

Personal Budget Project

Directions:

You are 22 years old. You will draw a level of education (no HS Diploma, HS Diploma/GED, Associates Degree, or Bachelor's Degree) and that will determine your income and if you have any school loans. Basically, the budget project has two parts:

1. You will create an Excel Spreadsheet with your budget which you will turn in. This will include all your income and expenses per month. A template will be provided.
2. You will create a powerpoint presentation with a slide for each expense which you will present to the class. A template will be provided.
3. You are not allowed to live at home or for free with friends and family.

BUDGET PROJECT OVERVIEW

There are many items that go into the creation of your budget! Decisions you make today (whether to go to college, your major, your career choices, your spending habits) will determine your income and expenses for the rest of your life. Take this opportunity to learn about all the different things you will have to pay for when you grow up, and how to manage your money so that you do not have stress. Some parts of this project will be fun (researching which car you want, apartment to live in) but some may be stressful to you - such as how to fit it all in with your chosen salary. Remember that these are just guidelines and nothing is etched in stone - in your real life, you can change your income or your education at your own will based on how hard you're willing to work and the vision you have for your life. So go for it, learn from it, and let this help you shape your future!

List of Levels of Education and Associated Pay

1. **No High School Degree:** Gas Attendant at \$7.25/hr minimum wage, 40 hours per week, 52 weeks per year
2. **High School Degree:** Waitor/Waitress at \$10/hr at 40 hours per week, 52 weeks per year
3. **Associates Degree:** Dental Assistant at \$15/hr at 40 hours per week, 51 weeks per year (you get 1 week of unpaid vacation)
4. **College Degree:** Accountant at \$20/hr at 40 hours per week, 52 weeks per year (you get 2 weeks of paid vacation). You also graduate with \$20,000 in school loans. You will choose your payment plan at either 10, 15, or 20 years to pay it off at 3% interest.

Step 2: Start formulating your monthly budget with <http://fncalculator.com>!

You can also download the app: it's called "EZ Financial Calculators" and is available in iTunes, Google Play, or Windows.

Some guidelines:

You will calculate your **net pay** based on your understanding of taxes, social security, medicare, and health insurance.

You will calculate your **school loan payment** (if you drew the college degree option) based on a 10, 15, or 20 year payoff time at 3% interest. Use the loan calculator at <http://fncalculator.com>.

You will choose an **apartment** and link up to the ad in your presentation and excel file.

You will choose a **car**, link up to the ad in your presentation, and calculate a car payment based on a 3, 4, or 5 year payment plan at 8% interest.

You will choose a budget level of **groceries** such as \$25/week (Aldi), \$40/week (Giant, Bloom), or \$50/week (Wegmans).

Try to **save** 10% per month.

You will also have to include car insurance, internet, TV, cell phone or land line (or both), clothing, savings, bathroom/personal care, medical, entertainment, restaurants, and retirement.

MONTHLY BUDGET

This is where you fill in your budget. This is just a working hard copy you can use to keep track of things.

Description	Expenses	Income
Gross Monthly Income (Yearly income/12)		\$
Deductions: Federal Income Tax (15% or 25%)	\$	
Deductions: State income tax (_____ %)	\$	
Deductions: Social Security Tax (6.2% for everyone)	\$	
Deductions: Medicare Tax (1.45% for everyone)	\$	
Total Deductions: (add #2-5 of column B)	\$	
Net Monthly Income (5 pts)		\$
Monthly Expenses from Slides:		
Slide 4: Apartment or House for Rent	\$	
Slide 5: Your Car or Transportation (determine monthly payment)	\$	
Slide 5: Gas	\$	
Slide 6: Utilities (assume 5% of rent, which is rent x 0.05)	\$	
Slide 6: TV/Internet	\$	
Slide 6: Cell Phone, land line, or both	\$	
Slide 6: Car Insurance (assume \$100 for women, \$150 for men)	\$	
Slide 6: School Loan if you drew the college option (calculate your loan payment)	\$	
Slide 7: Groceries	\$	
Slide 7: Health Insurance	\$	
Slide 7: Personal care/miscellaneous	\$	
Slide 8: Clothing	\$	
Slide 8: Entertainment	\$	
Slide 8: Restaurants	\$	
Slide 8: Credit Card Bills	\$	
Slide 8: Pets (optional)	\$	
Slide 9: Short Term Savings (emergency fund, car)	\$	
Slide 9: Medium Term Savings (house, car)	\$	
Slide 9: Long Term Savings (retirement)	\$	
Slide 9: Giving	\$	
Total Expenses:	\$	
Budget Surplus (if there is one. If there is a shortage, you have to go back and adjust)		\$

Powerpoint Slide Content

Slide 1: Title Slide (required)

This slide must include:

- Your Name
- The text “My Budget Project”
- Personal Finance – Class Period - Date
- Pick your own theme for colors and style

Slide 2: Location (required)

This slide must include:

