Frugal GRAD Budgeting 101: Personal Budgeting for Graduate Students and Postdocs
Personal Budgeting for Graduate Students

- What Is a Personal Budget?
- Elements of a Working Budget
- How to Set Realistic Budget Goals
- What’s In It for Me: Why Budget?
- Lessons Learned—Budgeting Basics from Cynthia Hillman, PhD ‘15
- Examples: Tracking Small Purchases, Especially Food
- Managing Food Costs
What Is a Personal Budget?

A way to make sure you will have the resources to do what you most want to do.

A budget should.....

Have a Purpose or defined goal that is achieved within a certain time period.

Myth: It is intended to identify each individual purchase ahead of time.

Be simple: The more complicated the budgeting process is, the less likely you are to keep up with it.

Myth: Your budget should include all detail of all income and expenses.

Be flexible: A budget will change from month to month and will require monthly review and alternation.

Myth: Your income and expenses should stay the same every month.
## Elements of a Working Budget

<table>
<thead>
<tr>
<th>Estimate Monthly Income</th>
<th>Estimate Monthly Fixed Expenses</th>
<th>Estimate Monthly Variable Expenses</th>
<th>Savings/Financial Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Take Your Stipend/Loan Amount and Divide by the Number of Months You Need It to Last (9-12)</td>
<td>• Rent/Housing, Transportation, Insurance (Renter’s/Auto), Phone/Internet</td>
<td>• Groceries and Other Basics</td>
<td>• Unplanned Expenses (Illness, Underemployment)</td>
</tr>
<tr>
<td>• Pay Attention to Timing of Irregular Income</td>
<td>• Debt Payments</td>
<td>• Going Out, Entertainment</td>
<td>• Research/Conference Travel</td>
</tr>
<tr>
<td></td>
<td>• Factor in Quarterly School Fees</td>
<td>• Netflix, Hulu, Cable, etc.</td>
<td>• Computer or Other Research Tools</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Clothing</td>
<td>• Retirement</td>
</tr>
</tbody>
</table>
How to Set Realistic Budget Goals

• Define your priorities…budgeting is about decisions, NOT money.

• Expenses should be about 5% or 10% below your estimated income. Look to variable expenses to make and impact.

• Aim for a 90% success rate for your budget. Decision fatigue will catch up with you at some point.
What’s In It for Me … Why Budget?

You have a statistically better chance of …

• Reaching your savings and financial goals

• Ensuring you are spending according to your priorities

• Creating peace of mind and ensuring you have money for the things you need.
Lessons Learned - Budget Basics

• **Eliminate Mindless Spending**
Pay attention to your non-fixed/variable expenses.

**Tip:** These are food, entertainment, clothing.

• **Allocate Funds Immediately**
Fund various accounts as soon as you get your stipend/paycheck.

**Tip:** Savings is a monthly bill due each month.

• **Plan Regularly**
Review your budget at the beginning of the month or the beginning of each week.

**Tip:** Give yourself an allowance to spend cash on food & going out.
Examples: Tracking Small Purchases, Especially Food

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost per Item/Day</th>
<th>Cost per Month</th>
<th>Cost per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morning Snack (3x/week)</td>
<td>$2.25</td>
<td>$27</td>
<td>$324</td>
</tr>
<tr>
<td>Afternoon Coffee (3x/week)</td>
<td>$2.25</td>
<td>$27</td>
<td>$324</td>
</tr>
<tr>
<td>Sunday Brunch w/ Friends (2x/month)</td>
<td>$20</td>
<td>$40</td>
<td>$480</td>
</tr>
<tr>
<td>ILL Library Fines (1x/month)</td>
<td></td>
<td>$6</td>
<td>$72</td>
</tr>
<tr>
<td>CVS Runs (2x/month)</td>
<td>$12</td>
<td>$24</td>
<td>$288</td>
</tr>
<tr>
<td>The Pub after Class (2x/week)</td>
<td>$6</td>
<td>$120 (per quarter)</td>
<td>$360</td>
</tr>
</tbody>
</table>
Managing Food Costs

• PREPARE YOUR OWN FOOD
  • Set aside time on the weekend to menu plan
  • Eat perishable food first
  • Always have a freezer meal

• KNOW YOUR FOOD PRICES
  • What does your favorite bottle of wine cost?
  • How much is a box of cereal? One dozen eggs? A pound of pasta?
  • Note: EVERYTHING goes on sale eventually.