

NAME: _____

DATE: _____

Budgeting for Life After High School ^(1/2)

Directions

Go to foundationsU.com and complete budgets for the following three scenarios.

Scenario 1

Lisa is a third-year college student living alone in an apartment. She works 20 hours a week at a local bank. She makes \$10 per hour. Lisa has a savings account that she built up during high school and by working full-time summer jobs. During the school year, she withdraws \$350 per month in order to help cover her living expenses. Lisa's college tuition and books are covered by her scholarships. Lisa's parents help her by providing an additional \$500 a month. Lisa's parents also provide her health insurance. Lisa's fixed monthly expenses are:

Rent.....	\$600
Insurance (renter's and ID theft)	\$25
Car insurance	\$110
Utilities	\$60
Cell phone.....	\$60
Cable TV	\$40

Lisa's budget must also include: Giving, Saving, Food, Gas, Entertainment and Personal

2+ Suggestions for Lisa

Budgeting for Life After High School (2/2)

Scenario 2

James works full time as an entry-level web designer since earning his certification. He earns \$47,000 a year. He rents an apartment by himself. He has a credit card, which he used to purchase furniture, with a balance of \$3,235. Unfortunately, to celebrate his first job, James also financed a new car. His car cost \$28,000. His payments are \$554 for a term of 5 years. James has health insurance and disability insurance through his employer, which cost him \$185 a month. He also contributes 4% of his (gross) income to his 401(k). James' fixed monthly expenses include:

Rent.....	\$950
Insurance (renter's and ID theft).....	\$25
Insurance (health and disability).....	\$185
Retirement (401(k)).....	\$157
Car insurance.....	\$120
Utilities.....	\$100
Cell phone.....	\$85
Cable TV.....	\$70
Credit card (minimum payment).....	\$150
<i>(Note: At 17% interest, it will take 26 months to pay off this credit card debt)</i>	
Car payment.....	\$554

James' budget must also include: Giving, Saving, Food, Gas, Entertainment and Personal

Scenario 3

Recalculate James' budget without the credit card and car loan debts. In this scenario, James paid cash for an inexpensive used car and furnished his apartment with used furniture. He has three main financial goals now that he is earning his first career income. Add into his budget a sinking fund for a newer used car that he plans to purchase one year from now. James also has a goal of investing a full 15% of his income for retirement (instead of just 4% of his income). The third thing he wants to do is begin saving for a down payment on his first house.

Consider: How much extra money does James have to put toward his financial goals now that he is not making payments on past purchases?

3+ Suggestions for James

Lisa

Gross Income Calculation -

Net Income Calculation -

Additional Sources of Income -

Budget Worksheet

Total Monthly Income \$ _____

Budgeted Item Recommended Budget Amount Amount Spent

Budgeted Item Recommended Budget Amount Amount Spent

Giving – 10%		
Donations/Charities		
Savings – 10%		
Emergency fund		
Retirement fund		
College fund		
New car fund		
Housing – 25%		
Rent/Mortgage		
Home/Renter’s Insurance		
Maintenance/Repairs		
Taxes		
Utilities – 5%		
Electricity		
Gas		
Water/Sewer		
Trash		
Phone		
Cable		
Internet		
Cell Phone		
Food – 5%		
Groceries		
Restaurants		
Household Items/Toiletries		
Transportation – 10%		
Payments		
Auto Insurance		
Gas & Oil		
Maintenance/Repairs/Tires		
Registration/Other fees		
Parking/Tolls		

Clothing – 2%		
Clothes		
Shoes		
Accessories		
Laundry/Dry Cleaning		
Medical – 5%		
Health Insurance		
Disability Insurance		
Office Visits		
Medications/Supplies		
Personal – 5%		
Hair Cuts/Cosmetics		
Education/Tuition		
Books/Supplies		
Dues/Memberships		
Sports Fees/Lessons		
Misc. – postage, etc.		
Books/Music/Technology		
Pet Care		
Life Insurance		
ID Theft Insurance		
Gifts – including Christmas		
Recreation – 5%		
Entertainment		
Hobbies		
Vacations		
Mad Money		
Amazon/Netflix/etc.		
Subscriptions		
Debt – 0%		
Other – 18%		

James

Gross Income Calculation -

Net Income Calculation -

Additional Sources of Income -

Budget Worksheet

Total Monthly Income \$ _____

Budgeted Item Recommended Budget Amount Amount Spent

Budgeted Item Recommended Budget Amount Amount Spent

Giving – 10%		
Donations/Charities		
Savings – 10%		
Emergency fund		
Retirement fund		
College fund		
New car fund		
Housing – 25%		
Rent/Mortgage		
Home/Renter’s Insurance		
Maintenance/Repairs		
Taxes		
Utilities – 5%		
Electricity		
Gas		
Water/Sewer		
Trash		
Phone		
Cable		
Internet		
Cell Phone		
Food – 5%		
Groceries		
Restaurants		
Household Items/Toiletries		
Transportation – 10%		
Payments		
Auto Insurance		
Gas & Oil		
Maintenance/Repairs/Tires		
Registration/Other fees		
Parking/Tolls		

Clothing – 2%		
Clothes		
Shoes		
Accessories		
Laundry/Dry Cleaning		
Medical – 5%		
Health Insurance		
Disability Insurance		
Office Visits		
Medications/Supplies		
Personal – 5%		
Hair Cuts/Cosmetics		
Education/Tuition		
Books/Supplies		
Dues/Memberships		
Sports Fees/Lessons		
Misc. – postage, etc.		
Books/Music/Technology		
Pet Care		
Life Insurance		
ID Theft Insurance		
Gifts – including Christmas		
Recreation – 5%		
Entertainment		
Hobbies		
Vacations		
Mad Money		
Amazon/Netflix/etc.		
Subscriptions		
Debt – 0%		
Other – 18%		