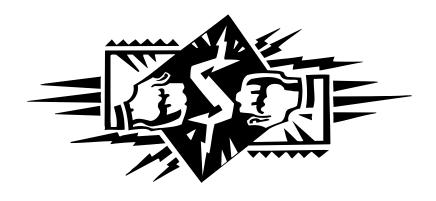




# WELCOME TO THE REAL WORLD BUDGETING YOUR MONEY



Watch the EdPuzzle video: 30 Days on Minimum Wage? Answer the 16 questions while watching this video. (45 minutes). Formative Graded - 16 points.

Summer School Note: You will watch this EdPuzzle video outside of class (at home).

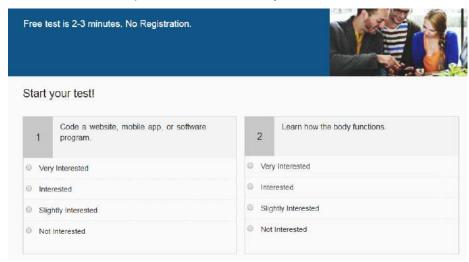
Take a look into your future. Imagine that you have graduated college or trade school and you are out in the real world. It is time that you take on complete personal and financial responsibility...

#### CHOOSING A CAREER

If you're not sure about your working future, you might want to use this web site to find out your career interests.

https://www.yourfreecareertest.com/

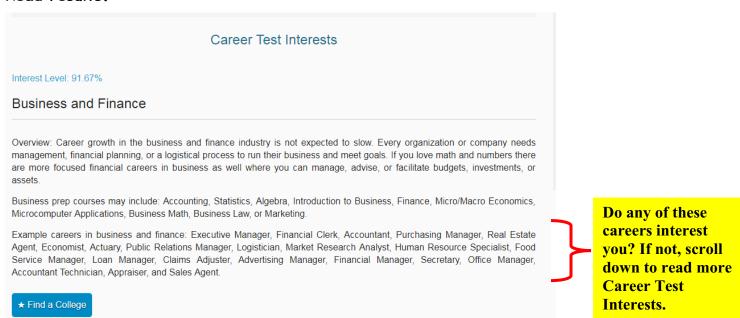
#### Answer the 63 questions truthfully.



# Answer all questions and then click on SUBMIT.



#### Read results.



You do not need to click on find a college, unless you want to.

#### Interest Level: 83.33%

#### Education

Overview: Careers in education are projected to grow because the number of school and college enrollments have increased drastically. Online education and continuing education also continues to increase as well due to the demand of consumers seeking to further their education and employers demanding their workforce stay current in their skills. Teaching goes beyond the traditional classroom as there are now opportunities to instruct and learn online, corporation training careers, and private tutoring services.

Education prep courses include: Introduction to Education, Children's Literature, Public Speaking, Developmental Psychology, Sociology, General Psychology, Children Psychology, and Business Management, Instructional Design, and Curriculum Development.

Example careers in education include: Teacher (school-aged through adult), School Counselor, Corporate Trainer, Princ Teacher's Aide, Preschool Teacher or Director, GED Instructor, Special Education Teacher, and Postsecondary Administrator.

★ Find a College

Do any of these careers interest you? If not, scroll down to read more Career Test Interests.

You do not need to click on find a college, unless you want to.



You do not need to choose any of these careers, if they don't interest you. You can make a totally different career choice.



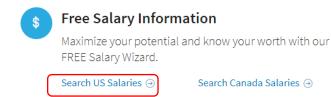
What is your career choice?
Where do you want to live (in the United States)?

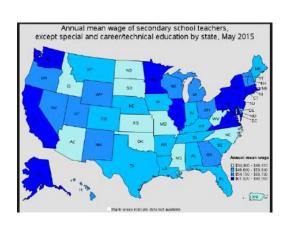
This is important because jobs pay different salaries depending on where you are living. The job salary depends on the areas cost of living.

#### ESTIMATE YOUR SALARY (GROSS INCOME)

https://www.salary.com/salaries/

Scroll down the page until you see Free Salary Information (shown below). Click on Search US Salaries.





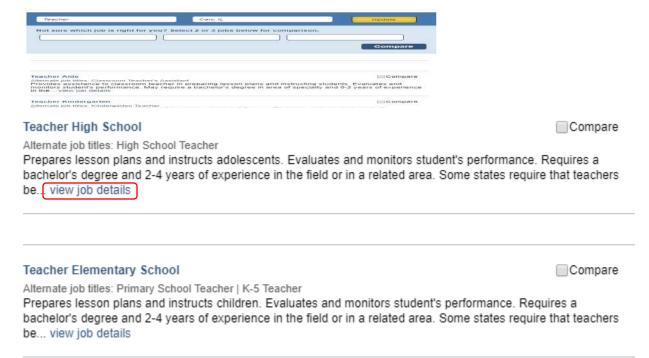




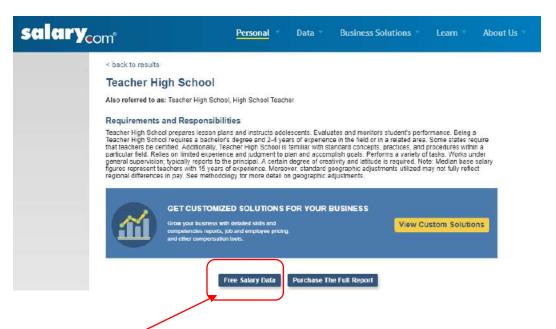
- 1. Type in your Job title; for instance teacher.
- Type in the Location where you would like to live. (Now is the time to move out of Mom and Dad's house)

Note: Different careers pay different salaries, depending on where you live.

3. Click on Search.



4. When you find the description of the job you want, click on View job details and read the requirements and responsibilities for this job.



5. Click FREE SALARY DATA and then click on Show My Salary Estimate Results to find the starting salary for your job.

SHOW MY SALARY ESTIMATE RESULTS >

6. You will get a screen that looks like this:



Since you have just graduated from college or technical school you will be starting your career at the entry-level (lowest pay) on the bell curve. In the example above, your Gross Annual Salary is \$48,600.

Now that you have a job, we can begin your financial planning (creating a budget).

# DO NOT CLOSE the Salary.com Web Site page.

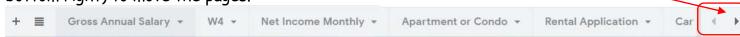


Open your Budget Workbook Answers 2019 Google Sheets. (Google Classroom).





Notice that there are many pages (found at the bottom of the page) in this workbook. When you click on a page, to activate it, the tab will change to a white background. If you want to go to a different page, just click on it. If you can't see a page, click on the left or right arrow, (far bottom right) to move the pages.



When you are on a page, notice that there are yellow highlighted boxes. These are the boxes that will require an answer. PLEASE do not skip a yellow highlighted box (make sure you have an answer for all yellow highlighted boxes on all pages).

If it is not already selected (white background) click on the Gross Annual Salary spreadsheet (bottom left corner), to open this page.



There are 2 yellow boxes on this page. The first box, is asking for you to copy and paste the web site address from salary.com. (The web site page where you have a bell curve like the one shown below). Your answers should look similar to the answers below.



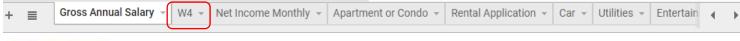


Your employer is required by law to withhold income taxes and other deductions (money) from your paycheck.

You must complete the **W4 spreadsheet** in your **budget**workbook.

Your employer will withhold income taxes (federal and state) and other required deductions according to your answers on the **W4**.

Click on the W4 page in your budget workbook answers to activate this page.





Watch the Ed Puzzle video: What is a W4 form? Answer the 4 questions while watching this video. (2 minutes). Formative Graded - 4 points.



Watch the Ed Puzzle video: How to fill in a W4 form and answer the 2 questions while watching this video. (3 minutes, 10 seconds). Formative Graded - 2 points.

wour budget workbook. Keep in mind that at this point in your life, (just finished college or trade school) you are single, with no children. Note: Do not complete your address at this time, because you will be getting a new address. (You are moving out of your parents' home.)

# About Taxes

There have always been individuals who argue that income taxes are illegal. Make sure you "Know the Law:" **The United States Constitution**, **Article 1**, **Section 8**, **Clause 1**, **states**, "The Congress shall have the Power to lay and collect Taxes, Duties, Imposts and Excises to pay the Debts and provide for the common Defense and genera | Welfare of the United States."

