

## How to Manage Your Finances: The University Years

### *Benchmarks:*

*-Calculate and solve problems using percent, including percent increase and decrease, interest, and tax.*

*-Use a variety of methods, such as words, numbers, symbols, charts, graphs, tables, diagrams, and models, to explain mathematical reasoning.*

*ESLRs: Independent Learner, Communication, Complex Thinking, Global Citizenship*

Excited about attending university? Who isn't? Now let's pretend for a moment that your parents are fully supportive of you attending university, but they are not going to support you financially because they really wanted to buy that house in San Vito Lo Capo (Can you blame them?). You did not receive any scholarships, grants, or financial aid and did not work during high school. You have absolutely no money except for that \$20 your Grandma gave you for your birthday. However, that Big Mac in the McDonalds commercial was looking pretty good 5 minutes ago, so your \$20 will soon be gone as well. What do you do? You do what any other university student would do, play the game of life!

### **Due Date: Wednesday April 16th**

#### Checklist: What do I turn in?

1. This document - save as a pages document in the correct format and turn it in to Edmodo AND Moxtra.
2. Presentation using Google Earth, powerpoint, prezi, a movie, etc. The choice is yours as long as it is engaging.
3. Numbers or Excel spreadsheet of all expenses.

Note: All of the information you are presenting must be real. You are not allowed to make anything up, especially in regards to banking, interest rates, accounts, etc. You are also completing this under the assumption that NO ONE is going to help you financially except yourself.

**Step 1 (Friday March 21st):** Research the university you envision yourself and answer the questions below. Afterwards, calculate the expenses of the following:

Name of University: University of Regina

Location: Regina, Saskatchewan, Canada

Requirements to enter:

Admission Requirements:

- Attempted fewer than 24 credit hours of post-secondary studies
- Canadian citizens, permanent resident or protected person
- Will be at least 21 years of age before the semester begins
- Has been out of full-time secondary school for a minimum of two years

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- Can demonstrate the ability to succeed at university through life or work related experiences
- Are applying to the Fall or Winter Semesters

Why do you want to go here?

It's in my home country and near many locations within the city.

What do you plan on studying?

Arts education

Application fee: \$100

a.) tuition per year: \$5,983.90 - \$6,926.40  
tuition for 4 years: \$23,935.60 - \$27,705.60

b.) housing per year (on campus): \$5,400  
housing for 4 years (on campus): \$21,600  
Why did you choose to live on campus?

I chose to live on campus because to rent an apartment on campus is cheaper than buying or renting a house.

c.) books per year: \$1,000 - \$2,000  
books for 4 years: \$4,000 - \$8,000

d.) food: \$2,000 - \$3,000  
food for 4 years: \$8,000 - \$12,000

e.) total cost per year: \$16,926.40  
total cost for 4 years: \$67,705.60

Citations (MLA Format):

"University of Regina." N.p., n.d. Web. <<http://www.uregina.ca/>>.

Did you include these expenses on your spreadsheet?

Yes.

**Step 2 (Wednesday April 2nd):** You've been accepted, but are really strapped for money. You need to get a job. You have no prior experience and only a high school

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diploma. Find a reasonable job for someone of your age and experience. It needs to be a job within a one hour distance of your university. Remember, you need to be realistic.

Employer: YMCA OF REGINA

Location:  
2400 13th avenue, Regina, Saskatchewan

a.) What is your job? (What is your position?)

Lifeguard/swimming instructor

b.) What experience was needed for this job?

None

c.) What is your starting pay per hour?

\$11.33/hour plus swim instruction incentive pay

d.) How many hours will you work per week? (Remember you still have to attend class, study, and have a life)

Some work 30 hours a week, some work 8 hours a week. They are flexible with hours and they are willing to change your schedule so you can go to class. The normal hours are 15-20 hours a week. I will work 20 hours a week.

e.) Unfortunately your wages will be taxed, so even if your description said you were earning \$7.50 an hour, you will be earning less because taxes and other fees are being taken out of your wages. Taxes differ depending on your location. Accurately calculate the amount of money being taken from your wages.

