

Living on a Budget

Directions: Use Career Outlook information to estimate a monthly budget based on potential salary, college loans and living expenditures.

The budget percentages listed in the Career Outlook, page 63, are the general expenditures that most will need to consider when budgeting their income.

1. **Annual College Cost** (see pg. 63) times **years of college attended** equals the **Total Cost of College**:

$$\frac{\text{Annual College Cost}}{\text{Annual College Cost}} \times \frac{\text{years of college attended}}{\text{years of college attended}} = \frac{\text{Total Cost of College}}{\text{Total Cost of College}}$$

2. Based on the **Total Cost of College** of college, approximately how much money will you need to save or borrow to attend college and complete a degree program?

\$ _____

3. Choose an occupation on pp. 12-50.

What is the **Annual Entry-Level Wage**: \$ _____

4. **Multiply** the **Annual Entry Level Wage** by 80% to determine **Net Wages/Take Home Pay**. The other 20% represents taxes and other expenditures taken out of the gross salary.

$$\frac{\text{Annual Entry Level Wage}}{\text{Annual Entry Level Wage}} \times 80\% = \frac{\text{Net Wages/Take Home Pay (Annual)}}{\text{Net Wages/Take Home Pay (Annual)}}$$

5. **Divide** the **Take Home Pay** by 12 months to calculate the **Monthly Available Income**:

$$\frac{\text{Net Wages/Take Home Pay}}{\text{Net Wages/Take Home Pay}} \div 12 = \frac{\text{Monthly Available Income}}{\text{Monthly Available Income}}$$

MONTHLY EXPENDITURES

	Expenses	Monthly Total
Home	Rent/mortgage	\$
	Utilities (electricity, gas, etc.)	\$
	Internet/cable/home phone	\$
	Home repairs and maintenance	\$
	Groceries	\$
	Laundry/dry cleaning	\$
Bills	Student loans	\$
	Credit cards	\$
	Car payments	\$
	Insurance (car, homeowners, etc.)	\$
	Cell Phone	\$
Transportation	Public transportation/taxis	\$
	Gas	\$
	Parking	\$
	Car repairs and maintenance	\$
Health	Prescriptions	\$
	Doctor appointments	\$
	Gym membership	\$
Personal	Entertainment	\$
	Gifts/special occasions	\$
	Travel	\$
	Dining out	\$
	Clothing	\$
Miscellaneous		\$
	Total Monthly Expenses	\$
	Total Monthly Income	\$
	– Total Monthly Expenses	– \$
	= Total Savings	\$

Reflection: What expenses could be reduced if you need more flexibility in your monthly budget?