# **Federal Tax Payments**

- Federal Withholding Tax
- Social Security Tax
- Medicare Tax

The combination of these 2 taxes is also known as **FICA** – **Federal Insurance Contributions Act.** 

# State Tax Payments

State Tax

Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming don't have income tax. In addition, New Hampshire and Tennessee only tax interest and dividend income, not wages, earnings, or other income.

#### UNDERSTANDING YOUR PAYCHECK



Pavcheck

Watch the Ed Puzzle video: Understanding Your Paycheck? Formative Graded - 5 points. (2 minutes).



Calculating your Income Taxes

The amount of taxes (money) that is deducted from your annual gross income depends on your income (the more you make, the more they take) and a few other factors; state in which you live, dependents (children), married or single, and other various questions that you answered on your W4 form. The amount of money left over after deductions, is your annual net income or "take home pay." This is money you can use to create your spending budget. Use the following web site to calculate the amount of money that will be deducted from your paycheck each month.

#### www.paycheckcity.com

1. Click on \$.



#### **DIRECTIONS**

#### Set Calculation date and state.

- 1. Insert today's date.
- 2. Click on the drop down arrow and select the **State** you got a job in.

#### **General Information**

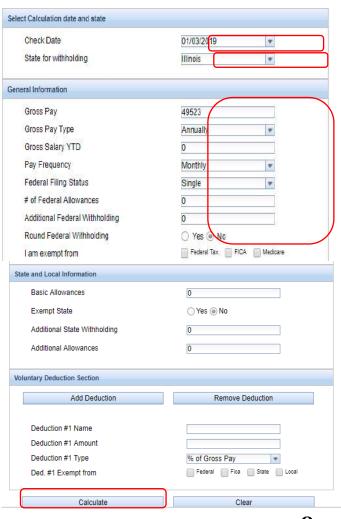
- 1. Input your yearly gross pay (also known as annual salary). **DO NOT** use a comma.
- 2. Gross Pay Type is Annually.
- 3. Gross Salary YTD is 0.
- 4. You will be paid Monthly.
- 5. You are single.
- 6. **0** for #of Federal Allowances.
- 7. **0** Additional Federal Withholding.
- 8. **No** for Round Federal Withholding.
- 9. You are not exempt from taxes.

#### **State and Local Information**

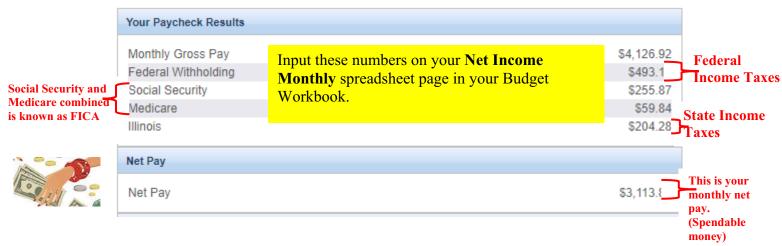
- 1. **0** for Basic Allowances.
- 2. **No** for Exempt State.
- 3. **0** Additional State Withholding.
- 4. **0** Additional Allowances.

#### **Voluntary Deduction Section**

- 1. No additional deductions.
- 2. Click Calculate.

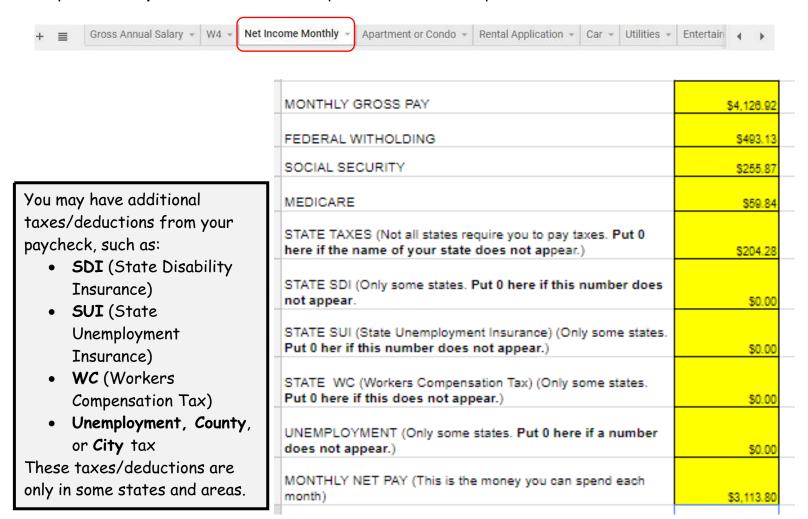


# Taxes Calculation Results Example:



Click on the Net Income Monthly page in your budget workbook to activate this page.

Input Your Paycheck Results on this spreadsheet. An example is shown below.



There may be additional deductions from your paycheck, such as <b>SDI</b> (State Disability Insurance), <b>SUI</b> (State Unemployment Insurance), <b>WC</b> (Workers Compensation Tax), <b>Unemployment, County</b> , or <b>City</b> tax, depending on where you are living. These deductions are only in some states and areas.

# W-2



Watch the EdPuzzle video: What's a W-2 Form? Formative Graded - 2 points. (1 minute).

What's a W-2 form?



Every employer engaged in a trade or business who pays for services performed by an employee must file a Form W-2 for each employee by **January 31** of the new year.

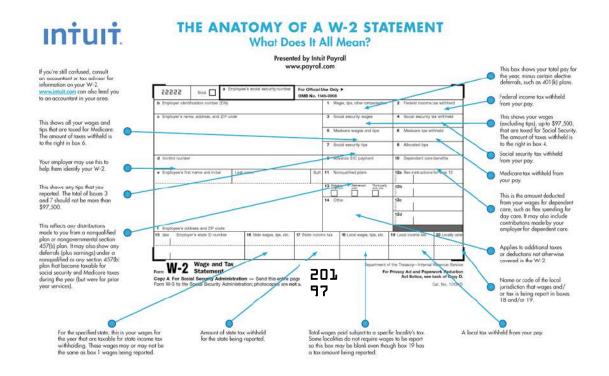
a Control number 03-000240-	22222 void 🗌	OMB No. 1545-0008				
b Employer identification number 99-9876543			1 V	Wages, tips, other compensation 25312.5		income tax withheld 2522.33
c Employer's name, address, and Z Johnson Technical Serv			3 5	Social security wages 25312.5		ecurity tax withheld 1569.38
850 Tech Drive Suite 400		$S_{q_p}$	5 1	Medicare wages and tips 25312.5		e tax withheld 367.06
Anytown USA	15237	$S_{ample}$	7 8	Social security tips	8 Allocate	d tips
d Employee's social security number 221-00-9123	r		9 4	Advance EIC payment	10 Depend	ent care benefits
e Employee's name, address, and 2	IP code		11 N	Nonqualified plans	12a See inst	ructions for box 12
Dana T	Brenner				§ D	120.00
179 Klein Road			13 Star	tutory Retirement Third-party sick pay	12b	
Arnold Pa	15068		14 C PA	Other Sui 5.	12c	
					* 12d	
15 State Employer's state ID numb				18 Local wages, tips, etc.	19 Local income t	ax 20 Locality name
PA 510403704	25312	2.50 70	8.76	25312.50	25	3.12 Allensbur

Form W-2 Wage and Tax
Statement
Copy 1 For State, City, or Local Tax Department

Copy 1 For State, City, or Local Tax Department Copy D For Employer.

2019

Department of the Treasury—Internal Revenue Service For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.



# Filing Your Income Tax Forms

If you do not know how to complete these forms, it may be necessary for you to hire someone and/or a business, such as H&R Block to complete these forms for you. You will most likely have to pay them to complete these forms for you.



You can also purchase software such as **Turbo Tax** and complete the forms using the software.

Nonetheless, it is the law to file your income taxes each year.



#### Federal Tax Form

Watch Ed Puzzle video: How to fill out a 1040EZ. Formative Graded - 2 points. (4 minutes)

03:41 5♥

How to fill out a 1040EZ



#### Illinois State Tax Form

Watch Ed Puzzle video: How to complete Form IL 1040 Individual Income Tax Form. Formative Graded - 2 points. (2 minutes)

How to complete Form IL 1040 Individual Income...

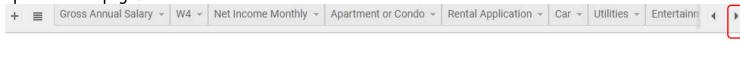
Remember: If you live in a state where they <u>do not withhold state income taxes</u>, you will <u>not need to fill out a State Tax Form by April 15<sup>th</sup>.</u>

Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming don't have a State Income tax.

