

# Civics and Economics Personal Budget Project

## Objective

The Economics/Budget Project is designed to assist students in considering your financial future. The project consists of various “real world” situations/decisions one will be faced with once entering the workforce. You will create a monthly budget that demonstrates what you feel is the best use of your income.

The project is divided into different aspects of the budget, each with corresponding activity. Many of the activities require you to research information and some even require you to go into various institutions to obtain applications. As you make decisions, input your expenditures into the Budget spreadsheet to keep up with where your money is going each month. Along with the activity, you are expected to include a summary of what information you have found as well as how you have applied it to your budget. The summary can be either in Essay or Presentation form, your choice.

**You are required to show tangible evidence of your research!** This may include online sources, newspaper clippings, bill receipts, apartment applications, utility estimates, etc. They must be cited in either MLA or APA format at the end of the activity page.

*WARNING: Do not use your social security number, phone number, or any personal information on any forms/applications.*

## Basic Format:

- Everything should be *typed and submitted online*.
- There should be a *Title Page* that lists the student’s name, name of school, class, class period, school year, and date turned in to your Civics and Economics teacher.
- Each activity in the project is to be completed on a *separate page* and then combined into one document to be submitted electronically for evaluation.
- All sources need to be cited (including website) at the bottom of the corresponding activity page.
- Each activity page should be *numbered* and *correspond to the Table of Contents page* (Table of Contents Required).
- Budget worksheet completed online and shared.

## Part A: Activities

### 1. JOB-

Students will select a job that they believe they would like to do when they finish their education and provide a job description. Use the following questions to guide your research:

- A. Education: Where will you go to school to get this job? What will you study? How long will you need to go to school? How much will it cost to attend school for your degree?

Note: An Associate's degree will come from a community or junior college and will only be two years in length. A Bachelor's degree will be at a regular college or university and you will attend for 4 years on average. Graduate School degrees come after you obtain a Bachelor's Degree. A Master's degree comes after a Bachelor's Degree and possibly will not be at the same school. Medical and Law school can be attended right after a bachelor's degree but will be of longer length. A PhD or other Doctorate program will come after a Master's program, usually of a similar study. They vary in length and you will usually compute the cost by credit hours.

- B. Job Tasks and Skills: For what company would you like to work? What will be the main tasks of the job on a daily basis? What skills will be most important in this job?

- C. Income: How much will you make annually (yearly) and what will be your monthly income? **THE MONTHLY WAGE/SALARY MUST CORRESPOND TO AN ENTRY LEVEL PAY SCALE FOR THAT PARTICULAR JOB/OCCUPATION.**

Note: If you expect to work after four successful years of college, your annual income will be around \$32,000. If you expect to go to work after high school with two years of technical/community college training, your annual income will be around \$22,000. If you expect to go to work after high school with no additional education/training, your annual income will be \$14,000.

- D. Taxes: Each student will be expected to compute the amount of federal taxes, state taxes and FICA taxes to be subtracted from the gross pay to arrive at the net pay (see the "Computation Chart).

<https://www.irs.com/articles/projected-us-tax-rates-2016>

- E. Benefits: Students will also be expected to investigate to find out if the job will provide health insurance and/or life insurance as a benefit or if they will have to pay for these from their own pay check. They will also need to find what other benefits they may get from the job, such as, but not limited to: Paid vacation, sick leave, 401k matching, etc.

This is the most in-depth portion of the project and will, most likely, take more than one page to complete thoroughly. Each part will need to be presented individually, either in its own paragraph or slide. The students will also include a reflection paragraph stating why they chose this career and this particular job over other options.

#### **Requirements:**

- Describe your choice of a career. Include salary info (annual and monthly- for budget), benefits, and skills required.
- Note resources used to obtain information about this specific career.

