PREPARING FOR ARRIVAL

BY

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ISSS
International Student & Scholar Services

University of Minnesota
FINANCIAL CONSIDERATIONS

Budgeting for Your Stay

The University of Minnesota calculates minimum monthly living expenses to be $1,100 for individuals, and additional amounts if they are bringing dependents ($642/month – 1 dependent; $902/month – 2 dependents; $1,110/month – 3 dependents; $1,323/month – 4 dependents; $1,530/month – 5 dependents). Living expenses include the cost of health insurance (which you and your dependents are required to have for the duration of your stay in the United States), off-campus private housing based on monthly rates of $570 sharing/roommate rate per person for a two-bedroom, campus-area apartment (Minneapolis Star Tribune January 26, 2008 edition) and $238.65 for food (U.S. Department of Agriculture, December 2007). Keep in mind that these are the MINIMUM amounts required. So, depending on your individual situation and lifestyle, you may need additional funds. Use the list below to help you think about all potential expenses you may have.

Travel Insurance

You may want to purchase travel insurance to cover your trip from home to the University of Minnesota.

Baggage Insurance

Baggage insurance protects you against loss, damage, or theft of your baggage. It can be purchased at travel agencies and airport kiosks. If a piece of your luggage is lost, file a claim immediately at the airline’s desk at the airport. It is a good idea to write down the name of the person who helps you and the work address and telephone number where this person can be reached later. The airline will try to locate the baggage (which may simply have been routed to the wrong destination) and will send it to you at your U.S. address when it is found. If it has not been found after a certain length of time, arrangements will be made to pay you to replace it.

Books and Supplies

Textbooks can be quite expensive. The University has on-campus bookstores, where you can buy new books or purchase used books at a lesser cost. You may also be able to purchase used textbooks online. You might decide to sell back your books to the bookstore at the end of a semester at partial value. The cost of textbooks and supplies varies according to your field of study. For example, if you are planning to take classes in a field that requires special supplies, such as engineering, art, or architecture, your expenses are likely to be greater than the average. Books and textbooks for engineering students may cost an additional $250 to $350 per year, and books for medical, pharmacy, and law may be even more expensive. Many technical books—such as pharmacy books—are investments; students keep them and use them in their professions. You may be required to buy or obtain use of a personal computer.
Transportation

The monthly minimum living expenses quoted above do not include trips between the United States and your home country. Be sure that your annual budget includes expenses for return travel between your home country and your school. Since you will be living off campus and commuting to the university, you should add in your commuting expenses. Commuting expenses will vary depending on where you live and the mode of transportation you select. On average, you can expect to pay anywhere between $60 and $130 per month. If you chose to purchase a car, you will need to include the cost of fuel, insurance and parking.

Communications

Budget carefully for communications, such as telephone calls and postage. To have an idea of what you might end up spending, you can check the following major cell phone services:

- AT&T
- Sprint
- T-Mobile
- Verizon Wireless

International students and scholars who do not have a social security number can purchase a pre-paid cell phone without a social security number. Most carriers require internationals to put down deposits of $200.00 or more when signing up for a plan. The deposit is generally fully refundable after certain period of time, usually about 1 year. Your account needs to be in good standing to receive the deposit back.

Prepaid calling cards also provide an easy way to call from any phone, to anywhere. They are available in many different amounts ($5, $10, etc...) and the cost of each call is deducted from the amount, until you have used it all up. These calling cards are available in most grocery stores and drug stores. It is good to ask other international students where to purchase the best deals!

You can also purchase prepaid calling cards online. Some of the websites are:

- Onesuite
- Callingcards

Personal Expenses

Personal expenses include items such as clothing, toiletries, and other basic goods and services.

If you have dependents—a spouse and/or children—or if you have special medical needs, substantial additional funds will be needed to meet your living expenses. You can calculate about 26 to 30% of your total budget to go towards personal expenses. If you are planning to be at the University during the winter, plan to purchase warm winter clothing. For additional information on climate and clothing in Minnesota, check the following website [http://www.isss.umn.edu/resources/Climate.html](http://www.isss.umn.edu/resources/Climate.html).
Incidentals

Incidental costs can add up quickly and, of course, vary from person to person. Consider your personal needs such as laundry, stationery, photos, dining out and entertainment. You can calculate incidental costs to be approximately 5% of your total budget.

