

**Key Vocab - There will be a quiz on these terms after you complete your budget. See if you can learn and use these terms as you move through your budget.**

Fixed costs/expenses	Taxes	Long term Savings
Variable expenses	Finances	Emergency Savings
Budget	Renters Insurance	Mitigating risk
Lifestyle choices	Security Deposit	
Credit	Student Loan	
Take home pay		

*PI: 4.d: I can analyze, evaluate, and design financial plans based on short and long-term financial goals, including projected income, spending, saving, investing, and mitigating risk.*

## **Directions:**

Picture yourself 8 or so years in the future. You are about 22 years old, done with college, trade school or any other options you have chosen for yourself after high school. You are out of your parents' house and you have to find your first job and are completely on your own!! You must now figure out how you are going to budget your money based on a take home amount of **\$24,000 a year.**

## **The Task**

Now that you are ready to jump into the working world, your job is to create a personal budget from scratch. Do not assume that you have anything! You must buy a car and if you are planning on going to college, you will have student loans (in other words,

don't assume your parents have given you anything).

Based on a take home amount of \$24,000 (figure taxes have already been deducted from approximately a \$30,000 salary) a year, create a budget spreadsheet in Excel. The areas that you must include are as follows. **(Please make a copy of this document and name it “your name/budget” before you start entering information on it.)**

[https://docs.google.com/spreadsheets/d/1DNP5ITW0Z-bd-lhIZNs5pqLvT4clazq62sPoZMO\\_qWQ/edit#gid=0](https://docs.google.com/spreadsheets/d/1DNP5ITW0Z-bd-lhIZNs5pqLvT4clazq62sPoZMO_qWQ/edit#gid=0)

**What do you need to turn in on the day of your project?**

- Research questions shared with me at [ecash@durangoschools.org](mailto:ecash@durangoschools.org)
- Excel budget sheet where I can see all calculations worked out

**How am I grading you? (see rubric)**

- How realistic and detailed your responses are - does it look like you put some thought into this and are being realistic?
- Do your finances work out in the end?
- **You CAN'T go over your budget each month**

**Location/housing:**

- 1.) Where are you relocating after you finish schooling? Name the town & state.
- 2.) How expensive is this town relative to other places in America? Do the pros outweigh the cons of living there? Why?

3.) Log onto zillow.com and pick out an apartment that you'd like to rent. How much per month will the rent be?

4.) How much is renters insurance?

General Info Website

<https://www.youtube.com/watch?v=8y23U2VkyDA>

Then use relevant terms to google specific information.

5.) How much is the security deposit? Use relevant terms to google specific information.

### **Auto/Transportation**

6.) What kind of car are you going to purchase? What is your monthly payment?

Website - Use relevant terms to google specific information.

7.) How much is your car insurance?

Website - Use relevant terms to google specific information.

**Alternative Plan** - Will you use public transportation instead of a car? What are the pros and cons of doing so? Website - Use relevant terms to google specific information.

### **Student loans**

General Info Video

<https://www.youtube.com/watch?v=4rVXujzSWo4>

8.) What's your monthly payment for student loans?

Website - Use relevant terms to google specific information.

9.) How much was your college education overall? Which college did you attend?

Website - Use relevant terms to google specific information.

### **Long term savings/Emergency savings**

10.) What's your monthly contribution to your savings each month? Where will you save or invest this money? Use your knowledge from STAX.

### **Now you are going to look into your variable expenses. These expenses include entertainment, clothing, food, etc**

11.) What are your favorite clothing shops? Realistically, how much money should you spend each month on clothing? Look up an outfit online that you really want and record how much that would ultimately cost.

12.) Every month, what will you do for entertainment? (Movies, mountain biking, bowling, going out with friends, etc).

13.) How much are you going to spend each month on entertainment? Give a detailed and realistic calculation. Website - Use relevant terms to google specific information.

14.) Think about how much money you should spend on food. How much should you allocate for your food spending each month? Website - Use relevant terms to google specific information.

15.) Is it realistic to eat out every day? Why or why not?

16.) Are you wanting cable at your new apartment? How much would cable cost per month? After evaluating the costs, would you sign up for cable or not? Why? Website - Use relevant terms to google specific information.

17.) How much money will you spend on gas? Assume your job is 10 miles away from your apartment. Calculate how much you will spend each month. Look up gas prices in your future city and complete the calculation - Website - Use relevant terms to google specific information.

18.) How much will your cell phone bill be each month? Website - Use relevant terms to google specific information.

19.) How much will electricity be each month? Look up electricity in your future area and record the prices. Website - Use relevant terms to google specific information.

**Calculate all of your expenses so that they are realistic and make sense. Once you are finished, answer the following questions.**

1. What percentage of your salary are you spending on fixed expenses **and** variable expenses?

2. In a few brief sentences, how would you evaluate your spending habits? Are they logical? How would you change you spending habits to better suit your income or your needs?

3. How has your thinking changed about budgeting and spending since completion of this project? What did you learn?

4. How do credit cards work? Why are they beneficial but also dangerous at the same time?

General Info Videos:

<https://www.youtube.com/watch?v=0ddgrHehprk>

[https://www.youtube.com/watch?v=Yy1OxM\\_18EQ](https://www.youtube.com/watch?v=Yy1OxM_18EQ)