<u>Note:</u> For this class, you do not need to know how to complete the Federal and State Income tax forms. You just need to know that it is the law to complete both (if your state requires it) by <u>April 15<sup>th</sup>.</u>

#### SAVINGS

Use the right arrow at the bottom of your Budget Workbook Answers to move to the budget spreadsheet page.



Click on the Budget page to activate it.

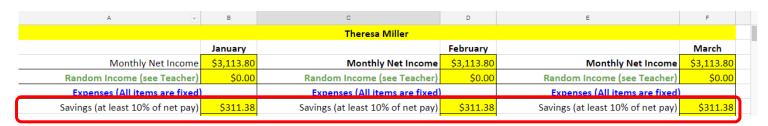


#### How much money should you save? What are you saving for?

"As much as you can" is the standard advice. Many financial planners recommend that you save at least 10% of your monthly net income for emergencies and retirement.

At this point in your budget, let's start with the minimum of 10% of your monthly net income. (This should automatically be calculated for you, if you have your Monthly Net income input correctly.)

You can change this number later, after you budget to pay for the rest of your living expenses. Sample shown below.



# FINDING A PLACE TO LIVE

#### HOW MUCH CAN YOU AFFORD?

Before you begin your search for a place to live, calculate how much you can afford and record the amount below. Remember, the rule of thumb is <u>NOT</u> to spend more than 30% of your monthly net income on housing, otherwise you may find yourself over budget (in debt) or having to live without some variable expenses (such as X-Box) because you can't afford the cost.

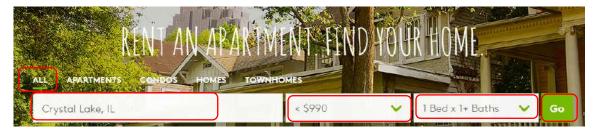


#### CHOOSING A PLACE TO LIVE

Since you have just graduated from college, you can't afford to buy a place to live. Therefore, you are going to rent an apartment until you save up money to buy a place of your own. You must choose to live in the same state/area where you are working. You may choose to have roommates to help split some of the costs of your new place. Each roommate must have a bedroom of their own, including you, and there is a maximum of 3 roommates. After you find an apartment and gather cost information about your apartment, fill in the information in the yellow boxes on your budget workbook answers on the Apartment or Condo page.



1. Go to <a href="http://www.apartments.com">http://www.apartments.com</a> and input search criteria.



- 2. Choose all types or an apartment, condo or house.
- 3. Type in the City, State or Zip code where you would like to live (near where you are employed).
- hoose the Max Rent (Your Net Monthly Income x .30) you can afford.

  (No. Monthly Income x .30) you can afford.

  Remember if you have a roommate(s) you can multiply the amount you can a second form the form the second form.
- beds x Boths

  hoose how many bedrooms (Beds) you need. Remember you must have at ast 1 bedroom for each person living in your apartment, including yourself.

  Studio O 1 Bed O 2 Beds
- BATHS
   C All Baths hoose how many bathrooms (Baths) you want.
   1+ Baths
- 7. Click **Go.**

O 3 Beds

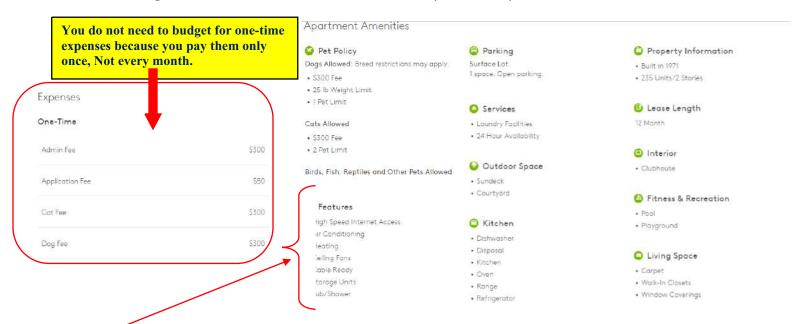
You should get some apartments listed that you can afford according to the amount of max rent you input.



Click on the apartment you would like to view.

If you do not get a list of apartments that you can afford, you need to increase your amount of rent. Double the amount or rent (number you calculated on page 12) and get a roommate (2 bedrooms). Search again for an apartment. You may also need to move further away from the city you have chosen. Continue to make adjustments to bedrooms (more roommates) and maximum amount of rent, until you can find an affordable place to live.

- 8. Choose an apartment. (You may need to view a few apartments and comparison shop.)
- 9. Research additional <u>expenses</u> or **FREE** amenities, such as fitness center, parking or utilities (electric, gas, trash) that are available at the apartment you chose.



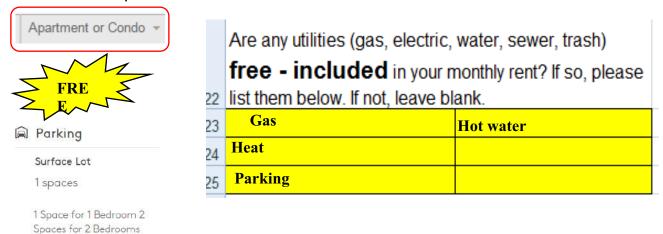
Features does not mean they are free. You will need to budget (pay) for electricity to enjoy some of the features, such as air conditioning.





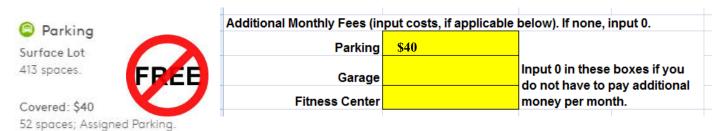
- Unique Features
- FREE Cooking Gas
- FREE Hot Water
- FREE Individually Controlled Heat

If you have utilities included the landlord will pay for these utilities out of the rent money that you give the landlord. You will not need to pay an additional bill. These are free such as gas and heat as shown above. Record the free utilities on your apartment or condo page in your budget book answers spreadsheet.



If you cannot find any utilities included/free utilities, you will just need to budget (plan for this additional expense) later in the budget answers workbook.

If any additional expenses are associated with your apartment (such as a parking garage for \$75 a month, or a Fitness Center for \$50 per month), be sure to record this amount in your budget workbook answers Apartment or Condo spreadsheet page.



If pets are allowed and you are bringing a pet, is there an additional amount of rent that must be paid each month to have the pet? If so, input that amount in the yellow box for Pet Rent.



#### RENTAL APPLICATION

Click on the Rental Application page to activate it in your budget workbook answers document.

	0:		. A A P A COOK	** **		Doubl Application		V sections	per control provides (in	793	
+ ≣		Gross Annual Salary +	W4 -	Net Income Monthly +	Apartment or Condo +	Rental Application	Car +	Utilities +	Entertainn	4	>

Now that you have found an affordable place to live, you will need to apply to live there. Landlords (property owners) make the decision as to whether you can live there or not, so your answers on the rental application are very important. **DO NOT** leave any blank spaces and allow the landlord to wonder why you are not answering the question. If a question does not apply to you, input **N/A** (not applicable).

For this application you will need to use some of the new information you gathered so far in this project. Your social security number of 000-00-0000 will be used for learning purposes. In the real world, you would have to provide your real social security number.

#### **DIRECTIONS**

Last name, First Name, Middle Initial, Birth Date, Cell Phone, Email-Use your current real information; school email.

Work Phone - Make up a phone number.

Current address-where you live now (at home with your parents), not your new apartment address.

Other Occupants - Do you have a roommate? If so, you can make up your roommate's information. Otherwise use **N/A** (not applicable).

Employment -make up the name of the company you would like to work for. (Your dream employer)

Supervisor - make up a name for your boss.

Monthly Salary - use monthly net income.

