

Name \_\_\_\_\_

## Monthly Budget Project

You are moving out on your own. You need to create a budget to make sure that you can afford everything. Initially you will have extra moving expenses, but after that, you should have a mostly steady monthly budget.

### I. Career

Pick a career: \_\_\_\_\_

Job description: \_\_\_\_\_

Average starting salary: \_\_\_\_\_

Level of Education needed: \_\_\_\_\_

### II. Location

You need to pick a place to live. Keep in mind that you must live in a place where it would be possible to get your job. You are going to find a one bedroom apartment to rent. For the purpose of this assignment, you cannot live rent free with friends or relatives.

City or town in which you plan to live: \_\_\_\_\_

Address of an apartment: \_\_\_\_\_

Cost to rent per month: \_\_\_\_\_

What utilities are included? \_\_\_\_\_

### III. Transportation

You will need transportation to get back and forth to work. If you plan to live and work in the city, you may choose to walk, bike, or take public transportation. Otherwise, you will need a car. For the purpose of this activity, everyone is going to buy or lease a car. Even if you already own a car or will own a car before your first job, you are to look for a car to buy or lease. If you are buying, plan to put 20% down on the car and take a loan out for the rest. Find a car loan calculator online to calculate the monthly payment.

Year, Make, and Model of the car: \_\_\_\_\_

Are you buying or leasing? \_\_\_\_\_

If buying, what is the total cost? \_\_\_\_\_

Down payment: \_\_\_\_\_

Amount of Loan: \_\_\_\_\_

Monthly car payment: \_\_\_\_\_

### IV. Cell Phone, Internet, and TV Options

What cell phone company are you going to use? \_\_\_\_\_

What is your cost per month? (You are allowed to share a plan with others.) \_\_\_\_\_

What company do you plan to use for internet? \_\_\_\_\_

What is the cost per month? \_\_\_\_\_

Do you plan to use a TV service (cable, Netflix, Hulu, Sling etc.)? If so, list all options you plan to subscribe to: \_\_\_\_\_

List the cost of each service: \_\_\_\_\_

What is the total cost for your TV services per month? \_\_\_\_\_

## V. Post Education Expenses

If you attend some kind of post-secondary school or training, we are going to assume that you will have some debt to pay back. Of course, the amount of debt will vary greatly depending on the school you attend, scholarships you may have had, how much you were able to pay while in school, etc. For the purpose of this project, we are going to use the following amounts for paying back student loans. Mark the amount that applies to you.

- \_\_\_\_\_ No additional training/school after high school: \$0  
\_\_\_\_\_ Technical school or 2-year program: \$100 per month  
\_\_\_\_\_ 4-year school or more: \$275 per month

## VI. Insurance

There are many factors that affect your car insurance rates – age, type of car, year of the car, number of miles you drive to work each day, etc – but for this activity, you may choose one of the following plans:

Plan A: \$0 deductible, \$3200 per year.

Plan B: \$500 deductible, \$2100 per year.

Plan C: Minimum liability coverage, \$1800 per year.

Which plan did you choose? \_\_\_\_\_

Cost of car insurance per month: \_\_\_\_\_

For your health insurance, we are going to assume that your employer helps pay for insurance. The actual cost will vary greatly depending on your plan and place of employment, but for this you are going to pay a premium each month of \$200.

The average renter's insurance is between \$15 and \$20 per month. Use \$15 for your renter's insurance.

## VII. Utilities

Your apartment may cover some utility costs. For the costs that are not covered by your rent, use the following:

Electric/Gas: \$120 per month      Water: \$20 per month

Sewage: \$15 per month              Garbage: \$15 per month

## VIII. Food

Your food costs will vary depending on where you live, where you intend to shop, and what types of food you plan to buy. For this project, you will be expected to spend a minimum of \$45 per week on food.

Amount you plan to spend on food per month: \_\_\_\_\_

**IX. Gas**

The average driver puts about 13,500 miles on their car every year. Find the combined mpg for the car you bought/leased in part III. If the average price of gas is \$2.89, use the average miles driven each year to find the total cost of gas for the year.

Combined mpg for your car: \_\_\_\_\_

Total cost of gas for the year: \_\_\_\_\_

Total Cost of gas per month: \_\_\_\_\_

**X. Clothing**

You may not buy clothing every month, but you do need to save money for when you do. Some professions require a larger clothing budget than others, so take your chosen profession into account when deciding how much to put aside for clothing.

**XI. Entertainment/Miscellaneous Expenses**

Do you want to go out to eat occasionally? Or to the movies with friends? You also need to have some money set aside for unexpected expenses.

**XII. Savings/Retirement/Charitable Giving**

We have talked about the importance of saving early, even if it is just a little each month. Try to make sure you have enough to set something aside for your savings.

You will need to decide whether you intend to give to charity. Remember, you can always donate your time as well.

**XIII. Income**

Your gross income will have multiple tax deductions. Calculate the approximate federal taxes by using the rates listed in the table. State and local income tax rates will vary, but for this activity we will use 6% as the state tax rate and 1% as the local.

Gross Annual Income	
Annual Federal Taxes	
Annual State Taxes	
Annual Local Taxes	
Annual FICA	
Net Annual Income	
<b>Net Monthly Income:</b>	

Gross Annual Income	Federal Tax Rate
\$0 - \$9,875	10%
\$9,876 - \$40,125	12%
\$40,126 - \$85,525	22%
\$85,526 - \$163,300	24%
\$163,301 - \$207,350	32%

\*These rates are approximate - actual calculations will differ slightly

State Tax Rate: 6%

Local Tax Rate: 1%

FICA: 7.65%

Complete the table below based on your answers from the previous sections, and then answer the questions on the side.

**Monthly Expenses**

Rent	
Renter's Insurance	
Car payment	
Car Insurance	
Gas	
Health Insurance	
Student Loan Payment	
Cell Phone	
Internet	
TV/Streaming Services	
Electric/Gas	
Water	
Sewage	
Garbage	
Food	
Clothing	
Entertainment/Misc.	
Savings/Retirement	
Charity	

1. Will you make enough money to cover your expenses?

2. Where could you cut expenses to save money? (List at least 2 items/categories.)

3. For the purpose of this activity, you were required to include some expenses that you may not actually have in the future. List any items/categories that you would not have as an expense (car, student loans, etc.).

4. What can you do now to become more prepared to live on your own?

**Total Monthly Expenses:** \_\_\_\_\_

**Monthly Surplus/Deficit:** \_\_\_\_\_  
 (Difference between Net Income and Expenses)