How much money is being taken out for taxes per hour?

\$1.69

How much money goes towards taxes if you work 40 hours?

\$67.60

f.) Including taxes, how much money will you make if you work 40 hours?

\$453.20

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g.) How many hours would you have to work to pay for just a years tuition? How many hours would you have to work to pay for four years tuition? (This is under the assumption that your hourly wages will remain the same.)

One year: 611.33 hours

Four years: 2,445.33 hours

h.) How far away is your job from the university and your place of residence?  
6 kilometres (30 mins on bike) (10 mins taking a car or public transport)

Citations (MLA Format):

"YMCA Regina." YMCA Regina. N.p., n.d. Web. <<http://www.regina.ymca.ca>>.

Did you include these expenses on your spreadsheet?

Yeah

**Step 3 (Friday April 4th):** Calculate the distance between your job and university. How do you plan on getting from one to the other? Walk? Car? Bike? Bus (If available)? Metro (If available)? Etc. All of these except walking will cost you money. Answer the following based on what you choose.

a.) What mode of transportation did you choose?

Bike

b.)

How much will it cost?

\$800

c.) How much time will it take you to get from your job to your University?

20 mins on bike

d.) How much time will it take you to get from your job to your place of residence?

About 20 mins on bike

Citations (MLA Format):

What are n.p. & n.d.? | See in list | Edit citation

Citation added:

"City Bike." EBay. N.p., n.d. Web. 3 Apr. 2014.

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Did you include these expenses on your spreadsheet?

Yeah, did you?

**Step 4 (Monday April 7th):** With all of that money you will be earning, you need to find a place to store it. A checking account is where you can deposit and hold your money earned. Find the best checking account for you.

a.) What is a checking account (sometimes called demand account or transactional account)?

A checking account is where you can keep money and take money out. It's a service the bank offers that often has low or little interest.

b.) What checking account did you choose and why?

I chose the Royal Bank of Canada because it's easy to access and has no interest.

c.) How is this type of account different from other bank accounts?

In this account you don't need to deposit large amounts of money into the account for it to be active.

d.) What are the fees usually associated with checking accounts? Does the account you chose have any fees?

The checking account I have chosen only has one fee which is the monthly fee of \$10.95.

e.) Does this account offer online banking?

Yes, you can access all of your information from [www.online.royalbank.com](http://www.online.royalbank.com) .

f.) How is the ATM "network"? Will you be charged extra fees for using another banks ATM? If so, how much?

No, it didn't say that I would be charged extra fees for using an ATM.

g.) What does it mean if you overdraft? Did you sign up for overdraft protection? Why or why not?

Overtime, as you pay a small amount each month, if you ever overspend or write a check to someone that is over your current balance, you can use the small fee you've paid each month and pay it off with the collected money. I signed up for overdraft protection because I tend to over-spend sometimes.

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h.) What is the interest rate for the checking account you chose?

There is no interest rate, I just need to pay the monthly fees and the overdraft.

i.) Why is this account the best choice for you?

It costs little money and you don't need to put in a certain amount of money before you can start using it.

j.) How much of your earnings do you plan on keeping in the checking account? Calculate the amount for the month.

I plan to keep half of my earnings on my checking account. \$453.20 per month.

Citations (MLA Format):

"Chequing Accounts." Royal Bank of Canada. N.p., n.d. Web. 7 Apr. 2014.

Did you include these expenses on your spreadsheet?

Duh

**Step 5 (Wednesday April 9th):** You wanted a place to save part of your salary so you need to find the best savings account for you.

a.) What is a savings account?

A savings account is where you can keep your money that you aren't using at the moment. Savings accounts often have interest, but the student savings account I chose doesn't have any interest.

b.) How is this type of account different from other bank accounts?

Savings account usually you don't need to spend it, you can save it for emergencies or trips in the future.

c.) What savings account did you choose and why?

I chose a savings account in RBC Royal Bank because that's where my chequing account is and it doesn't have any interest.

d.) What are the fees usually associated with savings accounts? Does the account you chose have any fees?