İ		APPLI	ICATION I	FOR	RENTAL	
	Notice: all adult applican			omplet	te a separate app	lication for rental.
I	APARTMENT NUMBER	RENT AMOU	JNT	STAR	T DATE	AGENT/REFERRED BY
			0			Mrs. Miller
I	LAST NAME	FIRST NAME		M.I.	Social Security	DRIVER'S LICENSE #
Ī					000-00-0000	IL120-356-4163
ľ	BIRTH DATE	CELL PHON	E	WOR	K PHONE	EMAIL
ľ	CURRENT ADDRESS					
	STREET ADDRESS	CITY		STAT	E	ZIP
١						
ĺ	DATE IN	DATE OUT		LAND	LORD NAME	LANDLORD PHONE
١					Parents	
ŀ	MONTHLY RENT	REASON FO	R LEAVING			
١						
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	OTHER OCCUPANTS LIST NAMES AND BIRTI	U DATES OF	ALL ADDITION	IAL O	COUDANTS 40 V	EADS OF OLDER
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ŀ						
	PETS					
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		OME INFORM			ANY	
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	1. OCCUPATION	OME INFORM	EMPLOYER/O			END DATE
	1. OCCUPATION SUPERVISOR NAME		EMPLOYER/O			END DATE  MONTHLY NET
	1. OCCUPATION  SUPERVISOR NAME  1. OTHER INCOME DE		EMPLOYER/O			END DATE
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	1. OCCUPATION  SUPERVISOR NAME  1. OTHER INCOME DE None  EMERGENCY CONTAC	SCRIPTION	EMPLOYER/O	?	START DATE	END DATE  MONTHLY NET INCOME
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	1. OCCUPATION  SUPERVISOR NAME  1. OTHER INCOME DE None  EMERGENCY CONTACT  1. NAME  2. NAME	SCRIPTION  T ADDRESS  ADDRESS	EMPLOYER/O	PHO	START DATE	END DATE  MONTHLY NET INCOME  RELATIONSHIP
	1. OCCUPATION  SUPERVISOR NAME  1. OTHER INCOME DE NONE  EMERGENCY CONTAC  1. NAME  2. NAME  PERSONAL REFEREN	SCRIPTION  CT  ADDRESS  ADDRESS  CES	EMPLOYER/O	PHO	START DATE	END DATE  MONTHLY NET INCOME  RELATIONSHIP  RELATIONSHIP
	1. OCCUPATION  SUPERVISOR NAME  1. OTHER INCOME DE None  EMERGENCY CONTACT  1. NAME  2. NAME	SCRIPTION  T ADDRESS  ADDRESS	EMPLOYER/O	PHO	START DATE	END DATE  MONTHLY NET INCOME  RELATIONSHIP
	1. OCCUPATION  SUPERVISOR NAME  1. OTHER INCOME DE NONE  EMERGENCY CONTACT  1. NAME  PERSONAL REFEREN  1. NAME	SCRIPTION  CT ADDRESS ADDRESS ADDRESS ADDRESS	EMPLOYER/O	PHO	START DATE  NE  NE	END DATE  MONTHLY NET INCOME  RELATIONSHIP  RELATIONSHIP
	1. OCCUPATION  SUPERVISOR NAME  1. OTHER INCOME DE NONE  EMERGENCY CONTAC  1. NAME  2. NAME  PERSONAL REFEREN	SCRIPTION  CT  ADDRESS  ADDRESS  CES	EMPLOYER/O	PHO	START DATE  NE  NE	END DATE  MONTHLY NET INCOME  RELATIONSHIP  RELATIONSHIP

Emergency Contact - Parents, Aunt, Uncle, Grandma or Grandpa.

Personal References - Best friends, teacher, coach.

Congratulations! Your rental application has been approved. You're moving! Return to your W4 page and input your new apartment address.



#### RENTAL LEASE

The next step you will need to do, is read and sign an apartment lease.

When you rent an apartment/condo/house, you'll sign a rental agreement (lease agreement) — a legal document stating your responsibilities as a renter. An apartment rental agreement can be short and simple, or it can be five to ten pages full of complicated language. In either case, the lease agreement covers several important items in addition to the actual amount of rent you'll be paying and when that payment is due. Since a lease is a legally binding agreement (contract), read it carefully, ask questions if you don't understand something, before signing it.

#### LENGTH OF LEASED TERM

Most landlord's require that you stay in the leased property (apartment/condo/house) for at least 1 year with the same amount of rent due once per month. This gives the landlord the consistency of rental income, and you the comfort of not having to move frequently.

If you leave before the end of the term for your lease, you'll lose your security deposit; and if the landlord wants to sue you, you'll have to pay all the rent over the course of the term, whether you're living there or not.

#### SECURITY DEPOSIT

Landlords insist on a security deposit, both to protect themselves if you fail to pay the rent and to use towards repair work or damages you may have done to the leased property while you lived there. REMEMBER – you do not own this property and you cannot modify it in any way without the landlord's permission. That means even painting a room a different color. If you return the apartment in the same condition or better than when you moved in, you should get back all of the security deposit money when you move out. If repairs are needed, the cost of those repairs will be deducted from your security deposit money. If there is not enough security deposit money to complete the repairs, the landlord may take you to court and sue you for additional money.

#### FORMATIVE ASSESSMENT

Google Classroom and read the Apartment Lease and How to Break a Lease Insert Learning articles.



Unit 1 - Apartment Lease - Formative Assessment

Unit 1 - How to Break A Lease-Formative Assessm...

Formative Graded - 16 points.

#### PREPARE FOR YOUR SECURITY DEPOSIT TO BE RETURNED

#### DOCUMENT THE CONDITION OF YOUR RENTAL BEFORE YOU MOVE IN



Before you even begin to drag your friends to your new place to help you unpack, pull out your phone and <u>take pictures</u> of the condition of your apartment. In some cases, your landlord may give you a <u>Move In Checklist</u> to record the appearance of your apartment. If not, create your own or download one from the Internet. Complete the <u>Move In Checklist</u> while walking through the leased property with your landlord. Make condition notations on this document and have both you and the landlord sign it.

#### What Should You Look For?

Take note of any dents in the wall, any loose cupboard doors, and record any appliances that are not working or in clean condition. When you see something that looks concerning, take a picture with your phone and document it on your <u>Move In Checklist</u>. Having the evidence to back up any poor conditions is important to making sure they get fixed and/or you get blamed for the condition and money is taken out of your security deposit to fix it.

#### DOCUMENT THE CONDITION OF YOUR RENTAL WHEN YOU ARE READY TO MOVE OUT



Thoroughly clean your leased property; including the inside of all appliances (refrigerator, microwave and stove.) Ask the Landlord to do a walk through with you. Use your cell phone to <u>take pictures</u>. Use a <u>Move Out Checklist</u> to record the condition of your apartment. You can create your own or download one from the Internet. Complete the <u>Move Out Checklist</u> while walking through the leased property with your landlord. Make condition notations on this document and have both you and the landlord sign it. Also, take more pictures using your cell phone. You may need to use this document and pictures if you do not get your full security deposit returned to you. Ask the landlord when you can expect your full security deposit refunded to you. Note: Most states have a law that it must be returned to you within

30 days of vacating the premises. Make sure your landlord has your forwarding address.

#### WHAT SHOULD YOU DO IF YOUR SECURITY DEPOSIT IS NOT RETURNED?

1. Call the landlord and inquiry. Remind the landlord that have a move out checklist and photos and that you both agreed that the condition of the premises was in good or better condition than when you moved in.



If you still don't receive your security deposit back, then you might have to file a small claims court document and take your former landlord to court.

Watch the Ed Puzzle video: Small Claims Court for Security Deposit Formative Graded - 6 points. (3 minutes).

#### BUY OR LEASE A CAR?

new cers.com (6

Watch the Ed Puzzle video: Loan vs. Lease a New Car Formative Graded - 4 points. (6 minutes).





#### **BUYING A CAR VS. LEASING A CAR** LEASE BUY Costs **less up front** and each month, so you can afford a more expensive car. Requires more money up front, and 0 If you always lease, you'll Can pay off your auto loan, which 8 tes a monthly cost. Have the freedom to sell or trade it A lease contract is difficult and (0) expensive to break You can get a tax break if you use the car for busines Usually costs less than **@** THE DOLLARS AND CENTS It's yours to sell, total, or drive for Can upgrade to the newest model 0 The car's value depreciates You'll owe fees for exceeding 0 nnual mileage limits or ar amage to the car.

#### **Buy or Lease?**

\$1,499 due when you sign your lease. \$149 payment a month for 36 months. \$6,863 Minimum Cost

.20 per mile in excess of 30,000 miles (10,000 per year for 3 years).

**\$4,000** in mileage overage (20,000 extra miles).

**LEASE: \$10,863 total cost** for 3 years. Give the car back.

BUY: \$13,375 (plus tax, title, license, fees, etc.) total cost for 3 years.

You keep the car.



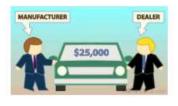


#### BUY A CAR

How much should you pay for a new car?



MSRP - What's that?
Invoice - What's that?
Market Price - What's that?



Watch the Ed Puzzle video: MSRP vs. Invoice - Quick-Tips Formative Graded - 3 points. (2 minutes).



01:50 3 0

<u>How much can you afford?</u> Use the chart below to give you an idea of how much money you can affordably spend on a car.