#### **Resources:**

\*Here are some excellent resources that you may use to research your chosen profession\*

US Dept of Labor—BLS—Occupational Outlook Handbook: <http://stats.bls.gov/oco/home.htm>

US Dept. of Labor--BLS—What interests you?: <http://www.bls.gov/k12/>

US Dept. of Labor--BLS's Career Guide to Industries: <http://www.bls.gov/oco/cg/home.htm>

Collegboard.com Majors & Career Central: [http://www.collegeboard.com/student/csearch/majors\\_careers/index.html](http://www.collegeboard.com/student/csearch/majors_careers/index.html)

Quintessential Careers: <http://www.quintcareers.com/home.html>

Careers.Org: <http://www.careers.org/index.html>

## 2. **BANK-**

Students will choose a bank to deposit their salary/wages. They will tell why they have chosen this particular bank, and they will indicate which services they will use at the bank. Also, students who plan on attending college will, most likely, have to pay back student loans. The student should determine an amount for student loans based on the national average for student loans and set up a payment plan in their budget.

\*NOTE: The student will assume that they will have student loans. This may not happen in someone's actual experience; but for the purposes of this project, everyone must budget for student loans.

### **Requirements:**

- Include information on a checking account, online banking services, a savings account, an ATM card, and credit cards.
- List fees for services, interest rates, overdraft protection, and limits on accounts.
- Include a sample application from a bank. Any pamphlets/advertisement containing information on the financial application will be accepted! (completed by student)
- Estimate student loan amount (from budget worksheet) and set up a payment plan in budget.

## 3. **HOUSING-**

Students will find adequate housing by renting an apartment or other housing. You may share an apartment with ONE other person. You cannot be living rent free with family or friends.

### **Requirements:**

- List what services/benefits are included in the rent, the location of the apartment, and other information necessary for housing.
- Sample apartment ad or application.
- If sharing an apartment with another person, you must show the division of rent and utilities paid between both.

## 4. **TRANSPORTATION-**

Students will investigate the purchase of a vehicle. They should look into buying *or* leasing a vehicle. The monthly car payment will be included after it is set by the car dealership or the bank that is financing the loan for the car. Factors to be considered in buying a vehicle would be the current interest rates on car loans, the cost of a certain vehicle, the reliability of a used vs. new vehicle, taxes on the vehicle purchased, and the impact of the monthly payment on their budget. Additionally, the student should determine the property tax associated with their vehicle and include that in their budget.

\*NOTE: The student will assume that they have no vehicle when they leave school. This may not happen in someone's actual experience; but for the purposes of this project, everyone must purchase a vehicle.

### **Requirements**

- Completed sample loan application from a car dealership/financial institution.
- Information on current interest rates for car loans.
- Property tax rates included in budget.

### **Resources**

Go to a search engine like Google, ask.com, altavista.com, etc and type in "Interest Rate Calculator." There you will find a number of sites that assist in calculating interest rates for your loans.

## **5. INSURANCE- Auto and Renter's Insurance**

Students will need to secure insurance on the vehicle they purchased. Explain why you chose to go with the insurance company you did. If your vehicle is financed, you cannot use the uninsured motorist fee at DMV. **ALSO** students will need to secure renters insurance for properties in their apartment in case something happens.

### **Requirements:**

- Name of the insurance company, coverage listed on the vehicle, and the monthly cost of the policy.
- Obtain the same information above for renter's insurance.

## **6. CELL PHONE/TELEPHONE-**

Students will need a cell phone or telephone in the apartment. Every person should make themselves available to be contacted for personal and professional reasons or in case of emergency. The quickest and easiest way to make one available to be contacted is through cell phones/telephones.

### **Requirements:**

- List the company, the monthly costs and particulars including minutes included and other necessary information.

## **7. UTILITIES-**

List utilities that the student will be responsible for that are not including in the housing arrangement. These may include, but are not limited to, cable, online services, electricity, trash, water, and others.

### **Requirements:**

- You **MUST** include: Water, electricity, Trash and Sewage, Basic Internet/Cable. You may include additional if desired, such as, but not limited to: Yard service, security service, Premium cable/internet, etc.
- List the company, monthly costs, and any deposits that are required.

