

CHAPTER 7 ACTIVITY

Student Budget

OBJECTIVE

The purpose of this activity is for students to modify and construct a budget based on a simplified case study.

Teacher Directions

Hand out the student activity sheet and student budget forms. Students need to read each scenario and create a zero based budget for each one. Remind students to compute net pay (approximately 20% of gross pay).

Students can work alone or in groups.

Budgets will vary but must include giving and saving as funded categories. Students need to get in the habit of putting something away in these categories, even if it isn't the full 10-15%.

Make sure that the car upkeep and repair categories are funded appropriately.

Cassie needs to save \$125 each month for her Mexico trip in addition to regular saving.

Students tend to spend a lot of money on clothes and entertainment, so make sure those categories are appropriately funded.

Remember, the point is to spend every dollar on paper before the month begins.

(Students will need multiple copies of the budgeting form)

Name _____

Date _____

STUDENT BUDGET

Use the attached form to create three zero-based budgets; one for each student described below and a personal one based on your income and expenses. Fill in all income and expenses on the form with the information provided. Use the Baby Steps and everything else you have learned to fund other categories. Remember to compute net pay by taking 20% out for taxes.

Marcus works at the lumber yard and makes \$7.50 an hour. With his academic and sports schedule, he is able to work 25 hours a week. He can pick up extra hours, but not consistently. Marcus lives at home, so he has very few bills, one of which is a cell phone, which is \$45 a month. He is responsible for car insurance, which is \$1,100 a year and he has to pay for gas, maintenance and repairs. His parents also provide him with a food allowance and meals at home. He has health insurance under his parent's plan.

Cassie works at the grocery store and earns \$8 an hour. She is busy with extra-curricular activities and only works 20 hours during the week. However, she picks up an eight-hour Sunday shift once a month, for which she earns time and a half. Cassie also lives at home and has health insurance under her mom's plan. She is expected to pay for her own car repairs, maintenance and gas, as well as auto insurance which is \$840 a year. Cassie wants to take a trip to Mexico with her friends next year which will cost \$1,500.

Basic Student Budget

| ITEM | MONTHLY TOTAL | ACCOUNT |
|----------------------------------|---------------|---------|
| GIVING | _____ | _____ |
| SAVING | _____ | _____ |
| HOUSING | | |
| Rent | _____ | _____ |
| Rental Insurance | _____ | _____ |
| UTILITIES | | |
| Cell Phone | _____ | _____ |
| Food | _____ | _____ |
| Electric | _____ | _____ |
| Cable | _____ | _____ |
| Internet | _____ | _____ |
| TRANSPORTATION | | |
| Car Payment | _____ | _____ |
| Gas | _____ | _____ |
| Oil Change | _____ | _____ |
| Repairs & Tires | _____ | _____ |
| Car Insurance | _____ | _____ |
| CLOTHING | _____ | _____ |
| PERSONAL | | |
| Health Insurance | _____ | _____ |
| Entertainment | _____ | _____ |
| OTHER MISC. | _____ | _____ |
| TOTAL MONTHLY NECESSITIES | _____ | |