

Personal Budget Assignment

Value: 100 points

All instructions are to be completed on a separate piece of paper and turned in neat and organized.

I. Write down the names of three occupations that you may be interested in as a future career. Don't worry, it isn't binding, just an idea ☺. Research these occupations to discover what the average salary for each one is and list it next to the occupation, make sure to site your source for this information. Once acquired, put this information aside until the very end of the project. Your budget is **NOT** based on these incomes.

II. You're now going to design your own personal budget for twenty years from now. All items that are listed must be accounted for in some way (by cost or by explanation as to why they do not apply). Keep in mind that you are not designing your "ideal" lifestyle (appearances on Cribs are not necessary) and not the minimum possible to survive on the planet. Shoot for the middle ground. And always specifically and formally cite where you are getting your information from to be clear. All costs should be broken down to monthly costs.

You must include the following items in your budget:

- A. Rent or mortgage payment.
 - 1. This should represent an actual house (I want an address!)
 - 2. To calculate a mortgage, use a mortgage calculator online
- B. Car payments (or other transportation)
 - 1. Be specific on details of transportation!
 - 2. Also calculate any registration or fees...don't forget gas!
- C. Insurance
 - 1. Homeowners or Renters
 - 2. Car
 - 3. Medical (do not assume employer will provide!)
 - 4. Life
- D. Utilities
 - 1. Electric
 - 2. Natural Gas
 - 3. Cable
 - 4. Internet
 - 5. Phone
 - 6. Water & Sewer
- E. Furniture
 - 1. Specifically how much and of what type (IKEA or Tiffany?).
 - 2. How often will you replace your furniture (how long will it last)?
 - a. divide total cost by time in months that you keep it
 - ex. \$10,000 for 10 years (120 months) = \$83.33/month
- F. Retirement
 - 1. How much money are you putting away to retire and why?
- G. Food
 - 1. Figure out the cost of eating out vs. cooking at home and determine how often you will do either to get cost

H. Vacation

1. How often will you go on vacation?
2. Where will you go and what will it cost per month?

I. Gifts

1. How good of a friend are you? ☺

J. Children (including pets)

1. How many children will you have?
2. Research the total cost of raising your kids, what kind of lifestyle will you provide? Are you buying them a car? Sending them to college or summer camp?
3. You can either calculate their basic costs (food, clothing, birthday party gifts) into this category or the separate listings above, be sure to note which method you choose.

K. Parental Aide

1. Will you have to take care of your parents? If so, what will the cost of that care be? If your parents can support themselves, they must sign a statement to that effect to be turned in as a citation.

L. Medical Care

1. Insurance doesn't cover all costs...co-pays? deductibles? daily needs?

M. Entertainment

1. Going to the movies? Netflix? Music? Video Games?

N. Clothing

1. Take yearly budget for clothes, shoes and accessories, divide by 12

O. College Loans

1. Are you planning on going to college? Will you have to borrow money to pay tuition? Graduate school?

P. Taxes (go online to find tax tables that apply to the state where you will live)

1. Federal Income Tax (NOT based on jobs above!!!)
 - A. You must fill out Form 1040 and turn in as evidence.
 1. **Don't** give me your Social Security #!!
 2. Go to IRS.gov for forms and instructions
2. State Income Tax (NOT based on jobs above!!!)
 - A. Of the state you plan to reside in!
3. Social Security Tax
4. Property Tax

III. You are responsible for researching and documents ALL costs associated with the project. Use your time wisely to decide what it is that you will need to research. Both the internet and your family should be valuable resources to discover the specific details that you will need to complete this assignment. If you want to claim that your parents are going to pay for certain items (such as college education, car, house, etc.) they must document this by signing a statement of exactly what they are agreeing to provide you with. Also, if you are married, you may split costs (50/50) with your spouse, but don't forget to figure their needs into your costs. You may not assume that your spouse is taking care of all your needs and you don't need to work. **LAST PART!!:** Go back to section one and compare your job incomes to your total costs. Write a paragraph analyzing where you stand based on your budget and your career interests.