- Where you want to live
- A short summary of why you want to live there
- A graphic image your community

Slide 3: Net Income (required)

This slide must include:

- Your career based on no high school diploma, high school diploma, associates degree, or college degree
- Monthly Gross Income (see Net Pay Worksheet)
- Monthly Deductions (see Net Pay Worksheet)
- Monthly Net income (see Net Pay Worksheet)

Slide 4: Apartment or House Rent (required)

This slide must include:

- You will be renting not buying in this project
- Where will your apartment be located?
- Copy & Paste a picture of your Apartment
- Copy & Paste details of your rent
- Monthly rental payment
- Copy and paste a link to ad online, or bring in a hard copy of the ad from the paper

Apartment rules:

- If you'd like, you may have a roommate, but it has to be someone in your class
- If you have roommates, you must have a separate bedroom for each person. You won't want to share bedrooms when you're 22.
- You can split the rent between roommates (for example: if rent is \$700 per month for a two bedroom apartment, and there are two roommates, you each pay \$350 per month)
- You will still need to provide your own separate presentation and budget if you have roommates. Everyone has different income and will budget things differently based on what they value. For instance, Miguel might want to spend more on entertainment and restaurants while Mariah might want to spend more on clothing or personal care. You can't share budgets.
- Once you agree on an apartment and have a link, your roommate will need to retrace those steps to add the link to their presentation and excel worksheet.

Slide 5: Transportation (required)

This slide must include:

- Make, Model, and Year of your car (example: 2002 Honda Accord, 2003 Toyota Camry)
- A picture of your car
- Total Cost of the car as stated on the ad (example: \$5,000 total cost)
- Monthly Payment
 - o To determine your monthly payment, go to <http://fncalculator.com> and click on Loan Calculator
 - o Input your total cost, # of years to pay it off (up to 5 years), and interest rate of 8%
- Copy and paste a link to the ad online, or bring in a hard copy of the ad from the paper and staple it to the excel budget worksheet
- Gas Expense
 - o Your monthly gas expense will be determined by the amount of miles per gallon that your car gets.
 - o Look up the miles per gallon for your car. Just do a google search for your car mpg. For instance, if you chose a 1985 Porsche, search “1985 Porsche MPG.” You can choose the highway mpg if you’d like. If you can’t find the mpg for your car, use this as a guideline:
 - *If your car is an SUV, van, truck, or sports car: less than 20 mpg
 - *If your car is a sedan, hybrid, or commuter car: more than 20 mpg
 - o If your car gets less than 20 miles per gallon, then you should budget no less than \$150 per month for gas
 - o If your car gets more than 20 miles per gallon, then you should budget no less than \$100 per month for gas
 - o If you’d like to calculate a more specific gas expense according to your car type, then do this:
 - * $1000 \text{ avg miles per month} / \text{___ mpg} = \text{___} \# \text{ gallons per month you have to buy}$
 - * $\text{___} \# \text{ gallons per month} * \text{___ price per gallon} = \text{___ gas expense}$
- IF you choose to live in the city, you may forego the gas and car expense and simply use public transportation. You still need to budget for this. A good guideline is:
 - o No less than \$110 per month for NYC public transportation all-access metro card
 - o No less than \$90 per month for a large city with a good bus system or light rail
 - o You may not choose to simply bike and walk everywhere. You will need to access taxis, bus, or light rail system at some point, whether to get to work, go out with friends, visit family, or go on job interviews.
 - o You can only use this option if you live in a large city (100,000 + population), like LA, Minneapolis, DC, NY, etc. You must be renting within the city lines. The public transportation system in the suburbs is not efficient enough for your transportation needs.

Slide 6: Fixed Expenses (required)

This slide must include:

- Utilities (assume 5% of rent) (required)
- Television and Internet (optional)
 - \$50/month for basic cable (30 channels) with no high speed internet
 - \$65/month for basic cable (30 channels) and high speed internet
 - \$95/month for 90 channels and high speed internet
 - \$105/month for FIOS or cable HD 90+ channels plus channels like HBO plus high speed internet
 - \$135/month for satellite with HD and HBO plus high speed internet
- Telephone Land Line (pick one) - \$20 per month
- Cell Phone (pick one)
 - \$40/month Pay as You Go, limited calls, data, and texting
 - \$50/month for a basic phone (not a smart phone) with unlimited text
 - \$65/month for a smart phone with internet access and 2,000 texts
 - \$75/month for a smart phone with unlimited text
 - You must choose either telephone land line or cell phone option
- Car Insurance (assume \$100/month for women, \$150/month for men) (**required if you have a car**)
- School Loan payment if you picked the college option
 - Determine your monthly payment by going to <http://fnccalculator.com>
 - Insert your loan amount of \$20,000
 - Insert your payoff time, up to 20 years (usually choose between 5, 10, 15, or 20 years)
 - Insert your interest rate of 3%
 - Tell us your payment and #years to pay it off on the slide
- A picture of one of the above items