Recreation and Travel

If you intend to travel, you need to factor in those costs.

Taxes

If you are receiving salary from the University of Minnesota, keep in mind that the U.S. federal government and the state of Minnesota usually tax salary. However, depending on the country you are from and the length of your stay in the United States, you might qualify for a tax treaty exemption. A tax treaty is an agreement between two countries about how residents of one will be taxed by the other.

If you do not receive a salary by the University of Minnesota, make sure you also know whether any income or awards from your home country are taxable.

Arrangements with Your Bank

International exchange rates fluctuate frequently, sometimes daily. Before you travel to the United States, contact a major bank in your home city, preferably a bank with a foreign exchange department, to learn the current exchange rate. Ask the banker to estimate the degree of fluctuation; that is, what did it average in the past year? This will help you to determine more effectively your financial requirements while in the United States.

If your bank does not have a foreign exchange department, consider opening an account with a bank that does.

Find out how you can have additional money sent to you while you are in the United States. It is usually safest to have money sent electronically from your home country bank to your U.S. bank once you have opened a U.S. account. Please see the “U.S. Financial Institutions and Banking” section for information on obtaining a U.S. bank account. Ask what the fees will be for transferring money and how long it might take for the money to reach you. If you need fax, telex, or account numbers from your home country bank to request the transfer of funds, brings that information with you.

Sometimes large banks in your home country allow you to purchase foreign currency ahead of time for travel purposes.
Travel and Settling-in Costs

Before you leave, you should determine how much money you will require within the first few weeks of your stay in the United States. As you may need some time to open a bank account and receive funds from your home country bank, this will be money you will need to carry with you. It is probably safest to carry it in the form of traveler’s checks.

You will likely need funds to pay your deposit and first month of rent (and/or temporary housing expenses in case you have not yet found permanent housing) and possibly utilities, living expenses, and transportation. You may need $800 to $1,000 in traveler’s checks to cover other miscellaneous initial expenses and to provide for emergencies until you receive your transfer of funds. If you are a student, you might also need to bring the first semester tuition.

For personal use on your journey and after your arrival in the United States—for taxis, meals, and telephone calls—you should have $100 to $200 in small cash denominations: $20, $10, $5, $1. You can change U.S. paper money into smaller denominations and coins at almost any store. Do not carry large amounts of cash—it can be lost or stolen. Be very careful with your cash. In some cases, you can use your automatic teller card from your home country in U.S. automatic teller machines (ATMs). Inquire with your home bank on the validity of your card in the United States. This could save you the worry of carrying large sums of money in cash or traveler’s checks. Note, however, that many banks limit the amount of cash you can take from an ATM on a daily basis.

Using Traveler’s Checks

When you travel to the United States, you should carry most of your funds in traveler’s checks. If these are not available to you in your home country, buy them at the airport in the United States as soon as you arrive. Traveler’s checks provide a safe way to carry money while traveling. They are insured against theft, loss, and damage. With proper identification, you can cash them easily in most places in the United States.

Traveler’s checks can also be purchased in most banks. A small fee is added for each check. At the time of purchase you will be asked to sign your name on each traveler’s check. Sign each check only once as you are directed.

As you cash each check, you will be asked to sign it a second time to verify that you are the person to whom the check was issued. Sign you name “in English” (that is, the way you will be writing your signature in the United States) in the presence of the person to whom you are giving the check.

Be sure you keep a record of your traveler’s checks. The bank clerk will give you a form on which to write the numbers of all the checks issued in your name. On this form, alongside each check number, is a space for the date and place you cash the check. Keep this list with you and record data as you use the checks. However, do not keep the list with your traveler’s checks. This is for your records, and the information is important in case your checks are lost or stolen and you need to file a claim for reimbursement.
Monetary Restrictions

The U.S. government does not restrict the amount of U.S. currency a nonresident, noncitizen (like yourself) can take or send to the United States for educational expenses. The U.S. government does require, however, that individuals—whether U.S. citizens or not—report the transfer (into or out of the country) of cash or other financial instruments valued at $10,000 or more. Consult with the U.S. embassy or consulate in your country for more information about this requirement. Many countries do have currency exchange restrictions. If your country has such restrictions, you may have to submit certain documents allowing you to take currency out of the country. For more information, contact the government office that issues passports in your home country.