

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

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# Personal Budgeting for Graduate Students

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- **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?

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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

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## Estimate Monthly Income

- Take Your Stipend/ Loan Amount and Divide by the Number of Months You Need It to Last (9-12)
- Pay Attention to Timing of Irregular Income

## Estimate Monthly Fixed Expenses

- Rent/Housing, Transportation, Insurance (Renter's/Auto), Phone/Internet
- Debt Payments
- Factor in Quarterly School Fees

## Estimate Monthly Variable Expenses

- Groceries and Other Basics
- Going Out, Entertainment
- Netflix, Hulu, Cable, etc.
- Clothing

## Savings/Financial Goals

- Unplanned Expenses (Illness, Underemployment)
- Research/Conference Travel
- Computer or Other Research Tools
- Retirement

# How to Set Realistic Budget Goals

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- **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 an 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?

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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

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- **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

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Item	Cost per Item/Day	Cost per Month	Cost per Year
Morning Snack (3x/week)	\$2.25	\$27	\$324
Afternoon Coffee (3x/week)	\$2.25	\$27	\$324
Sunday Brunch w/ Friends (2x/month)	\$20	\$40	\$480
ILL Library Fines (1x/month)		\$6	\$72
CVS Runs (2x/month)	\$12	\$24	\$288
The Pub after Class (2x/week)	\$6	\$120 (per quarter)	\$360



# Managing Food Costs

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- **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.

