BUDGET ASSIGNMENT

**INSTRUCTIONS:**

You are to plan a budget for one month attempting to create a scenario as close to your projected reality (fresh in to college) as possible.

Picture yourself the first Fall season after you’ve graduated high school. For this assignment we are assuming you DON’T live at home with your parents. You will create yourself a budget as realistic as possible for this time in your life.

**BACKGROUND INFORMATION**

Find a realistic potential college you would like to attend. Look up what tuition for one semester would be and list it in the college tuition section. Follow the steps below to figure out a job and net income.

|  |  |
| --- | --- |
| College Tuition: |  |
| Job: |  |
| Wage/month: |  |

To figure your monthly wages go through the following steps:

1. Find a job you can realistically have as an inexperienced college student.

a. Go to indeed.com or ksl.com and find an actual job listing

b. If the job listing does not have an hourly wage listed google typical wages for that type of job

2. Decide how many hours you would be willing to work as a college student (let’s assume no scholarships have been obtained.

a. Typical college students work part time hours = **20/hrs per week**

b. Some students focusing more on school can survive with less = **10-15/hrs per week**

c. Some students can work full time AND go to school = **35/hrs per week**

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3. Hourly pay multiplied by hours worked = = **Gross Monthly Income**

$

$

4. Gross Monthly Income X .15 = **Fed Tax**

$

$

5. ***Federal Tax Amount*** X .33 = **State Tax**

$

$

6. Gross Monthly Income X .075 = **FICA**

7. Gross Monthly Income – (Federal Tax + State Tax + FICA) = Net Income

$

**TOTAL NET INCOME**

This is how much you have to work with for the month. You must account for every penny.

**SAVINGS** **(10%)**

Recommended amount is 10%, but you put as much as you feel you could save.

$

**TOTAL COST OF SAVINGS**

**HOUSING (25-30%)**

Find a place to live. You need to provide a picture, newspaper clipping or brochure of the place you have chosen. You might want to research a few different options for a college student: student housing, private room, shared room, leasing a house with friends, purchasing a house and renting out to your friends, etc.

RENTING

A. Renting Costs. Attach a copy of the ad to the back of this packet on a full sheet of paper.

1. How much is the Rent?

2. Are any of the utilities included? If yes, which ones?

3. Why did you choose this apartment or rental unit?

B. Utilities.

Utilities run anywhere from $50-$150. If you are sharing with others you would split the cost between the number of roommates. If you are on your own you would be responsible for the total cost. Sometimes your housing ad will specify that utilities are included in the rent price.

$

**TOTAL COST OF UTILITIES/HOUSING**

# TRANSPORTATION (10%)

A. Find a car you can afford to buy. Cut out an ad for your car. Attach it to the full sheet of paper with your housing ad. Go to bankrate.com/auto to calculate your loan payment. If you already have a car you will only need to calculate the gas and insurance/month. You may also choose the option of public transportation, purchasing a bike, or walking (MAKE SURE YOUR HOUSING OPTION IS WITHIN WALKING DISTANCE TO YOUR WORK AND SCHOOL!!). If you choose these options you need to purchase the bus pass or bike.

|  |  |
| --- | --- |
| **Questions** | **Car #1** |
| Make |  |
| Model |  |
| Year |  |
| How much will it cost? |  |
| What is the interest rate? |  |
| How long is the loan for? |  |
| What will the monthly payments be? |  |

B. Cost of Gas/Month:

$

C. Insurance

Go to [**http://www.nerdwallet.com/insurance/compare-car-insurance-rates**](http://www.nerdwallet.com/insurance/compare-car-insurance-rates)**,** put in the information of your car to determine what your insurance will cost you.

|  |  |
| --- | --- |
| Name of Company |  |
| Cost per Month for Insurance |  |
| Explain the coverage: | |

**TOTAL COST TRANSPORTATION: MONTHLY PAYMENT, GAS, AND INSURANCE**

$

FOOD (15-20%)

Include a week’s worth of menus and a grocery list with prices for one week. You can only eat at your parents once during the week. Include cost of eating out one time, unless you have budgeted for eating out more than once.

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| --- | --- | --- | --- |
| **Day** | **Breakfast** | **Lunch** | **Dinner** |
| **Monday** |  |  |  |
| **Tuesday** |  |  |  |
| **Wednesday** |  |  |  |
| **Thursday** |  |  |  |
| **Friday** |  |  |  |
| **Saturday** |  |  |  |
| **Sunday** |  |  |  |

**Grocery List**: List all items and a price for each. You are only shopping for one week so you will times the total by 4 to get the price of food for a month. You do not have to buy staples like flour, sugar, salt, and pepper.

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| --- | --- | --- | --- |
| **Item** | **Price** | **Item** | **Price** |
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**TOTAL COST OF GROCERIES FOR WEEK**  x 4 =

Monthly Cost

**MISCELLANEOUS (15-20%)**

A. Clothing: (5-10%--you choose based on your needs and wants)

B. Entertainment/Recreation:

C. Other (day care, boats, piano lessons, gym membership, charity)

E. Technology (cell phone, internet connection, cable)

**TOTAL COST OF MISCELLANEOUS:**

$

$

**UNEXPECTED EXPENSES**

What is your unexpected expense budget?

Tell how you will deal with it and how you adjusted your budget.

# SUMMARY

**TOTAL NET INCOME**

**$**

|  |  |
| --- | --- |
| **SAVINGS** |  |
| **HOUSING/UTILITIES** |  |
| **TRANSPORTATION** |  |
| **FOOD** |  |
| **MISCELLANEOUS** |  |
| **UNEXPECTED EXPENSE** |  |
| **TOTAL EXPENSES** |  |

NOTE: Total expenses must match your total net income exactly!

What did you learn from this assignment?

**COST-OF-LIVING IN VARIOUS GEOGRAPHICAL AREAS**

Choose 2 extra cities outside of Utah to compare and contrast the information you have gather above for a city here in Utah.

|  |  |  |  |
| --- | --- | --- | --- |
| **CITY** | **GROSS INCOME**  Find a job just like you did above | **RENT**  Find an apartment just like you did above | **GAS**  **http://www.gasbuddy.com/** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Visit the links provided below. Using the chart you filled out above and the links provided write 1-2 paragraphs comparing income to the cost-of-living in various geographical areas and the impact it has on your purchasing power.

<https://www.zumper.com/blog/2015/09/what-1000-in-rent-gets-you-across-10-u-s-cities/>

<https://www.zumper.com/blog/2015/08/what-1500-in-rent-gets-you-across-10-u-s-cities/>

[http://mashable.com/2014/09/12/rent-across-america/#1sSGzOyECgqw](http://mashable.com/2014/09/12/rent-across-america/%231sSGzOyECgqw)