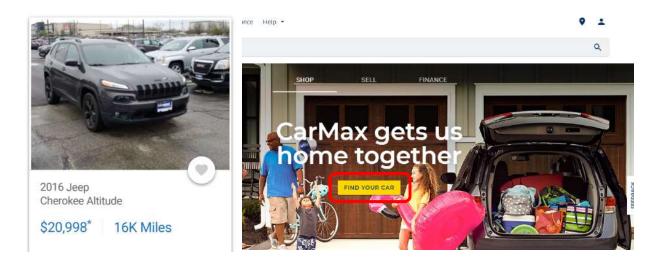
Your Monthly Net Pay	Amount you can affordably spend on a car
Under \$2500	<mark>\$15,000</mark> - \$18,000
\$2500 - \$3000	\$18,000 - \$23,000
\$3000 - \$3500	\$23,000 - \$28,000
\$3500 - \$4000	\$28,000 - \$33,000
\$4000 - \$4500	\$33,000 - \$38,000
Over \$4500	\$38,000 - \$45,000

The Minimum purchase price for your car will be \$15,000. (A car that costs this amount of money will probably not need costly repairs in the near future.)

We will not be budgeting for repairs.

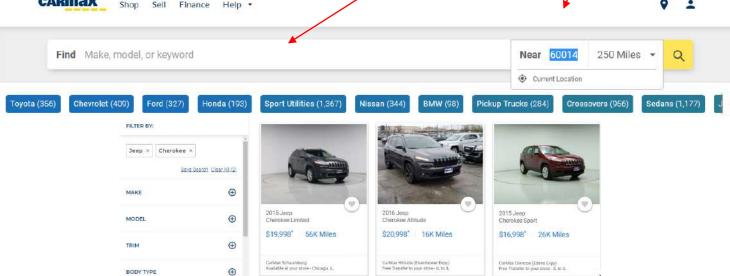
You will need to purchase a car, where you won't be able to negotiate the price. <u>Carmax.com</u> is a website that gives you the **market price** without negotiation.

1. www.carmax.com



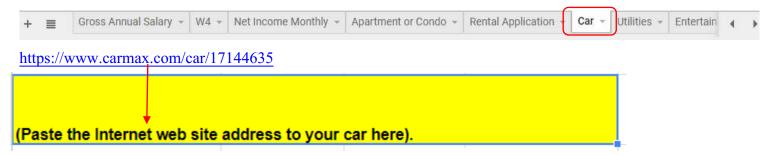
- 2. Click on FIND YOUR CAR.
- 3. Change the CARMAX store location to the area where you will be living (apartment address) or you can purchase the car where you live now (with your parents) and then you will need to drive it to your new apartment.
- CARMAX Shop Sell Finance Help

4. If you the car make and/or model, you can enter here.



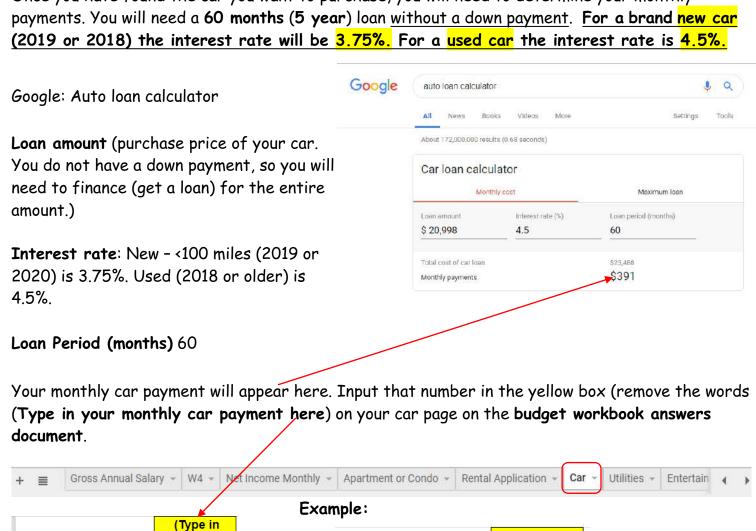
5. Shop around. Look at the price, mileage, accessories, etc. Chose/select the car that is right for you.

6. Click on the car tab on your budget workbook answers document and input the website link for the car you would like to purchase. REMOVE THE TEXT IN THIS YELLOW BOX.



#### DETERMINING YOUR MONTHLY CAR PAYMENT

Once you have found the car you want to purchase, you will need to determine your monthly



What is your monthly Car

Payment?

391.00

your monthly

car payment

here)

What is your monthly Car

Payment?

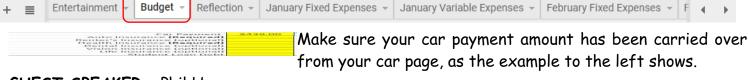
#### VEHICLE INSURANCE



Insurance is the transfer of risk. You pay a company to take on some or all of your responsibility of an accident or injury .There are many different types of insurance; but only two types of insurance are required (you must have) by law.

They are vehicle insurance and health insurance.

Click on your budget page in your **Budget workbook answers** file.



#### GUEST SPEAKER - Phil Horn



STATE FARM® INSURANCE AGENT, CARY, IL Phil Horn

Phone: 847-639-9467



https://www.youtube.com/watch?v=-Zr63hTicTU

#### Auto Insurance

Now that you have a car, you will have to purchase Auto insurance because it is the law. Minimum Car Insurance Requirements by State.



#### **INSURANCE PREMIUMS** - Estimate

## Vehicle Insurance Premium Estimated Cost Per Month Estimated

Type of Vehicle	New (2020 or 2019)	Used (2018 - ?)
Small Truck/Jeep	\$85	\$70
Compact Car	\$75	\$65
Sedan (2 door)	\$85	\$70
Sedan (4 door)	\$95	\$80
Full size truck	\$110	\$95
Sports Car	\$200	\$180
Hybrid Small Sedan	\$135	\$120

The cost of car insurance (premium) is dependent upon many different factors such as age, gender,

geographic location, type of car you purchased, your

driving record (tickets?) credit, and academic grades. For purposes of this project, we are going to estimate the cost of your auto insurance using the chart on the right. Choose one of the categories according to the description of the type of vehicle. If you're not sure what category your vehicle will fall into, input the category in a Google search and click on images. If your vehicle image is shown, that is the category that you need insurance for.

Input the cost of your Auto Insurance. Example shown below.

Auto Insurance (Required) \$85

#### Additional Insurance

#### Renters Insurance - Optional by law but some Landlords REQUIRE it.



Click on your budget page in your **Budget workbook answers** document and input \$10.00 or \$20.00 (depending on the value of all your stuff in your <u>apartment or car)</u> in the yellow renters Insurance box if you choose to take renters insurance.



#### <u>Health Insurance - Required by Law</u>

The Affordable Care Act was passed by Congress and then signed into law by President Obama on March 23, 2010. On June 28, 2012 the Supreme Court rendered a final decision to uphold the health care law.

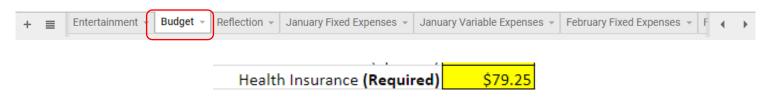


Watch the Ed Puzzle video: Health Insurance Coverage 101 Formative Graded – 3 points. (2 minutes).

Employers sometimes offer a benefit to employees and will pay a share of the premium (cost) of health insurance. However, the employee (you) have to pay some of the premium as well.

Your employer has offered to pay \$15,745 per year towards your Single (one person) health care. Your premium (the cost for your health care coverage for you to pay) will be \$79.25 per month.

Click on your budget page in your **Budget workbook answers** document and input \$79.25 in the yellow Health Insurance box.



#### Dental Insurance (Optional)

Understanding Health Insurance: What is Dental Insurance?

What is dental insurance?

Watch the Ed Puzzle video: Dental Insurance Formative Graded – 2 points. (1 1/2 minutes).

The vast majority of coverage is provided through employee and group policies, plans that charged annual premiums of between \$234 and \$432 per person in 2018, according to NADP estimates. The cost for you to buy an individual policy

averages about \$360 a year or \$30 per month. Remember: This insurance is optional. If you don't want it or can't afford it, then you do not need to budget for this item.



Dental Insurance (optional) \$30

\$30.00

#### Vision Insurance (Optional)



Watch the Ed Puzzle video: Vision Insurance Formative Graded – 2 points. (1 minute).



