Creating a Budget

After your grace period has expired, you will need tools to manage repaying your student loans. A fundamental tool is a budget that thoroughly accounts for all income and expenses. It is best to prepare your budget during your grace period so you have time to secure a loan repayment plan that will fit your financial needs. Below is a budget template you can use or modify to fit your needs.

1. INCOME:

For employment, use net income—what you are paid after paying federal and state taxes, Social Security, any deductions for 401(k) or health insurance, etc.

- Employment income
- Income from trusts and/or investments

TOTAL NET INCOME

2. FIXED EXPENSES:

- Rent or mortgage payment
- Association dues
- Car payment(s)
- Car insurance
- Telephone/cell phone
- Cable TV/satellite TV
- Internet service
- Water, sewage and garbage
- Gas and electric
- Health insurance (if you pay your own)
- Life insurance
- Child care
- Student loan payment(s)

TOTAL FIXED EXPENSES

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3. FLUCTUATING EXPENSES:

Best estimates of monthly costs

Groceries	
Meals out	
Clothing	
Laundry/dry cleaning	
Gas/parking	
Public transit	
Home repairs	
Prescriptions/glasses	
Credit card payment(s)	
Gym membership	
Beauty care	
Entertainment	
Pets	
Gifts/charity	
Newspapers/magazines	
CME expenses	
Membership dues	
Vacation	
TOTAL FLUCTUATING EXPENSES	

4. SAVINGS EXPENSES:

Determine how much you pay monthly for investments and retirement. For your emergency fund, you should ideally have three months of your total expenses in a savings account.

Investments	
Retirement	
Emergency fund	
TOTAL SAVINGS EXPENSES	
TOTAL EXPENSES (FROM 2, 3, AND 4)	

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CAREER COSTS

Be sure to budget for:

- AAPA Membership (aapa.org/member-central/join)
- NCCPA Certification and Recertification
- State Licensing
- DEA Registration

ANALYZING YOUR BUDGET

After you have filled in all applicable information, compare your total expenses to your total income. If they are close, then you have developed a good working budget. If you have substantially more income left over every month, then you can opt to pay more toward savings, student loans, or credit card debt. If your expenses are greater than your income, you will need to determine where you can cut back on expenses— for example, not having cable TV—or where you can realistically obtain more monthly income.

Remember, many student loan companies offer flexible repayment methods. Research all available payment options.

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