

# Budgeting My College Experience

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For this project, I researched the tuition and expenses of Southern Adventist University, one of the schools I plan on applying to. For all loan research, I turned to Wells Fargo Bank.

In order to start this project, I needed to determine how much I could save before college. Using the following equations:

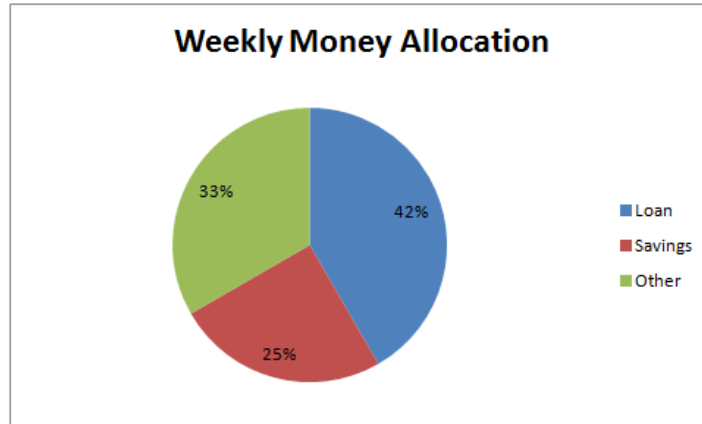
$$200 = \frac{\frac{0.01}{12}F}{\left(1 + \frac{0.01}{12}\right)^3 - 1} \qquad 100 = \frac{\frac{0.01}{12}F}{\left(1 + \frac{0.01}{12}\right)^9 - 1}$$

I calculated that my earnings over the course of the next two summers and my senior year of high school would amount to approximately \$2100 by the time I entered college. This is assuming I earn \$10 an hour and work 20 hours a week in the summer and 10 hours a week during the school year.

Utilizing the website for Southern Adventist University, I determined the approximate cost of my first year of school, which amounted to about \$27,000 with no financial aid applied. However, with the financial aid calculator on the University's website, I was able to include scholarships into my calculations. The price I calculated for this was just under \$8,000, and that price will be used for the purposes of my calculations, amounting to the need for a \$32,000 loan.

<b>SAMPLE YEARLY COST FOR 2013-2014</b>	<b>RESIDENCE HALL STUDENT</b>	<b>COMMUNITY STUDENT</b>
Tuition (12-16 hours)*	\$18,990	\$18,990
General Fee	800	800
Est. Books/Supplies	1,100	1,100
Residence Hall Rent	3,600	N/A**
Food Allowance***	2,300	N/A**
<b>Total</b>	<b>\$26,790</b>	<b>\$20,890</b>

Continuing to work in college for a continued \$10 per hour for 12 hours a week, I found that I would earn \$120 per week and \$480 per month. This would be allocated as follows:



This would allow me to pay \$200 towards my loan each and every month, \$120 towards savings, and \$160 towards outside expenses mainly including food beyond that which was calculated by the school and savings for tax season.

$$N = \frac{-\log\left(1 - \frac{\frac{0.00528}{12} \cdot 32,000}{200}\right)}{\log\left(1 + \frac{.00528}{12}\right)}$$

This was the equation utilized in order to determine how long it would take me to pay off my loan paying \$200 per month. The answer received was about 13.85 years, a total of \$33,240 paying \$1,240 in interest.

Next, I had to figure out my taxes. Making \$480 per week means an annual salary of \$24,960. Filing single, I came up with the following totals:

Bracket Money	Taxes	Taxable Income
8,925	892.50	16,035
16,035	2405.25	0

The total taxes I would need to pay with this system would be \$3,297.75 with no deductibles or returns considered. Through adding \$160 per month to my "other expenses" category I can save \$1920, leaving \$1377.75 to be withdrawn from my savings account each year. Assuming that I work 20 hours a week in the summer, earning \$800 each month, this alone will not be enough money to hinder the growth rate of my savings account.



The chart above displays the growth rate of my savings account and the trends which it follows, taking various earning streaks into account as well as various spending streaks for all four of my undergraduate years in college