□ Vision insurance is a type of health insurance that entitles you to specific eye care benefits defined in the policy. Vision insurance policies typically cover routine eye exams and other procedures, and provide specified dollar amounts or

discounts for the purchase of eyeglasses and contact lenses. Eye glasses can range in price from \$40 to \$200 per year. Contact lenses are more expensive ranging in \$150 to \$300 per year. Your premium cost for vision insurance is \$15.00 per month and will entitle you to one free pair of eyeglasses per year or a yearly supply of contact lenses. Remember: This insurance is optional. If you don't want it or can't afford it, then you do not need to budget for this item.



Vision Insurance (optional)

\$15.00

# Life Insurance (Optional)

Life insurance is a contract between you and an insurance company whereas the insurance company promises to pay a designated person(s) a sum of money upon your death in exchange for you paying a monthly premium while you are living. The large the sum of money, the higher the premium. You will not benefit from this insurance, but the person(s) who you designate for the sum of money will benefit, such as your parents, siblings, spouse, children, etc. Whomever, you decide should receive the lump sum money. Remember: This insurance is optional. If you don't want it or can't afford it, then you do not need to budget for this item.



Watch the Ed Puzzle video: Life Insurance Formative Graded – 3 points (1  $\frac{1}{2}$  minutes). Watch the Ed Puzzle video: Hattie Talks about the Importance of Life Insurance Formative Graded – 2 points (2  $\frac{1}{2}$  minutes).



For a lump sum payment of \$100,000, your premium will be \$25.00 per month. For a lump sum payment of \$250,000, your premium will be \$40.00 per month.



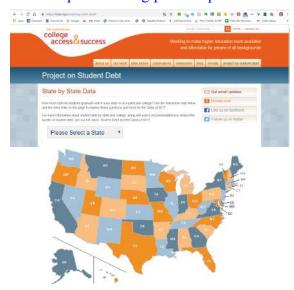
Life Insurance (optional) \$40.00

Student loan debt is the only form of consumer debt that has grown since the peak of consumer debt in 2008. Balances of student loans have exceeded both auto loans and credit cards, making student loan debt the largest form of consumer debt outside of mortgages.

#### View Money Management Google Slides 10-18



#### https://ticas.org/posd/map-state-data#



- 1. Click on or select the state from the drop down box where you would like to go to college.
- 2. Find the Average debt of graduates amount.

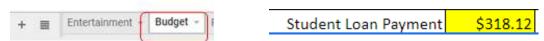
Iowa State University Average debt of graduates 2017 \$27,643

3. Use the financial aid calculator to estimate your monthly student loan payments.

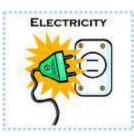


In the example above, your monthly student loan payment is \$318.12.

Click on your budget page in your **Budget workbook** and input the cost of your monthly payment for your student loan in the yellow Student Loan Payment box.



#### UTILITIES



When you own or rent you will find that there are additional monthly costs involved. Sometimes those costs, such as <u>basic utilities</u> are included in your rent, other times they are not. What basic utilities are included also varies. Read the information you gathered about your apartment carefully to budget

for your basic utilities.

\*If there is no mention that "utilities are included", or "free something" you are to assume that they are not included and therefore you must budget to pay for all of them (gas, electric, water/sewer and trash).



Type of Utility	1 bedroom	2 bedroom	3 bedroom	4 bedroom
Gas- Heat, dryer	\$45	\$55	\$65	\$75
Electric - Lights, TV, and/or dryer.	\$55	\$75	\$95	\$115
Water/Sewer	\$35	\$45	\$55	\$65
Trash	\$25	\$25	\$25	\$25

Use the chart on the right to <u>estimate</u> your monthly basic utilities.

If you have a 1-bedroom apartment, then your costs can all be found under the 1 bedroom heading and you are responsible for the full cost.

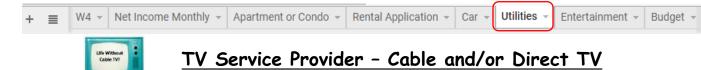
If you have a 2 bedroom apartment, your costs will all be in the 2 bedroom column and you can divide that cost by 2 (you pay  $\frac{1}{2}$ , your roommate pays  $\frac{1}{2}$ ).

Input your share of the costs in your budget workbook answers on the utilities spreadsheet.

1 Bedroom Example:	Type of Utility	Your Estimated Mont (Divide total cost by roommates)	
	Natural Gas - Heat, clothes dryer (Do you need to budget for this expense or do you have all electric in your apartment?)	45	
	Electricity - Lights, TV, clothes washer	55	
	Water/Sewer (shower, toilet)	35	
	Trash (garbage removal)	25	
	Total	au	his will utomatically be alculated.

#### EXTRA UTILITIES

You don't need these utilities, but they are nice to have. Choose any of the following estimated costs for extra utilities and input them into your **budget workbook utility** spreadsheet.



	Cost per		Cost Per
LOCAL CABLE	month	DIRECT TV/DISH SATELLITE	Month
Basic-50 channels (no movies)	\$40	Select - 155 Channels, HBO, Cinemax,	\$55
		Starz	
Expanded Basic - 75 channels, HBO,	\$55	Entertainment - 160 Channels, HBO,	\$75
ESPN and ESPN 2 sports channels	-	Cinemax, Starz, ESPN, ESPN 2	·
Expanded Premium - 125 channels, NFL	\$75	Choice - 185 Channels, HBO, Cinemax,	\$115
Network, ESPN, ESPN 2, sports and	-	Starz, ESPN, ESPN 2, NFL Network,	-
HBO, Cinemax, Starz movies		Travel, Nicktoons	
Supreme - ESPN, ESPN 2, sports, HBO,	\$100	Xtra-235 Channels, HBO, Cinemax,	\$145
Cinemax, Starz movies, Sports Pack, NFL	-	Showtime, Starz, ESPN, ESPN 2, NFL	-
ticket, plus on demand, streaming your		Network, NFL Sunday ticket, Longhorn	
favorite shows.		network, NHL, Tennis Central, Golf,	
		Travel, Nicktoons	

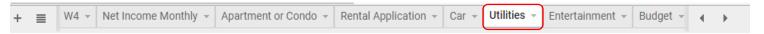
Note: Streaming Media, such as Netflix, Amazon Prime, Hulu, HBO Now, and Sling, will be available on the Entertainment page 32.



# **Internet**

Regular Speed	\$45/month
High Speed	\$75/month

The cost of extra utilities and internet is divided by the number of people living in your apartment. If you are the only occupant, then you pay the full cost, if you want these extra utilities.



Input your share of the costs in your budget workbook answers on the utilities spreadsheet.

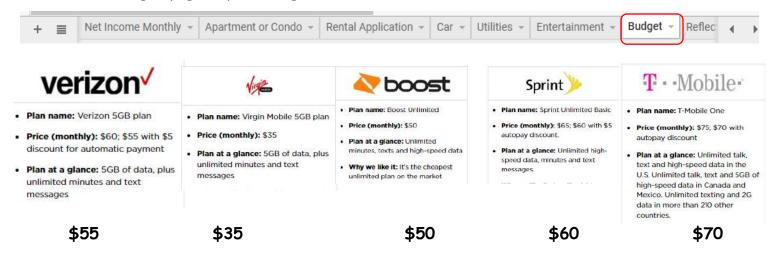
**Example** of a single occupant - Just shown on the right. Remember, these optional costs. If you don't want it, or afford it, you don't have to budget to for it.

Type of Utility	Your Estimated Mo (Divide total cost by roommates)		you
Cable T.V.	75		can
Internet 👺	75		
Total	150	This will automatically be calculated.	pay

#### **CELL PHONE**

You don't have to have a cell phone, especially if you can't afford it. Also, your parents will not pay your cell phone bill forever (if they do now). If you want a cell phone, then you will need to budget to pay for it.

Click on the Budget page in your budget workbook.



Input the cost of the plan you are choosing budget workbook answers on the budget spreadsheet.



Remember: This expense is optional. If you don't want it or can't afford it, then you do not need to budget for this item.

# **GROCERIES**

Are you a bargain shopper (low cost) who shops at different stores, for sales and will use coupons? Are you the type of shopper (high cost) who shops only at your favorite market, buys on impulse, doesn't use coupons and purchases a lot of prepared food? Or do you fall in between? Sometimes using coupons? A little bit of shopping at Aldi, Wal-Mart and Jewel? Use the chart below to budget for groceries according to your buying habits and gender.

Store(s)	Female	Male*
Combination of stores, watching for sales and using coupons	\$250	\$300
Aldi (Low Cost)	\$300	\$350
Wal-Mart Supercenter (coupons)	\$350	\$375
Jewel-Osco (sales and coupons)	\$375	\$400

<sup>\*</sup>Disclaimer: Males generally eat more than females.

