

# PERSONAL BUDGET PLAN

## Moving Out On Your Own



Congratulations! You have been hired for your first full-time job. Therefore, you are now ready to get a place of your own. The fun is just beginning! You will need to make some critical decisions regarding your living expenses. These decisions will include: choosing an apartment, furnishing your apartment, purchasing food and clothing, arranging transportation to and from work, purchasing and paying for services such as gas, electric, cable, and phone. Along the way you may receive **ROAD BLOCKS**, which may alter your plans in a positive or negative way!

**Assignment:** You are required to hand in a report along with your monthly budget (excel file) that explains how you calculated each number in your budget, and that answers any questions that are asked in the chart. You need to **EXPLAIN WHY** you selected the options that you did. The report is created using the blank “**Budget Planning Written Form**”.



## BUDGET PLANNING: WRITTEN FORM

<b>Gross Income</b>	<p>You will find the income listed for your job located on RUReady.</p> <ul style="list-style-type: none"> <li>• Search for your job at the top right hand corner.</li> <li>• When you open your job click “Money and Outlook” on the left hand side</li> <li>• You will look at North Dakota Regional Earnings and take the entry level salary.</li> <li>• <u>Please print this page.</u></li> </ul> <p><b>Example:</b> If your yearly salary is \$30,000 you will want to calculate your monthly income. Therefore, you take <math>30,000 \div 12</math>. Your monthly income would be \$2,500.</p>
<b>Net Income</b>	<p>Assume that 30% of your gross income will be deducted from your pay to cover income taxes, and other payroll deductions. <b>Net Income = Take Home Pay</b></p> <p><b>Example:</b> If your monthly gross income is \$2,500 you would find your net income by <math>2,500 \times 0.70 = \\$1,750</math>.</p>
<b>Rent / Mortgage</b>	<p>Using an online source, find a place to rent. Be sure that the monthly charge for the house/apartment is clearly indicated. You may choose to live alone or with a roommate, but make sure you make the necessary changes to your budget depending on your living situation. <u>Please print this page.</u></p>
<b>Electric</b>	<p>If you are renting a one bedroom apartment or condo, budget \$50, \$75 for a two bedroom, and \$100 for a place with three plus bedrooms.</p>
<b>Rental Insurance</b>	<p>Everyone must have house/apartment insurance to cover cost of fire and theft. Assume that this will cost approximately \$150 per year. Calculate the monthly charges.</p>
<b>Cell Phone</b>	<p>Using an online source, find a cell phone plan for a smart phone. Be sure that the monthly charge for the cell phone plane is clearly indicated. <u>Please print this page.</u></p> <p><b>Beware:</b> Make sure you are NOT looking at the cost of the cell phone, we are looking for monthly charges to use a cell phone.</p>
<b>Groceries</b>	<p>Using the “Cost of Food” sheet for your family you need to choose either the <b>Low-Cost Plan</b> or the <b>Moderate-Cost Plan</b>. Your age range is 19-50 years, and if you have a child please use the 1 year old plan.</p>
<b>Car Payment</b>	<p>Using an online source, find a new or used car. Be sure the purchase price is clearly indicated. <u>Please print this page.</u></p> <p>You will calculate your monthly payment using Kelly Blue Book’s Annual Percentage Rates</p>

	<a href="https://www.kbb.com/car-loans-and-financing/?psid=20002&amp;siomid=s8i9n2z6a_dc 31078448695 auto%20loan%20calculator e 26285lk551871">https://www.kbb.com/car-loans-and-financing/?psid=20002&amp;siomid=s8i9n2z6a_dc 31078448695 auto%20loan%20calculator e 26285lk551871</a> <ul style="list-style-type: none"> <li>• For Rates, Select Loan Purpose – <b>Either New or Used</b></li> <li>• Loan Amount – <b>Type amount</b></li> <li>• Loan Term – <b>60 months</b></li> <li>• Use highest price for monthly payment</li> </ul> <p>You can choose to have a new car or a used car. If you choose not to have a car, then you must budget \$100 per month to cover the cost of a bus pass, cab rides, etc. In your written report, be sure to explain the reason for the transportation choice you made.</p>
<b>Auto Insurance</b>	The average cost a year for auto insurance in North Dakota is \$650. Calculate your monthly charge for auto insurance.
<b>Gas for Vehicle</b>	The average cost for gas each month is \$125 a month.
<b>Daycare</b>	If you have a child, your average cost for daycare is \$500 a month.
<b>Student Loans</b>	<p>You will figure out how much student loan debt you have by your occupation. While in your occupation in RUReady click “What To Learn” on the left hand side. At the bottom under “Education Level” you will see if a college degree is required. Double check with me on degree level, as RUReady sometimes gives two levels.</p> <ul style="list-style-type: none"> <li>• Associate’s Degree - \$15,000 in debt</li> <li>• Bachelor’s Degree - \$30,000 in debt</li> <li>• Master’s Degree - \$45,000 in debt.</li> <li>• Doctoral Degree - \$60,000 in debt.</li> </ul> <p>For every \$10,000 you are in debt that will be \$100 in a monthly student loan payment. Example: A job requiring an associate’s degree would have a student loan monthly payment of \$150.</p> <p><u>Please print this page</u></p>
<b>Cable / Internet</b>	<p><b>Internet Packages</b></p> <p>Basic - \$44.95 (you cannot stream movies)</p> <p>Social – \$54.95</p> <p>Pro - \$94.95</p> <p><b>Cable Packages</b></p> <p>No Cable - \$0</p> <p>Mini (10 channels) - \$27.00</p> <p>Max (90+ channels) - \$67.75</p>