## **8. FOOD and CLOTHING-**

The student will be expected to spend at least \$160/month on food. Consider where your grocery shopping will be done and why. What strategies will you use to make your dollar go further? Also, the student will describe the type of clothing that will be required for their chosen profession. They should also estimate a monthly clothing cost.

### **Requirements:**

- Research at least three resources that give tips on saving money on day-to-day expenses and discuss the tips.

## **9. ENTERTAINMENT/MISCELLANEOUS-**

Students should determine what they will do for entertainment and other related expenses and how much it may cost them per month. Explain why activities/hobbies are important and why you chose to spend money on them as opposed to other activities. Are they wise financially? Are you saving for big purchases? Again, what strategies will you use to make your dollar go further?

## **10.GASOLINE CONSUMPTION-**

Gasoline consumption is a required expense for most individuals so related expenses must be considered. In addition to considering how much gas will be used, the student should determine which gas station will be used and why. In addition to gas consumption, the student will include estimated maintenance costs associated with their particular vehicle. Remember to consider factors such as age, type, or model of the car when determining the monthly amount to set aside.

### **Requirements**

- List approximately how many miles will be driven per week. When considering how far to drive to work, refer to the location of the company desired and the location of living arrangements, which have already been determined in Activities 1 and 4. Also, consider visits to the grocery store, visits to friends/relatives, entertainment, etc.
- List how many miles per gallon your car averages.
- List estimated maintenance costs and a brief explanation

## **11.SAVINGS-**

Students should consider how much money they will set aside per month for savings. Students should realize that they cannot possibly allow for every single expense before they happen. Unexpected expenses could come in the form of car repairs, medical care, or sudden travel. In order to prepare for these future costs (which are a certainty) one should put aside money in a savings account that can be easily accessed. A good amount to have put aside is \$1000; and once that amount is achieved, increase savings to expenses needed for one-month and then three-months. Plan accordingly for these unexpected expenses so that borrowing or charging to cover costs will not be a necessity.

### **Requirements**

- Identify the current interest rate on personal savings accounts at your bank or whether your employer has a company pension plan or contributes to an IRA for you.
- Students must allow for both types of savings accounts in their budgets and discuss their financial goals related to these categories. (see requirements below)

## **12.DONATIONS-**

The student must determine what charitable giving will be a part of their budget. Though many choose not to spend their money on charitable expenses, they can be of some financial benefit. Charitable expenses can be used as tax write-offs on their income taxes. More importantly they remind the student that no matter their profession, they are much better off than many other people their age around the world. Financial contributions may be to a religious institution or to another organization. Students will research what institution they will contribute to, list details about it, and why it was chosen. Remember that donations can be made in the form of time/service. (Be sure to site sources!).

## **Part B: BUDGET SHEET**

The student will be expected to develop an actual personal budget spreadsheet that integrates all of the above activities. The budget should be included with the final submitted project, and IT MUST BALANCE – NOT in the NEGATIVE, AS CLOSE TO ZERO as POSSIBLE!

The Budget Project instructions and Budget Sheet can be found at the Google Classroom Civics and Economics \_\_\_\_\_ . This is also where you will submit your project.

## Part C: Essay/Presentation

### Option 1- Essay Requirements

This is a BASIC outline. You may include additional information that you deem necessary, however the following MUST be included and TYPED. ALL RESEARCH MUST BE CITED.

- One Page for Each Activity including:
  - Activity Title- Bolded/Underlined
  - One Paragraph reflecting on choices you have made for the topic. Include where you will spend your money in the category and any requirements of the activity.
  - One paragraph reflecting how your research impacted your decisions.  
Why did you choose to spend your money the way you did? Include at least two other options you considered. If other options are not applicable, include the reason of why. Is the category monopolized by a certain company? What implications does the lack of choices have on your budget?
- One page REFLECTION on your final budget.
  - Include a reflection on the outcome of your budget, with a conclusion of where your money has gone. Which categories you spent the most and least money in. Where you could have saved, or you may have splurged in.
  - Reflection on your choices made, why you made them, and what outside factors may have played a role in the decisions.
  - Finally, include a reflection on how this impacts your decisions you make NOW in life and what your final goals are. Include how the choices you made in the project can come to happen and what actions need to be taken in the next 5-10 years to make your dream budget a reality.
- References page (All citations may be included here, but number the citations through out your responses.)