Often they have no fees if you are a student. My savings account doesn't have any fees.

e.) Does this account offer online banking?

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Yes.

f.) What is the interest rate for the savings account you chose?

0.00000%

g.) Why is this account the best choice for you?

I think it's the best choice for me because I don't have to pay anything.

h.) How much of your earnings do you plan on keeping in the savings account?

Calculate the amount for one month. Now calculate how much you would have saved after one year and four years.

I plan to save 50% of my money in my savings account (\$453.20 per month and \$5438.40 per year and \$21753.6 per 4 years).

Citations (MLA Format):

"Saving Accounts." Royal Bank of Canada. N.p., n.d. Web. 7 Apr. 2014.

Did you include these expenses on your spreadsheet?

I guess so.

**Step 6 (Friday April 11th):** All of your friends have credit cards and you realize how helpful it would be for you to have one as well. You also understand how beneficial it would be to start establishing good credit at such a young age so you decide to apply for one. Remember that all credit cards are VERY different and you will not be approved by all credit card companies. Answer the following.

a.) What credit card did you apply for and why?

I applied for the Royal Bank of Canada "RBC Rewards Visa Gold" credit card because it has no annual fees.

b.) Why do you believe you will be approved for this credit card?

Because it accepts students and I don't have any history of bankruptcy.

c.) What type of purchases will you use the credit card for? Or will this be an emergency only card?

This will be my emergency credit card only (if I run out of money or I don't have enough money to buy something like water, food, etc...)

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d.) What is the interest rate or APR (annual percentage rate)? Is it a fixed or a variable rate?

Purchases: 19.99%

Cash advances: 21.99%

It is a fixed rate but it will increase to 24.99% and 26.99% for at least 6 months if I don't if I don't make my minimum payment by the due-date.

e.) Is it possible for a rate to change with a fixed rate card? If so, how?

If you don't make your payments on time the rate will often (if not always) go up.

f.) What is your credit limit? What does this mean?

Credit limit is to make sure you don't spend too much at one time, often so you can pay off your debts and payments.

g.) Are there fees for transactions? Balance transfers? Cash advances?  
There are fees for cash advances (21.99%) but none for transactions or balance transfers.

h.) Are there penalty fees for paying your bill late? Going over your credit limit?

Yes. If you pay your bills late your fees go up to 24.99% and 26.99%.

i.) Many card issuers offer rewards programs to their customers. Does your credit card have any sort of rewards programs? If so, what is it?

Yes. For every \$2 you spend, you get 1 RBC Reward point!

Citations (MLA Format):

"RBC Rewards Visa Gold." - RBC Royal Bank. N.p., n.d. Web. 10 Apr. 2014.

Did you include these expenses on your spreadsheet?

Yeahhhhh.

**Step 7 (Monday April 14th):** Despite the fact that you are working, have opened a checking account, a savings account, and now have a credit card, you are still unable to afford to pay for your tuition and any extra living expenses. You will have to apply for a loan. Luckily, many banks are aware of the financial situation that university students

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are in and are willing to offer loans to them. It is estimated that 65% of undergraduate students apply for loans to help them cover tuition and it typically takes them 10 years to pay them back. Student loans are funded by a variety of sources so do your research carefully before deciding.

a.) What type of loan are you applying for and why? They each have very different rules.

I'm applying for a "Canada - Saskatchewan Integrated Student Loan" because this is the one available for university students in Saskatchewan.

b.) What are the terms and amount of your loan payments?

For a single student living away from home, your monthly living allowance is \$1,081. The educational expenses will include the actual cost of tuition (\$5400 per year) plus up to \$3000 for books.

c.) Based on all of the factors above, how much money do you plan on borrowing?

I'm going to work 40 weeks a year to gain \$8000. My total cost of living with a little extra spending money is \$20000. I will take a loan of \$12000.

d.) When do you start repaying your loan? During university or after?