<b>Clothing</b>	Your overall allowances will be somewhere between 5%-7% of your monthly net income. If you are someone that really likes to 'dress to the nines', then bump your allowance to 7% of your salary.						
<b>Entertainment</b>	<p>Estimate your monthly entertainment expenses by itemizing and then totaling them.</p> <p><u>Here is an example:</u></p> <table> <tr> <td>Two movie passes</td><td>\$20.00</td></tr> <tr> <td>Restaurant w/Friend</td><td>\$20.00</td></tr> <tr> <td>Hockey Game</td><td>\$65.00</td></tr> </table> <p><b>Note:</b> The list above is an example only. Your monthly entertainment expenses should be different than what is shown above.</p> <p>*You should have a minimum of 4 items in this section and explain your choices!*</p> <p><u>Please print this page(s)</u></p>	Two movie passes	\$20.00	Restaurant w/Friend	\$20.00	Hockey Game	\$65.00
Two movie passes	\$20.00						
Restaurant w/Friend	\$20.00						
Hockey Game	\$65.00						
<b>Toiletries / Medicine</b>	In your written report, list five items that could fit in this category for expenses. You do not need to find the price of each item. In your monthly budget, include \$50.00 to cover the cost of toiletries and medication.						
<b>Road Block</b>	You will be given a road block, which may add money to your monthly budget or deduct money. Explain your road block here.						
<b>Miscellaneous</b>	Any additional expenses will go here						
<b>Total Expenses</b>	Use the excel budget function to add up all your expenses.						
<b>Savings</b>	Your savings would be your net income – total expenses. Use the excel formula to calculate this number. This number cannot be a negative number. If it is, then you must reduce some of your expenses. Any positive number is savings that can be used in the future (aim for 3-5% of your net income).						

## **BUDGET PLANNING: WRITTEN FORM**

<b>Gross Income</b>	
<b>Net Income</b>	
<b>Rent / Mortgage</b>	
<b>Electric</b>	
<b>Rental Insurance</b>	
<b>Cell Phone</b>	
<b>Groceries</b>	
<b>Car Payment</b>	
<b>Auto Insurance</b>	
<b>Gas for Vehicle</b>	

<b>Daycare</b>	
<b>Student Loans</b>	
<b>Cable / Internet</b>	
<b>Clothing</b>	
<b>Entertainment</b>	
<b>Toiletries / Medicine</b>	
<b>Road Block</b>	
<b>Miscellaneous</b>	
<b>Total Expenses</b>	
<b>Savings</b>	

Answer the Following Question:

**What did you learn from this assignment?**

# GRADING RUBRIC

<b>CRITERIA X 2</b>	<b>5 Exceptional</b>	<b>4 Acceptable</b>	<b>3-2 Marginal</b>	<b>1 or 0 Unacceptable</b>
<b>Budget spreadsheet</b>	You accurately completed all applicable lines and categories on the budget spreadsheet using data and assumptions given in the assignment. No apparent errors.	You completed all applicable lines and categories on the budget spreadsheet using data and assumptions given in the assignment. One or two minor errors.	You completed some, but not all applicable lines and categories on the budget spreadsheet using data and assumptions given in the assignment. A few major errors and omissions.	You selectively filled in the spreadsheet, but there are many errors and omissions.
<b>Written Report</b>	You provided a detailed explanation of how you determined individual budget lines and amounts.	You introduced the budget and commented on the budget process. You also explained how you determined individual budget lines, and amounts.	You introduced the budget and partially explained how you determined individual budget lines.	You insufficiently explained how you determined individual budget lines and amounts.
<b>Overall presentation</b>	Your discussion of the budget process and individual budget lines is set forth in a clear, thoughtful, and very organized manner. You answered the question "What did I learn from this assignment" very thoroughly. It is well-written, insightful and includes thorough details.	Your discussion of the budget process and individual budget lines is set forth in a thoughtful manner. It is well-written, includes sufficient details and is organized.	Your discussion of the budget process and individual budget lines is carelessly written, gives insufficient detail, and lacks organization.	Your discussion of the budget process and individual budget lines is poorly written (writing is unfocused, rambling, or contains serious errors); lacks detail, and is poorly organized.
<b>Required Information</b>	Monthly budget (Excel), written reports, and item ads (printed pages) are <u>ALL</u> included and completed according to expectations.	One of the required documents was not included. Everything else was completed properly.	Two to four of the required documents were not included.	Five or more of the required documents were not included.

**SCORE: \_\_\_\_\_/40**