-Poor grammar or spelling may lead to deduction of points so make sure you PROOFREAD! This should be a PROFESSIONAL document, aimed to impress!

## Part C

### Option 2- Presentation Requirements:

This is a BASIC outline. You may include additional slides and information for each. Each slide also needs a visual aid to accompany it. Keep us entertained as you take us through your life choices! ALL RESEARCH MUST BE CITED.

- TWO slides for each TOPIC (1-12)
  - o Slide One: reflecting on choices you have made for the topic. Include where you will spend your money in the category.
  - o Slide Two: reflecting how your research impacted your decisions.
    - Why did you choose to spend your money the way you did? Include *at least two* other options you considered.
    - If other options are not applicable, include the reason of why. Is the category monopolized by a certain company? What implications does the lack of choices have on your budget?
  
- Slide- BUDGET WORKSHEET- Online
  
- Slide- BUDGET GRAPH- From worksheet
  
- Slide- YOUR FINAL DECISIONS- Why did you make your decisions, what factors may have affected your decisions, where did your money mostly get allocated to, where could you have saved or where did you feel the need to splurge?
  
- Slide- REFLECTION on what actions you need to take to make your budget a reality. This is basically a dream project- what you want to do with your life. What do you need to do in the next 5-10 years to make your dreams come to and meet or exceed your budgetary expectations?
  
- References page (All citations may be included here, but number the citations through out your responses.)
  
- Poor grammar or spelling may lead to deduction of points so make sure you PROOFREAD! This should be a PROFESSIONAL presentation, aimed to impress!

## **EXTRA CREDIT (possibility of 20 extra points – select one)**

1. The student may think of *at least* 3 financial goals they would like to achieve in the future and set up a time-frame for achieving them. Goals will vary by individual, but could be related to education, purchasing a house, car, or some other large expense, or possibly an amount to have once retired.  
\*NOTE: One suggested financial goal will be to get savings to \$1000 as quickly as possible. The student must decide how long it will take to save this amount and at what monthly savings rate will this goal be achieved.\*
2. The student may research the concept of a credit score and how to improve it. Be sure to include the impact a credit score has on individual interest rates.
3. The student will choose one of the following websites from below and write a site review. The review must be at least 3 paragraphs. Remember to include how this website could assist you in future financial decisions.
4. The student may choose a company whose stock they would like to buy and monitor its progress over time. You should follow this stock for at least 6 weeks. The progress must be monitored on a weekly basis.

### **Additional Resources**

\*Listed below there are a few websites that may provide some general financial help in setting up a budget and tips for saving money, etc.\*

Reader's Digest Living (Money)

<http://www.rd.com/openContentCategory.do?contentCategoryId=7>

Dave Ramsey

<http://www.daveramsey.com/>

Crown Financial Ministries

<http://crown.org/default.asp>

Money Central (from MSN.com)

<http://moneycentral.msn.com/home.asp>

The Clark Howard Show

<http://clarkhoward.com/>

Personal Budgeting Tips

<http://www.personalbudgeting.com/tips/tips.html>

# Grading Rubric for Personal Budget Project

## Test Grade: Basic Format Requirements \_\_\_\_\_/100

- \_\_\_\_\_ Typed and submitted electronically
- \_\_\_\_\_ *Title Page* that lists the student's name, name of school, class, class period, school year, and date completed.
- \_\_\_\_\_ Each activity in the project is to be completed on a *separate page* and then put into a document to be turned in to the teacher for evaluation.
- \_\_\_\_\_ Table of Contents
- \_\_\_\_\_ Resource Page or Cited with each Activity