Slide 7: Groceries and Health (required)

This slide must include:

- Your monthly grocery budget (cannot be less than \$25 per week, or \$100 per month) (required)
 - Some guidelines: \$25/week Aldi, \$40/week Giant, \$50/week Wegmans.
 - Your weekly cost x 4 = monthly cost
- Health Insurance (required)
 - Assume \$150 /month for no HS diploma or HS diploma
 - Assume \$80 per month for associates degree and college degree (employer will cover part of this cost)
- Personal care (drugstore items, hair care, beauty items, toiletries, etc) (optional)
- A picture of one of the above items

Slide 8: Discretionary Spending (required)

This slide must include:

- Clothing budget per month (required)
- Entertainment budget (optional – if none, write 0)
- Restaurant budget (including fast food) (optional)
- Credit Card budget (optional)
- Pets? Do you want pets? If so, you need to budget for them (optional)
- A picture of one of the above items (or more)

Slide 9: Savings and Giving (hopefully 10+% of net income) (required)

This slide must include:

- Short term savings: for a car, emergency fund, small vacation (optional)
- Medium term savings: for a house, a better car, bigger vacation (optional)
- Long term savings: for retirement (you should be saving \$200 per month for retirement) (optional)
- Giving: for when you want to give to charity (optional)

Optional: Mystery Slide

- List any other expenses that you might have that were not mentioned in any of the slides
- A graphic image to illustrate your slide

Slide 10: Overview (required)

This slide must include:

- Gross Income, Net Income, Expenses, Surplus if there is one (required)
- Reflection and changes you might need to make in order to meet your budget comfortably (required)

Personal Budget Project Rubric

Presentation and Powerpoint Rubric (100 total points, 100%)

- Presentation in class will be 25% of your grade, up to 25 points
 - Either you do it or you don't, I will not be grading on presentation skills for this first presentation
 - 25 pts: You presented your powerpoint during class
 - 0 pts: You did not present your powerpoint during class
 - Signup sheets will be passed around and posted on the wall
- Powerpoint will be 75% of your grade (so the highest grade you can get is a C if you do not present)
 - Powerpoint is worth 75 total points
 - 10 slides at 5 points per slide for content (5 pts each, for 50 points total)
 - Each slide should have at least 1 picture (1 point each, for 10 points total)
 - Each slide should have a header and theme style and should be easy to read (1 pt each, for 10 points total)
 - Try to use light text on a dark background, or dark text on a light background
 - The last slide is worth 10 points because it contains the reflection and overview, which is the most important part of this project.
- Save your presentation to a flash drive to access it anywhere

Excel Spreadsheet Rubric (100 total points, 100%)

See excel spreadsheet for point values. You will be graded on whether or not you included each item in your budget and if it was for a realistic amount.

- If you have a deficit, you will automatically lose 25 points, so that the highest grade you can get is a C. The point of this budget project is to learn how to add and subtract money from each category so that you can live within your means. It may be difficult to do this on a low income, but it can be done.

Net Pay Worksheet (100 total points, 100%)

See Net Pay Worksheet for point values. Basically you will complete this worksheet in class, then transfer the numbers to the excel spreadsheet and the powerpoint.

Personal Budget Project Grade

Name _____ Class _____ Date _____

Powerpoint Grade			Excel Grade	
Presentation		/25		
Slide 1	Name, budget project, etc.	/5		
Slide 2	Where you want to live	/5		
Slide 3	Income and deductions	/5	Slide 3: Net Pay correct	/5
Slide 4	Rent, roommates, # bedrooms	/5	Slide 4: Rent correct	/5
Slide 5	Car payment, gas, public transportation	/5	Slide 5: Car Payment	/5
			Slide 5: Gas	/5
			Slide 5: Public Transportation (if applicable)	/5
			Slide 6: Utilities (5%)	/5
Slide 6	Fixed expenses: utilities, TV, cell/land line, car insurance, school loans	/5	Slide 6: TV/Internet	/5
			Slide 6: Phone	/5
			Slide 6: Car Insurance	/5
			Slide 6: School Loan	/5
			Slide 7: Groceries	/5
			Slide 7: Health Insurance	/5
Slide 7	Groceries and Health	/5	Slide 7: Personal/Misc.	/5
			Slide 8: Clothing, Entertainment, restaurants, Credit Card bills, Pets	/5
			Slide 9: Savings, Giving	/5
Slide 8	Discretionary Spending (clothing, entertainment, restaurants, credit cards, pets)	/5	Slide 10: Surplus/Deficit	/25
Slide 9	Savings and giving (aim for 10%)	/5	Total Points	/100
Slide 10	Overview and reflection	/10	Excel File Grade:	%
Pictures on each slide (1 pt per slide, for 10 pts total)		/10	Comments:	
Unique theme (10 pts)		/10		
Total Points		/100		
Grade		%		
Comments:				