

Student Handout 3

Lesson #2: On Your Own

Name _____

Congratulations! You’ve just moved out of your parent’s house and have your first full-time job. It’s starter pay, but has excellent potential.

You make about \$20,000 a year. After taxes you have \$1,100 each month that you need to divide among your various expenses. Complete the chart and use the information to answer the questions below.

(To calculate percentages multiply the total amount by the decimal-based percent. For instance, to calculate the housing amount you would multiply 1100 x .30 to get \$330.)

On Your Own - My Monthly Budget

Expenses	Percentage	Amount (\$)
Monthly Income		\$1100
Housing	30%	
Food	20%	
Transportation	12%	
Medical	12%	
Clothing	10%	
Savings Fund	10%	
Fun Stuff	4%	
Emergency Funds	2%	

1) Double check your calculations by adding the amounts you calculated- don’t add the monthly income. If your calculations are correct, this will add up to your total monthly income.

2) You rent an apartment with two roommates. The total rent is \$900/month. You decide to add the remaining money allocated for rent to your emergency funds. Good thing! Your new-to-you car gets a flat and you have to buy a new tire that costs \$80. How many months of emergency saving would it take you to save for the tire without the added funds from the housing budget?

With the added funds?

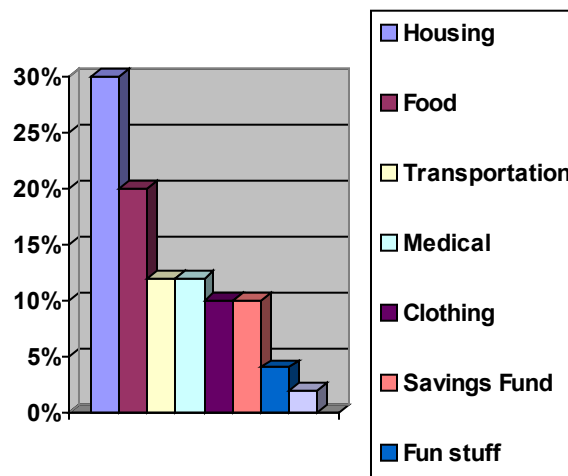
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3) You decide to take a summer break trip with one of your roommates. You will use your fun stuff funds to save for the trip. How much money can you save in 3 months?

4) Oy! Not nearly enough. You calculate that you need at least \$200 to go on the trip 3 months from now. Create a plan that will allow you to save the money.

5) Blustering blisters! You get a bit too much sun on vacation. (Mom told you to use sunscreen!) You have to cover the \$75 medical bill. Does the amount in your medical portion of the budget cover your needs? How much money is left, or how short are you?



6) Use the graphic illustration of your budget to answer these questions:

What is the largest part of your budget spent on? What percentage?

Is more money spent on Clothing or Medical? Can you tell how much?

How does the graph give you information that the chart doesn't?