Budget Project

In this unit you will research and calculate a real life budget. To make this unit as realistic as possible, use numbers as close to reality as possible. In the end your budget must be balanced or less than what your net pay is.

The budget will be worth a total of 325 points. To receive all of your points, you must fully complete every section of the budget. Below, I will include all of the resources you will need to complete your assignment.

Throughout this project, we will begin each day reviewing the available resources and my expectations to complete that portion of each part of your budget. You will then have the remainder of the class to complete those assigned sections of your budget.

I will give one additional day at the end of the budget to complete any missed sections and/or fill in any sections you had difficulty with.

Budget Project:
Are you ready for the real world? Complete the steps listed below to see if you are ready to move out and live on your own. What are you doing NOW to prepare for TOMORROW?
To make this as realistic as possible, choose 1 of 2 options:

- Option 1 - create a budget as if you were moving out immediately after high school, getting a job and supporting yourself (choose a job accordingly).
- Option 2 - create a budget as if you just accepted a position in your desired profession after attending college or a trade school.

1. Choose a Career and Determine Your Income

Use the link listed below to gather information about a career that most interests you and then complete the worksheet.

You must choose a project within your career area.

[You can find all careers, and projected median salaries here.]()

After you have chosen your job/career, describe it. What kind of job is it? What does that job entail (do)? Do you work in an office, or in the field? What skill will you need to have to be hired at that job? What is the job outlook? **Do not just copy and paste from the website!!!!! Use your own words or you will not get credit for this section.**

2. Taxes Owed

Use income based on your chosen career from Step One. In the second column you will need to calculate the amount of taxes you will pay on your salary and determine the amount money you will earn **AFTER TAXES**.

To calculate your income taxes, use this link.

Use the schools address for all tax documents:
3101 Henry Ave.
Philadelphia, PA 19129

3. Find a Place to Live

Utilize this website below to help you find a place to live. Make sure you link the apartment on your budget. Use this link to search for an apartment.

Here is a description of types of apartments.

Assume that you have to pay utilities. It will be clear if utilities are included. If it doesn't say it, you have to pay it.
Use this link to calculate/estimate the cost of monthly utilities.

4. Find a Car

Part 1 -- Congratulations, you have saved a total of $1,000 to put toward a car. Let's start shopping for a new or used car (depending on your budget). **You must purchase a car!!! - your car must cost at least $3,000.**

Use truecar.com to search for a car.

Use the following information for your calculations Loan Amount = cost of the car you want to purchase minus the $1,000 you are using as a down payment (minimum is $2,000)

Interest Rate = 6.5% Used cars need to be 36 month loans, and new cars can be up to 60 month loans.

Auto Loan Calculator:
http://www.bankrate.com/free-content/auto/calculators/free-auto-loan-calculator/

You will also need to calculate the amount of gas you will use each month. You will need to find the gas mileage for city driving on the advertisement for the car. by estimating that you will drive 900 miles per month at the average cost of $2.84 per gallon (this is the average price of gas in Pennsylvania). Use this site to calculate how much gas you will use.

Finally you will add your car payment + average cost of gas + 70.75 (the average cost of car insurance in the state of Pennsylvania) to come up with your total monthly car payment.

5. Additional Living Expenses

In this section you will calculate the rest of your living expenses.

- Cell Phone- Just use the price your current average bill.
- Clothing- Don't forget that you just got a new job. You will need to buy new job specific clothing.
- Food- This section is dedicated to the amount of food you will purchase at a store and eat at home. Your food budget must be at least $420 for the month. That would be $5 a meal, 3 meals a day for seven days a week. Do the Math.
- Entertainment- Here you get to enter the amount of money you will pay for all of the fun stuff. I purposely made this the last line of the budget. This includes any monies spent toward anything that is not necessary for living, but used for fun.
- Savings- How much money will you be able to put away for the future? Perhaps you want to move to a nicer apartment, go on a vacation, buy a nicer car, etc. You will need to save up some money for those costs.
- Student Loans: You need to look at your job description from step one and note the level of education needed for that job. Remember education costs money. I have created a list of the average debt in student loans for each degree and broke it down into average monthly payments. You must use these averages in the section for student loans based on your job.
- Incidentals: These are all the unforeseen bills that might come about throughout the month. Trust me, $200 is a low amount for most weeks.

5. Analyze Your Budget

Is it all falling into place just yet? Let's double check a few things and make sure you are ready for the real world. Is your budget balanced? (I will not grade an unbalanced budget.

Once you have completed your budget, reflect on the process and complete the questions below in sufficient detail below your budget.

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