

Name \_\_\_\_\_ Date \_\_\_\_\_ Period \_\_\_\_\_

### **Personal Finance Budget Project**

Directions: You will be given a job and family status. You must do research so that you can survive on your income and live with all of your needs and hopefully wants fulfilled. With your given scenario, you need to find the following items that fit in your salary and your family accommodations. As you **check off** each completed item, use the attached budget paper to keep your totals of each category so you can add the amounts up and make sure they fit your budget. If they do not fit in your budget, you must redo your categories so that they **do** fit your budget. You will need to document everything you do and turn in all appropriate materials. If you need more room to write you may use paper to write on but you must attach it when you turn it in. If you do not have printing capabilities you may share your **entire** project with me through Google Docs. Also, **please read all of the item carefully!**

**Due Date:** \_\_\_\_\_

Profession (Job): \_\_\_\_\_

Spouse's Profession: \_\_\_\_\_

Children: \_\_\_\_\_

\_\_\_\_\_ 1. Find out how much in taxes will be taken out of your gross monthly income by looking at the tax bracket chart. FYI, for our purposes we will assume your job provides health care coverage for you so you don't have to buy health insurance. Remember, even though you have insurance you will still need to have savings to cover the remainder of doctor and hospital visits.

\_\_\_\_\_ 2. Subtract the amount of taxes from your gross yearly income to find your net yearly income.

\_\_\_\_\_ 3. Find the average monthly income of your profession. (Divide yearly salary by 12 months)

\_\_\_\_\_ 4. Add your spouse's net monthly income to yours to get your monthly household income. Follow #1-3 just like you did for your income to figure this out.

\_\_\_\_\_ 5. Find a place to live in the Prescott tri-city area, that includes Prescott Valley and Chino Valley. For our purposes you will just be renting and not buying a home. You will need to print out your housing selection that includes a picture and price. Good places to check are Craigslist.com and Zillow.com.

\_\_\_\_\_ 6. Find out what utilities you will have to pay. Use the utilities chart to determine what amount you will have to include in your budget. Utilities include electricity, heating, water, trash service & sewer (waste water aka toilet).

\_\_\_\_\_ 7. Cost of having a child. Determine how much you will have to budget for each child you have. One child costs around \$100 a month. Multiply this by the number of children you have. Remember, this cost does not include food for your children which you will calculate in another section. If you do not have children, move on to step 8.

\_\_\_\_\_ 8. Plan a week's worth of groceries for you and your family if you have one. Research the cost of each item you put on your list by searching sites such as walmart.com for food prices. Use the grocery budget sheet to plan your week's worth of groceries. Then, multiply the amount of the week's worth of groceries by 4 to calculate a food bill for the month.

\*So far you have just covered your basic needs. Hopefully you still have lots of money in your budget left over for some wants! If you do not, go through the rest of the numbers and create a total for how much extra money you would have to have in order to get your wants.

\_\_\_\_ 9. Research the kind of car you would like to have by going to dealer websites. Tim's Toyota is a good example. Find out how much the car you want costs. Most cars give you a 72 month (6 year) repayment option. So to find out how much you will pay each month, divide the total cost of your car by 72. This will give you the monthly cost. Remember, in real life you have to pay even more for a car payment, including interest rates, but we won't worry about that now! You will need to print out your housing selection that includes a picture and price.

\_\_\_\_ 10. Now that you have a car you need car insurance. It is against the law if you do not have car insurance! Car insurance cost vary depending on how old you are, your gender, your driving record, and even what color your car is! Use the car insurance chart to determine how much you will have to pay each month. P.S. When you start driving, car insurance companies give discounts for straight A's!!

\_\_\_\_ 11. Even though the price of gas is low now, it is not always that way! Budget \$120 for your monthly gas cost. If you cannot afford this you can put less, but this means you are limited in how much you can drive.

\_\_\_\_ 12. Let's assume you already were able to afford a new fancy iPhone. Now you have to pay monthly to keep the service going. Go to the following AT&T website and decide which plan you would like and can afford. <https://buyiphone6.apple.com/compare-iphone-plans/> You can also go to other iPhone service providers if you choose.

\_\_\_\_ 13. Basic internet service costs about \$60 per month. Just like anything else, you can choose more expensive plans, but we'll stick with this option for now.

\_\_\_\_ 14. Just like internet options, cable bills can vary depending on how many channels you want. For our purposes we'll take the average cost of around \$50 per month.

\_\_\_\_ 15. The above are basic wants that most Americans have in their homes. Now is your chance to research the cost of other wants you may have. In the Miscellaneous Wants chart, write down the want along with the monthly cost to be budgeted. Some of these may include Netflix, Amazon Prime, clothes, movies, eating out, having a pet, etc.

\_\_\_\_ 16. Now that you have most costs covered, if you still have money left to spend in your budget it is time to think about savings. Economists say we should take  $\frac{1}{4}$  of our monthly income and put it into savings. This may not be possible with your income, but if you do have money left to save, fill out the savings chart to decide how much money you can put aside for each needed item.

\_\_\_\_ 17. Take the time to recheck all of your numbers to ensure they are correct. Then, fill out the final budget page. You will be turning in this whole packet, along with the print out of your home, car and credit card purchases.

\_\_\_\_ 18. This is the final step! Using the amounts in your final budget, create a chart to show a visual representation of your monthly budget. This can be a bar chart, flow chart, table, etc. Pie charts work really well! Create your chart in Google Docs Spreadsheet. Share your spreadsheet with me [christina.jones@prescottschools.com](mailto:christina.jones@prescottschools.com)

**Monthly Income**

Gross Yearly Income: \$  
 Yearly Taxes Paid: \$  
 Net Yearly Income: \$  
 Net Monthly Income: \$  
 Spouse's Yearly Income: \$  
 Spouse's Taxes Paid: \$  
 Spouse's Net Monthly: \$

Your Net Monthly Income \$  
 Spouse's Monthly Income +\$

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**Total Monthly Income: \$**

**Monthly Expenses**

Rent	\$
Utilities	\$
Children	\$
Groceries	\$
Car Payment	\$
Auto Insurance	\$
Gas	\$
IPhone	\$
Internet	\$
Cable	\$
Misc. Wants	\$

Savings	\$
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**Tax Bracket**

<b>If you make.....</b>	<b>Tax Percentage</b>
\$0-\$8,375	10%
\$8,376-\$34,000	15%
\$34,001-\$82,400	25%
\$82,401-\$171,850	28%
\$171,856-\$373,650	33%
\$373,651+	35%

**Utilities**

<b>If your monthly rent is.....</b>	<b>Monthly Cost of Utilities</b>
Below \$500	\$150
\$501-\$800	\$250
\$801-\$1000	\$300
\$1001-\$1500	\$400
\$1500-\$2000	\$500
\$2000+	\$800





### Savings

<u>To Save For</u>	<u>Amount</u>
Car Repairs	
Clothing	
Vacation	
Big Purchases (pool, new tv, computer,etc)	
Medical Emergencies	
Retirement	
Education	
Other:	



## Final Budget

**Total Net Monthly Income:**           \$

**Total Monthly Expenses:**           -\$

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\$

\*If this number is negative, you need to get rid of something in your budget. If it is zero, you allotted for all of you income to be put to use. If this number is positive, what will you do with this extra money?

## Monthly Expenses

Rent	\$
Utilities	\$
Children	\$
Groceries	\$
Car Payment	\$
Auto Insurance	\$
Gas	\$
IPhone	\$
Internet	\$
Cable	\$

Misc. Wants	\$
Savings	\$