

Summer Savings Information and Worksheet 2009

Georgetown University Law Center Financial Aid Office

Students who are employed during the summer should save a portion of their earnings to put toward third-year tuition costs. Summer savings are particularly important for Georgetown Law grant recipients, as they are expected to save at least \$3,100 of their summer earnings for third-year tuition costs.

Student Summer Earnings Education Self-Contribution

Georgetown Law grant recipients earning summer income will receive an income protection allowance of \$13,000 for the first eight weeks of employment and an additional protection allowance of \$1,250 for each additional week. After the protected amount is disregarded, 65% of the remaining earnings are considered the Student Summer Earnings Education Self-Contribution.

Students leaving the DC metro area and working in high cost cities may have additional protection applied (if not living with relatives during the summer).

Students working in the following cities may receive an additional \$2,000 contribution reduction:

- Honolulu
- LA/Riverside
- NYC
- San Francisco/Oakland/San Jose

Students working in the following cities may receive an additional \$1,000 contribution reduction:

- Boston
- Chicago
- Denver/Boulder
- Hartford
- Houston
- Miami
- Minneapolis/St. Paul
- Northern NJ/Long Island/Westchester
- Portland, OR
- Philadelphia
- Richmond, VA
- Sacramento, CA
- San Diego
- Seattle

Calculate Your Summer Savings

Keep this worksheet for future reference.

Take a few minutes to quickly calculate how much you should save this summer - you will be glad you did!

In the example below, **Jane will work 12 weeks** during the summer at the **estimated amount of \$2,400 per week**.

Steps to Summer Savings

1. Estimate Weekly Earnings (x) Number of Weeks Employed = Estimate Gross Summer Earnings

$$\underline{\hspace{2cm}} (x) \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ Estimate Gross Summer Earnings}$$

Jane's Example: \$2,400 x 12 = \$28,800 Estimated Gross Summer Earnings

2. Estimate Gross Summer Earnings (x) .75 = Net Summer Pay

$$\underline{\hspace{2cm}} (x) .75 = \underline{\hspace{2cm}} \text{ Net Summer Pay}$$

Jane's Example: \$28,800 x .75 = \$21,600

3. Net Summer Pay (x) .3 = Target Summer Savings --or--
Net Summer Pay (x) .5 = Better Summer Savings

$$\underline{\hspace{2cm}} (x) .3 = \underline{\hspace{2cm}} \text{ Target Summer Saving}$$

(the minimum should be \$3,000, target for at least 30% of your net pay)

$$\underline{\hspace{2cm}} (x) .5 = \underline{\hspace{2cm}} \text{ Better Summer Savings}$$

Jane's Example: \$21,600 x .3 = \$6,480 Target Summer Savings - - or - - \$21,600 x .5 = \$10,800 Better Summer Savings

4. Net Summer Pay - Target or Better Summer Savings = Funds to Cover Summer Expenses

(Target Savings) $\underline{\hspace{2cm}} - \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ Funds to Cover Summer Expenses}$

(Better Savings) $\underline{\hspace{2cm}} - \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ Funds to Cover Summer Expenses}$

Jane's Example: Target Savings \$21,600 - \$6,480 = \$15,120 - Funds to Cover Summer Expenses - - or - -
Better Savings \$21,600 - \$10,800 = \$10,800 - Funds to Cover Summer Expenses

5. Funds to Cover Summer Expenses - Outstanding Bills (ex. from spring term) = Projected Summer Living Allowance

(Target Savings) $\underline{\hspace{2cm}} - \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ Projected Summer Living Allowance}$

(Better Savings) $\underline{\hspace{2cm}} - \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ Projected Summer Living Allowance}$

6. Calculate Projected Living Costs - Assuming 12 Weeks (dollar estimates in parentheses)

Rent per month (\$1,200)	\$	x 3 months (\$3,600)	\$
Food per week (\$150)	\$	x 12 weeks (\$1,800)	\$
Utilities per month (included)	\$	x 3 months (\$0)	\$
Cell phone per month (\$50)	\$	x 3 months (\$150)	\$
Transportation per week (\$90)	\$	x 12 weeks (\$1,080)	\$
Miscellaneous per week (\$75)	\$	x 12 weeks (\$900)	\$
		Total Projected Living Costs (\$7,530)	\$

7. Projected Summer Living Allowance - Total Projected Living Costs = Earnings Remaining to Add to Target Summer Savings

(Target Savings) $\underline{\hspace{2cm}} - \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ Earnings Remaining to Add to Target Summer Savings}$

(Better Savings) $\underline{\hspace{2cm}} - \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ Earnings Remaining to Add to Better Summer Savings}$

Techniques for savings: Set up auto deposit for your pay. Establish two accounts, one for living expenses and one for your target summer savings and have the appropriate amount deposited to each. **If you don't have the option of auto deposit, put every other paycheck into an "inaccessible" (no ATM card) bank account** and use the other check to meet living expenses. When that paycheck is spent, (or before) stop spending until you receive the next paycheck that is intended for living expenses. **Save from the outset to accomplish your goal and make an effort to reduce any outstanding balance on your credit cards.**