status, convenience or perceived freedom is not considered a "Must Have Committed Expense" for students.

**\$500 - 10% for Savings/Investment Goals:**

- Emergency fund in federally insured money-market account
- Retirement contributions (IRAs, Roth IRAs, 401 (k), 403 (b), etc.)
- College savings accounts
- Payments in excess of monthly minimums to lower high interest debt
- Irregular expenses (auto, medical, home repair/maintenance)
- Spare of the moment/just because

Each individual can and should decide how they wish to divide up their Monthly Committed Expenses and Monthly Selected Wants. You must decide how to allocate your available funds (income less total deductions & expenses due the school plus books) by percentages and then work out the details. It is vitally important that you borrow less, at the lowest possible rates and best terms paying only for "basic education and living necessities," not run a deficit and have at least a \$500 cushion as an emergency fund.

The key to student financial success and goal achievement is being financially informed and responsible with an affordable debt and money management strategy in place which provides

for simultaneous debt repayment and building financial assets through saving and investing. Maintaining and strengthening credit status is also a priority.

Borrowing too much, which is far too easy to do via financial aid and credit cards, can easily turn an excellent investment like your education into an unmanageable overleveraged (not enough income to meet debt payments) "bad" investment that will consume excessive amounts of future income that could be better used for more productive purposes.

For more information, resources, a list of Free Budgeting Tools or to order a personalized MEdebt Solutions Debt Evaluation and Budget Affordability Assessment Planner (DEBAAP) email your request to [info@MEdebtSolutions.com](mailto:info@MEdebtSolutions.com) or call us at 1-727-785-8886.

The (DEBAAP) is a fee based, personalized appraisal, of your entire financial portfolio. It clearly organizes your student loans and provide you with personalized estimates of practical loan management and repayment scenarios. DEBAAP information is used to develop a baseline for a personalized affordable budget and financial plan with options that will allow you to be able to make informed optimized choices regarding your current and future borrowing, repayment, spending, saving and investments that reflects your personal and professional goals.

**As with any financial, legal or tax program consult with your appropriate professional advisors.**

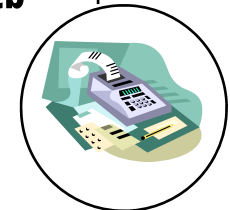
EAS Group, LLC/MEdebt Solutions is an A+ accredited business in good standing with the Better Business Bureau (BBB).

# APTA

## Member Benefit – Education Finance Program



## Budgeting Essentials for Students



# APTA - Member Benefit Education Finance Program Budgeting Essentials for Students

---

## ***Budgeting Essentials for Students***

The first and most important step in budgeting is the statement of your goals. What do you wish to accomplish and when. Your budget (money in/money out) plan will be most effective when formulated as early as possible, even before starting school. You want to make a commitment to borrowing **only** for your direct education expenses and basic minimum “student” living cost so that you are able to keep as much of your future salary as possible. 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 at the end of the budgeted school year you want to have something left over with \$500 for emergencies or at least break even.

As you take on new borrowing, estimate and compare your monthly payments for **all** debt to projected practice income. By doing so you are prepared, informed and understand the future “living/lifestyle” implications and adjustments necessitated by your borrowing.

Be sure to consider your goals and timeline, projected future income and expenses and being sure to include paying yourself - saving/investing.

Budgeting as a student dependent on student loan sources is somewhat different than budgeting as a practicing physical therapist earning a salary. 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 plus books from the cheapest source. 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 understand that very bad things will happen that can effect your finances for the next 20 - 30 or more years if you allow your expenses to exceed your available dollars.

As a student your first savvy financial move should be to creatively reduce your “living expenses” by 10 percent which will be applied to and/or the reduction and elimination of any debt starting with the highest interest debt. 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 plus books & supplies.

**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
- Car payment & related expenses\*
- Basic food needs (groceries & dine in)
- Taxes (property & other)
- Student loan payments that cannot be deferred/postponed
- Child care
- Child-support or alimony payments
- Ongoing contractual obligations (i.e. credit cards, medical bills)

### **10% - 30% for Selected Wants:**

- Cable/Satellite/Internet
- Nonessential food purchases
- Car payment & related expenses\*
- Dine out
- Child care/Babysitters
- Personal
- Cell Phone
- Entertainment/Recreation
- Presents/Gifts