I will start repaying my loan 6 months after graduating from university weather I had a full time job or not. Although, there will be slight interest (6.5%) after graduating.

e.) Envision the type of job you see yourself at after you have completed university.

What is it?

I envision myself becoming an art teacher.

What is the starting salary?

My starting salary will be \$40277 a year.

Based off of your salary, how long will it take to pay off your student loans?

I borrowed \$12000 and I went to university for 4 years. So I owe \$48000. I will earn about \$40000 but tax will lower it to \$30000. I will need about \$22000 for living expenses and will be able to pay \$8000+ each year.

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If I owe \$48000 and the interest rate is 6.5%, then, over 8 years, I can pay off my debt by paying \$9120 each year. I found this out with this formula  $[I = 48000 \times 0.065 \times 8]$  and got  $I = \$24960$ . Then I added that to 48000 and divided by eight to get \$9120.

Remember, all of the money earned in your first job will not go to paying back your loans. You have so many other things that you have to worry about like a car, house, vacations, food, clothes, and maybe even a family. Envision that only 5% of your salary will be dedicated towards paying back your loans.

Citations (MLA Format):

"Welcome." STF. N.p., n.d. Web. 13 Apr. 2014.

"Applying for Assistance - Student Loans." - Advanced Education. N.p., n.d. Web. 13 Apr. 2014.

Did you include these expenses on your spreadsheet?

Hey, Jude.

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### Works Cited (MLA):

	<b>Exemplary</b>	<b>Proficient</b>	<b>Approaching</b>	<b>Concern</b>
<p>Benchmark: Percent Change &amp; interest</p> <p>ESLR:Independent Learner, Complex Thinking, and Global Citizenship</p>	<p>Pages &amp; Numbers: I have exceeded all of the requirements above. I cited all sources (including pictures) using MLA format. I turned it in to Edmodo and Moxtra.</p>	<p>Pages &amp; Numbers: I have met all of the requirements and have answered all of the questions accurately. I cited all sources (including pictures) using MLA format. I turned it in to Edmodo and Moxtra.</p>	<p>Pages &amp; Numbers: I have met most of the requirements and answered most of the questions accurately. I cited all sources (including pictures) using MLA format. I turned it in to Edmodo and Moxtra.</p>	<p>Pages &amp; Numbers: I have not met most of the requirements and most of my information is inaccurate or has been falsified. I did not cite all sources (including pictures) using MLA format. I did not turn it in to Edmodo and Moxtra.</p>
<p>Benchmark: Percent Change &amp; interest</p> <p>ESLR:Independent Learner, Complex Thinking, and Global Citizenship</p>	<p>Presentation (Visual): I have included all of the information above and more. I have included numerous visuals. My presentation is professional and contains accurate information. I turned it in to Edmodo and Moxtra.</p>	<p>Presentation (Visual): I have included all of the information above. I have included numerous visuals. My presentation is professional and contains accurate information. I turned it in to Edmodo and Moxtra.</p>	<p>Presentation (Visual): I have included most of the information above. I have included numerous visuals. My presentation is professional and most of the information is accurate. I turned it in to Edmodo and Moxtra.</p>	<p>Presentation (Visual): I have not included most of the information above. I have not included many visuals. My presentation is unprofessional and contains inaccurate information. I did not turn it in to Edmodo and Moxtra.</p>
<p>Benchmark: Percent Change &amp; interest</p> <p>ESLR:Communication</p>	<p>Presentation (Oral): I speak with confidence and do not use any fillers. I look at my audience the entire time. My body language is appropriate. I am knowledgeable about my presentation.</p>	<p>Presentation (Oral): I speak with confidence and do not use any fillers. I look at my audience the entire time. My body language is appropriate. I am knowledgeable about my presentation.</p>	<p>Presentation (Oral): I do not always speak with confidence and use some fillers. I look at my audience most of the time. My body language is inappropriate. I seem unsure about some of the information in my presentation.</p>	<p>Presentation (Oral): I do not speak with confidence and use fillers. I do not look at my audience. My body language is inappropriate. I do not seem knowledgeable about my presentation topic.</p>

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