Input your choice of the cost of your groceries in your **budget workbook** on the budget spreadsheet.



#### CLOTHING



You should allow yourself some money (budget) to spend each month to dress appropriately for your job, for going out, for vacations and adventures, or for just replacing those shoes and socks that you have holes in.

The amount of money you spend each month on clothing will vary. However, if you don't budget for it monthly, then when you need to replace or purchase a clothing item, you might not have the money for it. Setting aside some money each month, is the best way to prepare for that shopping spree or emergency replacement of torn/worn items. If you don't use the budget amount in one month, you can use it the next month and spend twice as much money!

You can use the chart below as a guideline to estimate your clothing budget amount.

	Suggested Monthly Clothing Allowance			
Type of Job	Female*	Male		
White Collar - perform professional, Managerial, or Administrative work in an office or other administrative setting. Physician/surgeon, Attorney, Teacher, Accountant, Computer Software Developer, Civil Engineer, Real Estate Sales, Banking, Financial Advisor, Marketing.	\$300	\$125		
Blue Collar - skilled or unskilled manufacturing, mining, sanitation, custodial work, textile manufacturing, commercial fishing, food processing, oil field work, waste disposal, and recycling, construction, mechanic, maintenance, warehousing, technical installation, and many other types of physical work.	\$150	\$75		
Goodwill/Savers Shopper – if you don't mind wearing used clothing, and/or you like to shop for a deal (discontinued items from stores) or maybe you are just on a tight budget.	\$75	\$50		

<sup>\*</sup>Disclaimer: Females generally spend more money on clothing, shoes, jewelry, etc.

Input your choice (YOU MUST CHOOSE A NUMBER HIGHER THAN \$10) of the cost of your clothing in your budget workbook answers on the budget spreadsheet.



#### **ENTERTAINMENT**

Realistically everyone needs a little entertainment whether it is a movie, lunch out with friends, or a Chicago Bears game. How much will you spend on entertainment? Unless you intend to take your lunch to work every day, remember to include lunches.

Use the **Type of Entertainment** chart below to choose at least 5 (you can have more but not less) different entertainment activities for your budget.

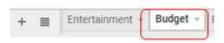
NOTE: When you budget for entertainment it does not mean that you need to do these activities. It will simply allow you enough money to have some fun, if you choose to do so. If you do not budget for entertainment, you may not have any money available for that spur of the moment activity with friends and family.

Type of Entertainment	Estimated Expense
Netflix (ultra version), Amazon Prime, Hulu, HBO Now, Sling	\$15 per month
Movie Theater (Includes snacks and soft drink)	\$20 each time
Family Video or Redbox DVD rental, plus pizza and soft drink	\$20 each time
Concert ticket (snacks included)	\$75 each time
Professional Sports Event Ticket and Food (Bears, Bulls, Blackhawks, Cubs)	\$100 each time
Hobbies (bowling (shoe and lane rental), fishing (bait and tackle needed), etc.)	\$25 each time
Fast Food for Lunch or Dinner (McDonald's, Burger King, Subway, Jersey Mike's, Wendy's, Jimmy Johns, Kentucky Fried Chicken, Tony V's, Rosati's, Chick-fil-A)	\$10 each time
Lunch - Restaurant (Applebees, Portillo's, Around the Clock, Chilis, Kojaks)	\$15 each time
<b>Dinner</b> - Restaurant (Around the Clock, Chilis, Outback Steakhouse, Galati's, Jameson's, Buffalo Wild Wings, )	\$25 each time
Party - Includes gift (if necessary), food, beverage	\$50 each time
Mini-Vacation – Long weekend to the Wisconsin Dells (Waterpark, food, beverage, hotel)	\$550 each time
Other - You choose. Estimate the cost.	\$

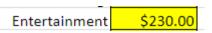
1. Click on your entertainment spreadsheet page in your budget workbook.



2. Click on your budget page.



3. Check the total amount of Entertainment



Input your entertainment choices and how many times a month you would like to do them..

	Describe:	Cost	How many times will you do this per month?	Total	
1 Net	mix	\$15.00	1	\$15.00	]
2 Fas	st Food	\$10.00	4	\$40.00	
Din Din	ner	\$25.00	2	\$50.00	Will automatically be calculated.
Hot	bby	\$25.00	2	\$50.00	De calculated.
Cor	ncert	\$75.00	1	\$75.00	
6				\$0.00	J



# **Transportation**

Gasoline, oil changes, and tire rotations.



How much will it cost you each week for gasoline? Multiply that number by 4 to get your monthly budget cost. For instance \$50 a week  $\times 4 = $200 \text{ a}$  month.



Oil change - Needed about every 3 months and costs \$60.00 with filter and tire rotation. Since this cost occurs every 3 months, you will need to divide this number by 3, to get your monthly cost. \$60/3 = \$20 a month.

> Add your monthly cost for gasoline and monthly cost for oil change/tire rotation. \$200 + \$20 = \$220 per month for transportation costs.

Click on your Budget spreadsheet page in your budget workbook. Input your Transportation (Gasoline/Oil Change) estimated cost.



Transportation \$220.00

#### Personal Care

Personal care or toiletries are used in personal hygiene and for beautification. This includes products such as cleansing pads, perfumes/colognes, cotton swabs, deodorant, facial tissues, lip balm, lotion, makeup, hand soap, facial cleanser, body wash, nail files, razors, shaving cream, moisturizer, toilet paper, toothpaste, shampoo, conditioner.

The average annual cost of such items per household is \$60 per month, according to the Bureau of Labor Statistics' 2016 Consumer Expenditure Survey.

This is the minimum amount you can input for this part of your budget.

In addition, you may want to budget for some added beautification; such as hair cuts, manicure, pedicure, facial, massage, etc. Use the table below to add additional costs to your Personal Care in your budget.

Personal Care	Per Month				
Minimum - Average Cost	\$60				
Additional Personal Care Costs are Available					
Women's Haircut & Style (Includes tip)	\$30				
Men's Haircut & Style (Includes tip)	\$15				
Color/Highlights	\$30				
Conditioning	\$20				
Manicure	\$30				
Pedicure	\$30				
Manicure and Pedicure Package	\$50				
Nails - Acrylic	\$25				
Nails - Gel, No Chip	\$45				
Nail Polish Change	\$20				
Massage - 1/2 hour	\$40				
Massage - 1 hour	\$75				
Facial	\$35				
Eyebrow Wax	\$10				

Click on your Budget spreadsheet page in your budget workbook answers document.



Example:

Minimum

Manicure and Pedicure Package \$50

Massage – 1 hour

\$75 Total: \$185

\$60

Input your Personal Care estimated cost.

Personal Care \$185.00

# **Budget Review**



Check the Discretionary/Spending Money at the bottom of your budget page.



How much money do you have left over (Discretionary/Spending Money) at the bottom of the page that is not budgeted (allocated to be spent somewhere)?

You should have **less than \$800** left over for spending money. That's \$200 a week to spend on whatever you want!

Discretionary/Spending Money -\$264.57 Discretionary/Spending Money -\$264.57 Discretionary/Spending Money -\$264.57

Red Colored Cell - You are in Debt! You need to decrease your variable expenses every month by the amount shown

Discretionary/Spending Money \$983.01 Discretionary/Spending Money \$983.01 Discretionary/Spending Money

Yellow Colored Cell - <u>Spend more money!</u> You need to increase your Savings, Student Loan payment (you can pay off this debt faster) Clothing, Entertainment, Personal Care, or a combination in those areas, <u>every month</u> until this number is less than \$800.

Discretionary/Spending Money \$533.01 Discretionary/Spending Money \$533.01 Discretionary/Spending Money \$533.01

Green Colored Cell - Congratulations! You have budgeted! Wow! You now know that you can live comfortably on the career that you choose in the location that you have decided to live in.





You are now ready to play the game of life! Where you can expect the unexpected! You may win some money on a scratch off ticket for the lottery, or you may get in a car accident and have to pay your \$500 deductible. Let's see what happens on the next page! Good luck!

Random Income \$0.00

OR

Random Expense

#### RANDOM INCOME OR RANDOM EXPENSE

Use the chart below to find out what your random income or random expense will be for each month in your budget. Use your birthday to select a random income or random expense. What date of the month were you born on? Use that number in the chart below, to find your random income(s) or expense(s) for each month. Input the random income(s) or expense(s) on your budget spreadsheet in your budget workbook. Example on page 37.



