



GRAD TRANSITION PLAN

PERSONAL BUDGET STATEMENT

After graduation, you plan to be independent and self-supporting. With this in mind, create an essay-style budget statement (using Microsoft Word or Google Docs), explaining how you will manage your finances after high school. Your statement should be 400-500 words in length (about one-page, single-spaced, using Arial 12). Some serious thought and a little research will be necessary in determining realistic costs.

INCOME AND EXPENSES

Your personal budget statement should outline how your income is earned and where your expenses are incurred. You will be aware of your sources of income but you may not know where your money is being spent. Keeping an accurate and detailed account of your spending will help you determine where your money is going and where you can reduce spending and increase your savings.

Fixed expenses are necessary expenses that usually don't change. These would include monthly expenses like rent or car payments, or annual expenses like car or household insurance.

Flexible expenses happen on a regular basis and are also for necessities. But with flexible expenses, you have some control over how much you spend. For example, groceries, hydro, heat, or extra cell charges each month.

Discretionary expenses are those you can control. This is the money you choose to spend on non-necessities such as clothes, movies, and specialty coffees at your favourite bistro!

SETTING FINANCIAL GOALS

Financial planning starts with goal-setting. Financial goals will help you decide how much money to set aside on a regular basis for your education, text books, travel, a car, a home, retirement savings or investments. Oh, and don't forget you might want a GoPro for those weekend adventures!

Things to consider when writing your budget statement:

1. What are your plans for your first year out of high school (post-secondary, work, travel)?
2. What will be your source(s) of income?
3. Identify three financial goals (short-, medium-, and long-term goals) that will motivate you to grow your savings.
4. Where and how will you live (at home, on your own, or with a roommate)?
5. What monthly expenses, associated with your living arrangements, can you anticipate? These would include room and board, rent, groceries, utilities, furnishings, tenant insurance.
6. Don't forget about household and personal incidentals – laundry soap, cleaners, toiletries, makeup, and clothing.
7. Will you be able to afford a cell phone, internet service?
8. If you opt to continue your education, what post-secondary expenses will you incur and how will you finance your education?
9. Do you have a backup plan for increasing your income?
10. How will you economize and make your money go further?
11. What flexible or discretionary expenses can you reduce or eliminate?