



# Budget Busters: Who's Breaking the Bank?

## LESSON 9: STUDENT ACTIVITY SHEET 1

### Scenario 3

Jamal is a senior in high school and works 30 hours per week at a neighborhood coffee shop. His net income after taxes is \$1,500 and he is saving up for college. He owns a car and makes payments toward it each month, but he lives with his parents so he saves on rent, utilities and food costs. He occasionally goes out with friends and buys things for himself, but he tries to hold back on these things so he can save more for college next year.

Below is Jamal's estimated budget and what he actually spent in one month's time. Analyze his spending to see why he is not on track to meet his goal and determine what he can do to get back on track.

### Net Income: \$1,500/month

	Budget	Actual
<b>Fixed Expenses</b>		
College Savings	\$870	\$820
Car Payment	\$125	\$125
Car Insurance	\$95	\$95
Cell Phone	\$85	\$85
<b>Variable Expenses</b>		
Gas	\$100	\$105
Entertainment	\$50	\$75
Personal Shopping	\$50	\$95
Occasional Spending (gifts, repairs, etc.)	\$100	\$100
<b>Total</b>	<b>\$1,475</b>	<b>\$1,500</b>



# Budgets 101: How to Get It Done

## LESSON 9: STUDENT ACTIVITY SHEET 2

You just accepted your first job and you'll be earning a **gross income** of \$30,000/year. You live on your own and are responsible for all expenses, including rent, car, insurance, cell phone, utilities, entertainment, food, savings and miscellaneous expenses. You have to pay 25% of your gross income in taxes.

**Calculate Your Take Home Pay:**

With a gross income of \$30,000 and a 25% tax deduction, what is your monthly net income? (Remember this is what you get after taxes.) **Use this number to start your budget.**

**Categorize Expenses:**

Determine if your expenses are fixed or variable, and write them in the appropriate sections of the table below. Remember your expenses include: rent, car, car insurance, cell phone, utilities, entertainment, food, savings and occasional expenses.

Name: \_\_\_\_\_

Net Income: \_\_\_\_\_ /month

**STUDENT TIP**

Refer to the chart on the next page for the percentages needed to calculate these numbers.

	Cost
<b>Fixed Expenses</b>	
•	\$
•	\$
•	\$
•	\$
•	\$
•	\$
<b>Variable Expenses</b>	
•	\$
•	\$
•	\$
•	\$
•	\$
•	\$
<b>Total</b>	<b>\$</b>

Continued on the next page.