	June	July	August
Birthday	Random Income or Expense	Random Income or Expense	Random Income or Expense
1	Parking ticket. Expense \$25	Strep throat. Your prescription deductible is \$5.	You won \$500 on a scratch lottery ticket!
2	Take the train to Chicago to meet your friends. Expense \$20.	Concert ticket. Expense \$50.	License plates registration is due on your car. Cost is \$90.
3	You went to the Chicago Blackhawks game. Ticket and snacks cost you \$100.	Working on the weekend for cash. You earned \$75.	Football pool. You win \$100.
4	Not feeling well. Prescription deductible is \$5.	Happy birthday. Grandma and Grandpa give you \$100 cash.	New swim suit and towel.  Expense \$45.
5	Babysitting for a friend. You earn <b>\$50</b> cash.	Summerfest in Milwaukee! General admission and food/drinks expense \$50.	You're going to a wedding. Gift and card cost you \$100.
6	It's your Mom's birthday. Spend \$25 for a card and gift.	It's your birthday! \$50 cash from your parents.	Income Tax Refund. \$1500.
7	Country Thunder. 4 Day general admission expense \$190.	Get your car washed and waxed for \$20.	You sold your old cell phone for \$100 on Ebay.
8	You bought \$20 in lottery tickets. You didn't win.	Doctor visit. Pay health insurance deductible expense \$20.	Income tax refund. \$350.
9	You sold your Khalil Mack (Chicago Bears) autographed jersey for \$500.	You mowed the neighbor's yard. \$25 cash.	You won \$1000 on a scratch lottery ticket!
10	You won \$5000 on a scratch lottery ticket!	You went shopping and spent \$100 on a pair of shoes.	Adopt a dog for \$100.
11	You do some side work over the weekend and earn \$100 cash.	You need new tires for your car.  Expense \$400.	You need new breaks for your car. Expense \$350.
12	It's your birthday! \$50 cash from your parents.	Take a sky diving lesson for \$75.	Cell phone broke. Pay <b>\$175</b> to get it fixed.
13	Car accident! It's your fault. Pay your collision deductible of \$500 to get your car fixed.	You bought a new TV on sale.  Expense \$700.	You need a one hour massage. It cost you \$75.
14	You made \$500 at your garage sale.	Dropped your cell phone in the lake! Pay cell phone repair insurance deductible of \$250.	Parking ticket. Cost you \$25.
15	Beach day. Admission, food and drinks is \$75.	Deer hit your car. Pay \$250 comprehensive insurance deductible of to get it fixed.	Party at your apartment. Your carpeting is stained. Pay Stanley Steamer \$100 to clean it.

16	Income tax refund. \$1,750.	Superbowl Football pool. You win \$250.	You won a bet with your friend. He pays you \$25.
17	Someone hit your car at the concert. They didn't leave a note. Pay \$500 collision deductible to fix your car.	You won \$500 on a scratch lottery ticket!	You help Brittany sell her car. She gives you \$100 cash.
18	You snow shovel the neighbor's driveway. The elderly couple give you \$25 cash.	Your car was broken into while you were at the cubs game. Your laptop was stolen. Pay the <u>renters</u> <u>insurance</u> deductible of \$250 so you can buy a new laptop.	You won \$5000 on a scratch lottery ticket!
19	You need new tires for your car. Expense \$400.	BINGO winner! \$500 jackpot.	You do some side work construction over the weekend and earn \$100 cash.
20	Portillo's was great! Only cost you \$15.	Your cell phone broke and you got it repaired for expense of \$175.	You helped your friend and his parents move into their new house. They paid you \$100 cash.
21	Outback steakhouse with your friends. Cost you \$35.	Raffle ticket winner! You receive \$100.	Car accident! It's your fault. Pay your collision deductible of \$500 to get your car fixed.
22	A car ran over your cell phone in the parking lot. Pay cell phone insurance deductible of \$250 to get it fixed.	Shopping spree! Great sales. You only spent \$125.	Buy Girl Scout Cookies. \$25.
23	Your Aunt's brother's cousin's sister just had a baby. Buy a card and gift for \$25.	Great party at your apartment! Food and drinks cost you \$100.	You win the 50/50 raffle drawing at the Football game.  Receive \$250.
24	Pro-Football game with your friends. Cost you \$250 for the ticket, parking and tailgating.	Adopt a cat. \$50 fee.	You owe for income tax. Pay \$750.
25	Slow down! Speeding ticket expense \$75.	You made an extra \$300 this month selling your customized jewelry on line.	Cooking a special dinner at your place tonight. Extra groceries cost \$50.
26	Great America day. Admission, food and drinks cost you \$100.	Sporting event ticket <b>expense \$50</b> .	You won \$500 on a scratch lottery ticket!
27	BINGO winner! \$50.	Your car needs a new muffler and pipes. Cost is \$125.	March Madness! You win \$1000.
28	Buy a game from Microsoft X-Box. <b>\$25</b>	It's your birthday! \$50 cash from your parents.	You made \$300 at your garage sale.
29	You got a screw in your tire.  Cost \$28 to fix.	Buffalo Wild Wings for you and a friend! (Thanks!) Cost you \$35.	Time to tutor your friend. \$100 cash.
30	You got a flat/blown out tire.  Spend \$80 on a new tire.	Pet sitting for the neighbors. The elderly couple give you \$25 cash.	Country Thunder. 4 Day general admission expense \$190.
31	Doctor visit. Pay health insurance deductible expense \$20.	You won \$5000 on a scratch lottery ticket!	Wisconsin Dell's Water park with your friends. Admission, food and drinks, cost you \$100.

# RANDOM INCOME OR RANDOM EXPENSE - Example

Mrs. Miller was born on September 20. Using the random income or expense chart on pages 35 and 36, Mrs. Miller will have a \$15 random expense in June, \$175 random expense in July and a random income of \$100 for August.

	June	July	August
Birthday	Random Income or Expense	Random Income or Expense	Random Income or Expense
20	Portillo's was great! Only cost you	Your cell phone broke and you got	You helped your friend and his
	<b>\$15</b> .	it repaired for <b>expense of \$175</b> .	parents move into their new
			house. They paid you \$100 cash.

Mrs. Miller needs to input these expenses/income in her budget. Examples shown below.

June		July		August		
Random Expense	\$15.00		Random Expense	\$175.00		August
Total Expenses			Total Expenses		Monthly Net Income	
Discretionary/Spending Money	-\$3.19	Discretionar	y/Spending Money		Savings (at least 10% of net pay)  Random Income	$\overline{}$
						<del>\$100.09</del>

The June random expense has caused Mrs. Miller to go back in debt -Red Colored Cell - You are in <u>Debt!</u> You need to decrease your variable expenses <u>every month</u> by the amount shown.

Mrs. Miller decides to decrease her variable expense, groceries by \$25.00 (it was \$300) this month in order to remove the debt and remain with a balanced budget.

June		July			August	
Groceries	\$275.00	Savings (at least 10% of net			Monthly Net Income	\$3,113.80
		pay)	\$0.00		Savings (at least 10% of net	
Clothing	\$75.00				pay)	\$100.00
Entertainment	\$165.00	Clothing	\$0.00	[	Random Income	\$100.00
Transportation	\$220.00	Random Expense	\$175.00		Random Expense	
Personal Care	\$185.00	Random Expense	ÿ175.00		Total Expenses	\$3,076.99
Random Expense	\$15.00	Discretionary/Spending Money	\$36.81		Discretionary/Spending Money	\$136.81
Total Expenses	\$3,091.99					
Discretionary/Spending Money	\$21.81					

The July random expense has also caused Mrs. Miller to go into debt - Red Colored Cell. This time she decides to take all the money out of her savings account and not buy any new clothes, in order to budget.

The random income of \$100 in August, leaves Mrs. Miller budgeted - Green. No additional adjustments are necessary.

Note: All 3 months must be in green, otherwise you have not successfully budgeted.

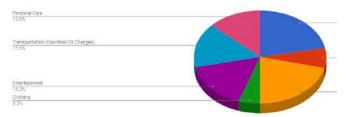
# REFLECTION



Check out your expense graphs, by clicking on the different monthly spreadsheet pages shown above.

# Fixed Expenses State of Lan Debt 2016 (See Payment) Where Does Your Money Go? Your Money Go? Your Money Go? Add Intrance (Required) Cot. Add Intrance (Required)

#### Variable Expenses



You're almost done. Click on the **Reflection** spreadsheet page in your budget workbook answers document and answer all the questions, completely. This is very important, so that your teacher knows that you have met the learning standards for this summative assessment.

