Day 4: Budget Check – Due: Friday 3/13/20

Go to <https://www.quicken.com/home-budget-cost-living-reality-check>

Read completely and apply cost of living research.

Record the amount you will budget in each category.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Budget Category** | **Percent of Income to spend on category** | **Job #1**  **(entry level)** | **Job #2**  **(some training/ed)** | **Job #3**  **(4-year college degree)** |
| *Calculate each category based on the percentages found in the “Home Budget” article you read for each of the three salaries you researched. This will give you an idea of what you could afford at each salary level.* | | | | |
| **MONTHLY TAKE-HOME INCOME**  *(last row from Day 1)* |  |  |  |  |
| **1. Housing** | 30% |  |  |  |
| **2. Utilities** |  |  |  |  |
| **3. Food** |  |  |  |  |
| **4. Transportation** |  |  |  |  |
| **5. Debt Repayment** |  |  |  |  |
| **6. Savings** |  |  |  |  |
| **7. Clothing** |  |  |  |  |
| **8. Entertainment** |  |  |  |  |
| **9. Car Insurance &**  **Misc. Expenses** |  |  |  |  |
| *Use the following process to calculate Total Monthly Budget:* ***Add Items 1-9 and record below.*** | | | | |
| **10. Total Monthly**  **Budget**  *(should be close to monthly take-home income)* |  |  |  |  |

Continue to Page #2 to see if you are on track to staying within your budget for each job.

Are you staying within budget? Take a closer look:

|  |  |  |  |
| --- | --- | --- | --- |
| **Budget Category** | **Job #1**  **(entry level)** | **Job #2**  **(some training/ed)** | **Job #3**  **(4-year college degree)** |
| **11. Budgeted Housing Payment**    *(amount from #1 in table above)* |  |  |  |
| **12. Actual Monthly Housing Payment** | $1100 | $1100 | $1100 |
| **13. Amount left in Housing budget**  *(Row #11 – Row #12)* |  |  |  |
| **14. Budgeted Transportation Payment**  *(amount from #4 in table above)* |  |  |  |
| **15. Actual Transportation Payment** | $250 | $250 | $250 |
| **15. Amount left in Transportation Budget**  *(Row #14 – Row #15)* |  |  |  |

After calculating the suggested amounts per budget category:

1. Are there any jobs that will not support your desired lifestyle?
2. What changes or adjustments would you make to any of the specific jobs and/or categories in order to live the way you desire (afford the house or car you purchased)?
3. What has the income and budget research taught you about your plans for the future?

**Part 2:** A comfortable goal is to maintain a $1,000 cash emergency fund ***plus*** savings that would cover 3-6 months of expenses. It may take several years to achieve this, but it is a goal worth working toward.

Give a short plan (4-5 sentences) on how you could integrate this into your budget. You might include additional income (tips, bonus, raise, 2nd job, etc.) in your savings plan.