**Personal Finance Project DO THIS SHEET 5th**

**Economics, Formative**

**Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Class Period:\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ /20**

**Budget Worksheet**

**Overall Sheet Description:** *In this part of the Personal Finance Project you will be researching and estimating the price of major categories of a household budget. You will need information from the “Careers Worksheet” and “Home Buying Worksheet II” to complete this sheet.*

**PART I: Data Collection**

**Directions:** *Follow the directions below to fill in the required information. You will need your “Careers Worksheet” and your “Home Buying Worksheet II” to complete this sheet.*

1. What is your annual income in the career you chose on the “Careers Worksheet”?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\*Pick and income in the middle of the range provided.

1. What is your monthly income in the career of your choice? (#1 Answer/12)?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. How much did the home cost in Indian River County that you were able to buy on the “Home Buying Worksheet II”?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Go to <http://www.mortgagecalculator.org/> and calculate your monthly payments for the home price listed in #3. Assume :

Home Value: Answer to #3

Loan Amount: 80% of Home Value (Multiply Home Value x .80)

Interest Rate: 4%

Loan Term: 30 Years

Start Date: Today’s Date

Property Tax: 1.25%

PMI: 0%

1. After enter the data, look the right of the page that appears on <http://www.mortgagecalculator.org/>.

What is your “Monthly Payment”?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PART II: Monthly Budget Creation**

**Directions:** *Follow the instructions below and use the data provided in “PART I: Data Collection”.*

*\*REMEMBER YOU ARE MARRIED WITH TWO CHILDREN.*

1. Go to the web site <http://www.consumer.gov/content/make-budget-worksheet>. Click on the pdf file that is in the bottom middle of the page labeled [pdf-1020-make-budget-worksheet.pdf](http://www.consumer.gov/sites/default/files/pdf-1020-make-budget-worksheet.pdf)
2. Using the data from “Part I: Data Collections” fill out the required information to create a monthly budget for your family. You will also need to estimate additional data. Below is some help for estimating monthly costs of major budget items and reminders of where the information you need to complete this budget are located.

\*Remember that when you want to figure out a percentage, you multiply the number you want a percentage of times a decimal that represents the percentage.

