

Financial Literacy Budget Example

For the following individual, he is wanting to buy a used 4-wheeler for \$4000.00. The loan with interest, insurance and gas money would cost him an additional \$150.00 per month (over the next 4 years). Please determine if he can afford the payment on his current budget, if not, then what could he do to be able to afford it? (build the budget in Google Sheets)

Bob- Makes \$8 per hour and works 32 hours per week. He gets taxed at 15% of gross pay. He also averages \$10 a month on his savings. Bob believes in practicing PYF and saves \$100 a month. He has a truck payment of \$235 a month, truck insurance of \$50 a month, and spends \$75 a month in gas. His cell phone bill is \$40 a month, he averages about \$75 a month in entertainment expenses, and \$55 a month in clothes. He recently found a girl who likes trucks, but doesn't believe he is a complete package unless he has a 4-wheeler in the back, so if he gets the 4-wheeler, he may have a girlfriend expense as well.