

## Math 110

### Lesson 3F - REAL WORLD BUDGET

#### LEARNING TARGET

**I AM GOING TO LEARN HOW TO CREATE A REAL WORLD DETAIL BUDGET WITH INCOME AND EXPENSES**

## Lesson 3F - REAL WORLD BUDGET

### Assignment 3F - Real World Budget

- Create a real world budget by completing the following worksheet
- Read pages 2 to 7 and select the category that pertains to you...for example select what you think will be your annual income for the career you choose.
- Calculate what your take home pay will be after subtracting the taxes and put in into the income space on page 1
- On Page 3 select where you will live...are buying a house or renting...example costs are given..and the utilities you want and put those costs into the household expenses on page 1
- On Page 4 select your food costs and put those on page 1
- Continue with expenses for Looking good, Transportation, Healthcare, Just for fun, Miscellaneous.
- Finally calculate total expenses and total income to see if you have a balanced budget or if you need to modify it.

# 3F - REAL WORLD BUDGET

Name: \_\_\_\_\_  
Date: \_\_\_\_\_

## Real World Budget Project

**DIRECTIONS:** Fill out completely! Use budget expectations to estimate monthly expenses or include a printout of item's price if found on the Internet or in the newspaper for a cheaper rate.

### Income

Annual Salary: \_\_\_\_\_ Part time job? \_\_\_\_\_ (-3 points)  
Salary after tax: \_\_\_\_\_  
Monthly take home pay: \_\_\_\_\_

### \*\*Household expenses

\*\*Where to live \_\_\_\_\_  
\*\*Utilities \_\_\_\_\_  
TV/Internet \_\_\_\_\_  
Home telephone \_\_\_\_\_  
Cell phone \_\_\_\_\_  
Other Household \_\_\_\_\_

TOTAL Household \_\_\_\_\_

### \*\* Food

\*\*Groceries \_\_\_\_\_  
Lunches & Snacks \_\_\_\_\_  
Eating Out \_\_\_\_\_

TOTAL Food \_\_\_\_\_

### Looking Good

\*\* Clothes & Shoes \_\_\_\_\_  
\*\* Toiletries \_\_\_\_\_  
\*\* Laundry & Cleaners \_\_\_\_\_  
Hair Care \_\_\_\_\_  
Other \_\_\_\_\_

TOTAL looking good \_\_\_\_\_

### Miscellaneous

Credit Card Payment \_\_\_\_\_  
Savings & Investments \_\_\_\_\_  
Education Expense \_\_\_\_\_  
Gifts & Charity \_\_\_\_\_  
Pets (per pet) \_\_\_\_\_  
Childcare \_\_\_\_\_

TOTAL miscellaneous \_\_\_\_\_

### \*\*Transportation

Car Payment (per car) \_\_\_\_\_  
Insurance \_\_\_\_\_ \* must if car  
Gasoline (per car) \_\_\_\_\_ \* must if car  
Maintenance & Repair \_\_\_\_\_ \* must if car  
Public Transportation \_\_\_\_\_  
Other \_\_\_\_\_

TOTAL transportation \_\_\_\_\_

### Healthcare (-5 points if not chosen)

Doctor visits \_\_\_\_\_  
Dentist \_\_\_\_\_  
Prescriptions \_\_\_\_\_  
Medical Insurance \_\_\_\_\_  
Other medical cost \_\_\_\_\_

TOTAL Healthcare \_\_\_\_\_

### Just for fun

Movies/games/concerts \_\_\_\_\_  
Dates/Trips \_\_\_\_\_  
Music Purchases \_\_\_\_\_  
Books & magazines \_\_\_\_\_  
Hobbies \_\_\_\_\_  
Other \_\_\_\_\_

TOTAL just for fun \_\_\_\_\_

### TOTAL BUDGET

Total Monthly Pay \_\_\_\_\_  
- TOTAL EXPENSES \_\_\_\_\_  
= BOTTOM LINE \_\_\_\_\_

**FIRST STEP - Income**

**Finding your monthly "take home pay"**

1. Write down your annual salary: \_\_\_\_\_
2. Find how much you will pay in taxes, this depends on your salary.

If your salary is between 0 and \$30,000, you will pay 20% in taxes.

If your salary is between \$30,001 and \$44,999 you will pay 30% in taxes.

