Budget

Anja Sheppard

The University of Texas at Dallas

ECS 1100.003

Instructor: Tanisha Edwards

Budget

I am incredibly lucky to have a very generous scholarship supporting my schooling here at UT Dallas. As a result of that scholarship, I get about $8000 a month to cover expenses such as tuition, housing, food, books, and other expenses. As a result, it gets very easy to be frivolous with my personal spending. This document will outline my goals for my current and future spending, steps to achieve those goals, and a general diagnosis of what I can improve.

One of my short-term goals is to decrease my food and personal expenses. Since I have a meal plan at the dining hall paid for, I need to begin relying more on Dining Hall West rather than going grocery shopping. Along with less grocery shopping, I plan to reduce the number of times I eat out. This is a tough one as this is often a way to socialize with friends, but I will cut my eating out budget to $40 a month allowing for 1 outing a week. Another one of my short-term goals is to cut personal spending to $30 a month. This is tough since I like to get books and video games online, but it is definitely feasible.

My long-term goals pertain more to my savings. I hope to save $5,000 by the time I graduate from UT Dallas, and continue saving at least $500 a year in 5 years. This will be critical when I’m looking for a job or searching for housing, as having that cushion makes that less stressful. I want to be as frugal as possible so if hard times ever hit I am prepared. I was recently in a car accident with some friends which made me realize how easily those unexpected costs can hit. I also eventually want to have a car for myself, which requires a lot of saving and extra expenses. Not to mention I also love traveling and want to incorporate trips during my summers! There are so many hidden expenses, which makes saving really the best option.

To achieve these goals, I plan to limit my grocery spending to $30 a month, for a total of 2 $15 grocery trips. I can achieve this by avoiding Sprouts which is overpriced and instead go to Wal-Mart. For limiting personal spending, I plan on giving myself a hard cap at $30. If I know that I am spending over $30, I will not allow myself to do so. I keep a careful budget of my spendings and know I will feel guilty if I break that hard rule. To help with this, I will limit myself to one video game purchase per month max. Also, visiting the library rather than buying books will help. Hopefully with these new regulations I will be able to save at least $200 a month during my freshman year. During my sophomore, junior, and senior years I won’t be on a meal plan and will have more flexibility in how I spend my scholarship money. This will make it easier to save money long-term as well. In regards to increasing income, I plan on having summer jobs starting this summer. Also, I am starting to participate in studies here on campus to get a little extra cash.

I usually have around $200 left over per month, which I stick into my savings immediately. There isn’t any other area in which I need to be spending more, so that surplus should always go into my savings account. I overspend in the food genre. This is because I eat out and grocery shop more than I should since I have a meal plan paid for. I don’t think my goals are too ambitious, but rather I just need to be more conscious of my food spending on a weekly basis. On weekends it becomes very easy to overspend.

In order to prepare for unexpected expenses, I plan to always have my savings account have at least $4000 in it. That way I can survive for a few months on just my savings if anything ever happens. I hope this baseline will increase as I save each month as well.