Example: 4% of $3000 can be calculated by taking $3000 x .04 to equal $120

|  |  |
| --- | --- |
| **Category “Make a Budget”** | **How to Get the Number or Information Needed** |
| **Month, Year** | Enter current month and year. |
| **My income this month** | |
| Paychecks | Take the number you have from Part I, #2 on this sheet and multiply it times .28 (28% average tax rate). This will give you how much you pay in taxes per month. Subtract your taxes from your monthly income (Part I, #2 on this sheet). Do same for your spouse. Add them together and use that number. |
| Other income | Leave this blank since it is unlikely you will have another source of income. |
| Total monthly income | This is automatically calculated |
| **My expenses this month** | |
| **Housing** | |
| Rent or mortgage | Put down the number from PART I, #5 on this sheet that was your “Monthly Payment” |
| Renter’s insurance or homeowners insurance. | Estimate 5% of your “Rent or mortgage” (see above number) |
| Utilities | Estimate 5-10% of either yours or your spouse’s Paycheck. Add or subtract a bit based on the size of your house. |
| Internet, cable, and phones | Estimate 5-10% of either yours or your spouse’s Paycheck. Add or subtract a bit based on your need for quality services and the size of you overall Paycheck. Higher incomes tend to pay a lower % of their Paycheck for these items. |
| Other housing expenses | Estimate 10% of your “Rent or mortgage”. This will cover property taxes and possible home repair. |
| **Food** | |
| Groceries and household supplies | Estimate 5-10% of your combined Paychecks. This may be lower if you have a high income job and higher if you have a lower paying job. |
| Meals out | Think of how often you plan to eat out as an adult and estimate (probably AT LEAST $40 a week). |
| Other food expenses | Think of things like dating or hosting parties. Could be $0, could be $100’s. |
| **Transportation** | |
| Public transportation and taxies | Think of how often you will use these items. This could be $0 per month all the way up to $100’s. |
| Gas for car | Think of how often you plan to travel by car and how far you will likely travel to work. This number is likely 5% to 10% of your Paycheck. Higher incomes tend to pay a lower % of their Paycheck for these items. |
| Parking and tolls | Estimate how often you will travel to places where you pay for parking or tolls. If you work in a larger city you will pay for parking. This could be as little as $5 per month or as high as $100’s. |
| Car maintenance | Estimate 10% of your monthly car loan (see below) |
| Car insurance | Estimate 10% of your month car loan (see below) |
| Car loan | Take the price of the auto (does not have to be a “car”) you purchased on the “Auto Purchase Worksheet”. Divide the cost of that auto by 48 to get an estimate of your monthly car payment. |
| Other transportation expenses | Leave this $0 unless you personally plan on having 2 vehicles (an additional motorcycle for example). Estimate monthly cost the same as for the car if you have an additional vehicle. |
| **Health** | |
| Medicine | Estimate $50 per month per prescription you are likely to be on. |
| Health insurance | This can be difficult to estimate since some jobs have health insurance and others don’t. Some insurance pay a great deal and other insurance does not. For this sheet use 10% of you Paycheck. |
| Other health expenses | This number would also include dental costs on top of other items listed. Assume an average of 1% of you Paycheck. |
| **Personal and Family** | |
| Child care | This scenario assumes that you have 2 children. Assume you are going to pay $1000 per month. |
| Child support | Leave this number at $ because it is assumed that you don’t’ have children. |
| Money given or sent to family | Estimate based on how likely you are to have to support members of your family. This could be $0. It could be $100’s. |
| Clothing and Shoes | Estimate 2% to 10% of your Paycheck. If you like to buy these items, aim for the high end. |
| Laundry | Estimate $5 to $50 per month depending on if you think you will own a washer/dryer or not. Low end assumes you own a washer/dryer. |
| Donations | Estimate 1% of your Paycheck. This can be higher if you plan to donate money regularly. In some churches, there is an expectation of 10% of you Paycheck. |
| Entertainment | Estimate between 3-5% of your Paycheck income. The more you like to go out and do expensive things, the higher this number should be. |
| Other personal or family expenses | Estimate this number based on how “high maintenance” you are. This could be as low is $10 per month and as high as $100’s. Think of hair care, makeup, and tanning. |
| **Finance** | |
| Fees for cashier’s checks and money transfers | Estimate $0 unless you know you will regularly use these items. |
| Prepaid cards and phone cards | Estimate $0 unless you did not budget for these items earlier. |
| Bank or credit card fees | If you are prone to these items, estimate $20 per month. This would include overdraft fees and ATM fees. |
| Other fees | Estimate $20 per month assuming that fees come up that you did not budget for. |
| **Other** | |
| School costs | Estimate $300 assuming that you have a job that requires some type of education beyond high school. This represents a school loans. |
| Other payments | Estimate 5-10% of your Paycheck. Financial experts recommend saving 10% of your income. You may need to lower this number if your budget is tight. |
| Other expenses this month | If you can think of something that is a major expense that is not on this list, place it here. |
|  | |
| Total Monthly Expenses | Will automatically appear. |
| Income-Expenses = | Will automatically appear. |

1. After completing the chart look at your budget. Modify your budget to make sure that you do not spend more money than you have as a Paycheck. This may mean that you cut back on items that you previously thought you could afford (home, auto, etc.). ***You do not need to change these items on prior sheets****.*
2. **After completing the above, print a copy of your chart and attach it to this sheet. If you are using Chrome Books you will need to transfer the data to a printed copy of the budget sheet by hand.**
3. Answer the below questions in several complete sentences based on your experience completing this activity.
4. Was creating a monthly budget easier or more difficult than you though it would be? Why or why not?
5. What area of your budget would be the most easy to find ways to save money? Why?
6. What area of your budget would be the most difficult to reduce? Why?