If your salary is between \$45,000 and \$64,999 you will pay 35% in taxes.

If your salary is between \$65,000 and \$99,999 you will pay 40% in taxes.

If your salary is \$100,000 or more, you will pay 45% in taxes.

3. Calculate your tax payment. Tax as a decimal = \_\_\_\_\_ (Times salary by decimal) = Tax
4. Write down your new "take home" annual salary. Salary - Tax = \_\_\_\_\_
5. Divide your "take home" salary after taxes by 12, to represent your monthly "take home pay."
6. Record your monthly "take home pay" on your budget sheet. Do not spend more than this amount.

Monthly take-home pay = \_\_\_\_\_  
You may not spend more than this amount during this project.

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Part Time Jobs: Any student may choose to have a part-time job in addition to your salary. This represents your willingness to work an extra TWENTY hours every week at a lower paying job, or overtime at your current job to make more money. You may have additional child-care expenses and will probably be very tired all of the time. **A part time job adds \$400** to your income box under "part time jobs and chores" **at the expense of 3 points** off of your grade to represent you being tired all of the time.

Allowance, gifts, and other sources of income must come from a project, idea, or research from a random scenario, work you did at home, or in another class that convinced the teacher that your idea would merit the extra monthly income.

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### 2nd step: Budget Items

The following pages show budget options for most of the mandatory choices. You are welcome to pay different amounts than what is shown, but you must also include the advertisement and math that *correctly shows* your monthly payment for the budget item selected.

Many of the budget choices, such as money spent on music purchases or toiletries each month are not provided. You must tell me what you are willing to spend on downloading music, buying CDs or toilet paper, and whether or not you think toothpaste and deodorant is important by showing what you budgeted for these items. These choices will impact your grade.

**Items marked with \*\* MUST BE CHOSEN.**

#### Household

\*\* Everyone MUST pay rent.

	per month
Studio or 1 bedroom apartment (only if you have no children)	\$650
2-3 Bedroom apartment	\$900
Small House	\$1250
Large House	\$2500
Mansion, larger house, penthouse apartment, etc.	Research

\*\* Utilities. This includes water, trash pick-up, natural gas and electricity

If you live in an apartment	\$125
If you live in a house	\$250

#### Cable/Satellite TV, Internet Access

Cable/Satellite TV can run from \$40 or more depending on package choices. Internet access will run between \$10 and \$50 a month depending on speed of connection.

	\$???
Home telephone with long distance	\$20
Cell Phone (per person)	
Basic Cell Phone, limited minutes, limited text messages	\$20/person
Cell phone, unlimited minutes/text messages	\$35/person
Smart Phone with unlimited minutes/texts/data	\$60/person

You will make a choice if your children get phones or not. If you are married, you must include a cell phone for yourself and your spouse or not choose one at all.

\*\* You must have either a cell phone or a house telephone. You may choose both.

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#### Other Household expenses

Describe extra expenses related to your house/apartment that you may have or budget for. This can include saving for repairs, having a garden, swimming pool, etc.

\$???

#### FOOD

**\*\* Groceries for a family will run \$300 per person, per month. At this level families are eating basic food only without soda pop, energy drinks, candy, expensive steak, or other foods. It is likely that you will spend more on food.** \$300-\$???

#### Lunches and Snacks

You may spend additional money here for snack food, or fast-food lunches.

\$???

#### Eating Out

Going out to dinner typically runs \$10/person per time you wish to go out each month. It can be a lot more for fine dining.

#### TRANSPORTATION

**\*\* You must have some method of transportation that is capable of getting every member of your family to work and school. It is up to you to justify which method(s) of transportation you and your family will budget for.**

#### Car Payment (per car)

per month

Older car. This car isn't pretty and probably won't last long	\$100
Motor Cycle (used)	\$75
Nice used car (such as a Honda Accord, Toyota Corolla, Ford Taurus)	\$200
Used luxury car or used sports car (Ford Mustang, BMW, etc.)	\$400
Nice new car	\$400
New luxury car, truck or new sports car	\$650

#### Insurance (per car or motorcycle)

For older car or motorcycle	\$50
For nice used car	\$75
For used luxury, used sports car or nice new car	\$125
For new luxury, truck or new sports car	\$150

If you had ONLY A's and B's on your last report card, insurance is \$25 less.