## Test Grade: Budget Sheet \_\_\_\_\_/100

## Test Grade: Essay/Presentation \_\_\_\_\_/100

Activity	Make sure to include...	Comments
1. JOB  _____/10	<ul style="list-style-type: none"> <li>• Describe your choice of a career, including skills and duties</li> <li>• Note resources used to obtain information about this specific career</li> <li>• Include education and cost of tuition</li> <li>• Includes taxes paid to Federal, State, and Payroll/Social Security.</li> <li>• Includes benefits</li> <li>• Reflection includes reasoning for choice of career.</li> </ul>	
2. BANK  _____/10	<ul style="list-style-type: none"> <li>• Include information on a checking account, online banking services, a savings account, an ATM card, and credit cards</li> <li>• List fees for services, interest rates, overdraft protection, and limits on accounts</li> <li>• Estimate student loan amount <i>or</i> national average and set up a payment plan in the budget</li> <li>• Reflection includes reasoning for choice of bank.</li> </ul>	
3. HOUSING  _____/10	<ul style="list-style-type: none"> <li>• List what services/benefits are included in the rent, the location of the apartment, and other information necessary for housing.</li> <li>• If sharing an apartment with another student, you must give their name.</li> <li>• Reflection includes reasoning for choice of housing.</li> </ul>	
4. TRANSPORTATION  _____/10	<ul style="list-style-type: none"> <li>• Includes information about car features and gas mileage.</li> <li>• Information on current interest rates for car loans</li> <li>• Property tax rates included in the budget</li> <li>• Reflection includes reasoning for choice of transportation and car loan.</li> </ul>	
5. INSURANCE  _____/10	<ul style="list-style-type: none"> <li>• Name of the insurance company, coverage listed on the vehicle, and the monthly cost of the policy.</li> <li>• Obtain the same information above for renter's insurance</li> <li>• Reflection includes reasoning for choice of insurance companies.</li> </ul>	
6. CELL PHONE/ TELEPHONE  _____/10	<ul style="list-style-type: none"> <li>• List the company, the monthly costs and particulars including minutes included and other necessary information.</li> <li>• Reflection includes reasoning for choice of service.</li> </ul>	
7. UTILITIES  _____/10	<ul style="list-style-type: none"> <li>• Includes companies and average rates for electricity, water, gas (if used) and cable/internet.</li> <li>• Reflection includes reasoning for choice or lack of choice certain utilities</li> </ul>	

8. FOOD and CLOTHING

\_\_\_\_\_/10

- Includes information for where student may shop and choose to spend their money.
- Research at least three resources that give tips for saving money on day-to-day expenses and discuss the tips.
- Reflection includes reasoning for choice of expenditures.

9. ENTERTAINMENT/MISCELLANEOUS

\_\_\_\_\_/5

- Includes information regarding hobbies or activities that the student will choose to do.
- Reflection includes reasoning for choice of activities and rationale of the expenditures.

10. GAS CONSUMPTION

\_\_\_\_\_/5

- List approximately how many miles will be driven per week. When considering how far to drive to work, refer to the location of the company desired and the location of living arrangement, which have already been determined in Activities 1 and 4. Also, consider visits to the grocery store, visits to friends/relatives, entertainment, etc.
- List how many miles per gallon your car averages.
- List estimated maintenance costs and a brief explanation.
- Reflection includes reasoning for use of brand of gas and mileage used. May also include other thoughts regarding usage of car and gas mileage.

11. SAVINGS

\_\_\_\_\_/5

- Identify the current interest rate on a personal savings account at your bank or whether your employer has a company pension plan or contributes to an IRA for you.
- Reflection will include discussion their financial goals related to these categories.

12. DONATIONS

\_\_\_\_\_/5

- Student will include information of how they will participate in charitable giving. Financial donations are not necessary but student gives explanation for what they are donating back to society.

Extra Credit:

Activity Chosen:

\_\_\_\_\_/20

Total: \_\_\_\_/100