#### Gasoline (per car or motorcycle)

\$75

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### Maintenance and repairs (per car or motorcycle)

Cars need oil changes and repair work on a regular basis. Please budget for it as you feel appropriate. \$???

### Public Transportation (per person using)

Bus Pass, etc. \$50

### Other (parking, tolls)

\$???

## HEALTHCARE

You will want to provide healthcare for your family. You will want to budget for health insurance as well as doctor's visits and fees. Some suggestions are made below. Please remember all members of your family when making these choices.

### Doctor (per person, per visit)

It will typically cost you \$50 to see a doctor, even if you have health insurance. This can be more for specialists or if you do not have insurance.

### Dentist (per person, per visit)

A dentist will be visited about twice a year. Dental insurance will cover an individual person for \$150/year, which would also help cover emergency dental work. A dentist visit without dental insurance will cost about \$50, but additional work may cost \$50-\$500 more. A normal person visits the dentist about twice a year.

### Prescriptions (per person)

Medication that you must take. Medications can be as little as \$10/month with health insurance and as much as \$150/week without. Not everyone needs regular medication.

### Medical Insurance (per person)

Medical insurance for a healthy, younger person, will cost about \$100/month. This price can go up tremendously if you have a history of health problems. Having health insurance helps protect your family against emergencies which can bankrupt a family quickly. Typically, you will stay pay \$50 each time you visit a doctor, but those visits could cost \$100-\$1000 without medical insurance.

### Other Medical Expenses (per person)

It is always a good idea to save money for potential medical expenses and emergencies.

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### Looking Good

Money for things like clothes, laundry, toilet paper, toothpaste, haircuts, make up. Keep in mind most jobs require a certain level of professionalism in your dress and appearance. A person who comes to work dirty and in old clothes will likely lose their job. **It is up to you to decide how much to spend on looking good.** I recommend strongly you purchase clothes and toilet paper.

Clothes and Shoes (per person). Replacing old clothes as they wear out with cheap clothing choices is at least \$20/month. Name brands, nicer clothes and such can cost a LOT more.	\$20+
Toiletries (per person), toothpaste, soap, shampoo, toilet paper...	\$???
Laundry and Cleaners (per person). You want your clothes clean, right?	\$???
Hair Care (per person). Hair dye, curling irons, highlights, gel, moose, etc.	\$???
Other Expenses (per person). Jewelry, belts, watches, or anything else...	\$???

### Just for Fun

None of these items are required. However, your quality of life, therefore your grade will be reduced if you do not include some fun items.

Movies/games/concerts. It would cost each person about \$10 to go to a movie or a \$100 for a concert. What you do and how often is up to you...	\$???
Dates/Trips. Are you going out on dates? Do you plan to travel? A date costs at least \$40. How often do you plan to go out or do exciting things?	\$???
Music Purchases. How much will you spend on music?	\$???
Books/Magazines/Newspapers	\$???
Hobbies (per person), things like collections, sports equipment, clubs	\$???
Other (per person) What else do you do for fun?	\$???



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### MISCELLANEOUS

Every other expense that wasn't included somewhere else should go here.

Credit Card (if your budget just won't come out, you may have credit card payments as well, which will make it harder for your budget next month). Or maybe a random event will make your life harder and you'll need money NOW. \$???

Savings and Investments (It is recommended that you invest 10% of your money for retirement and the future. More if you have children you wish to send to college some day. \$???)

Education (tuition, books, fees). If you don't like your job, you'll need to go to school, or go back to school, to get a better education. A full time university student will pay \$1000/month for tuition. An adult can go to school part time for about \$100/month per class (or more) depending on the quality of the school and type of classes involved. \$???)

If you have a College Degree or a Masters Degree, you must pay off your school debt. If you have a College degree, you pay \$3,000 a YEAR towards your debt, and if you have a Masters Degree, you pay \$5,000 a year. \$???)

Gifts & Charity. Do you plan to give money to a charity such as a church or animal shelter? Do you give gifts to friends or family members? \$???)


Pets (per pet). A pet will cost you at least \$40/month in food and supplies. \$???)

### 3rd Step: GRAND TOTAL

Include the total from your income box at the top, subtract the total of all of your expenses added together. If you have a positive BOTTOM LINE your budget is good, if not, go back and revise, cut or find other income sources until it works out.

## Attachments

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 [How To create a Budget](#)

 [How to Make a budget](#)