

Building a Budget (page 1 of 2)



Bell Ringer

Pretend you are going to your 10-year high school reunion. What will your life be like when you are approximately 28 years old?

- Where do you think you will be living? Will it be in a city, the suburbs, or somewhere else?
- What will your profession likely be?
- Do you plan to have children? If so, do you want to have a small family or a big family?
- What will your hobbies and interests be?
- Are you interested in traveling? If so, where do you want to travel?
- What do you hope to accomplish by age 28—both personally and professionally?

Building a Budget Examples

Work with your teacher and classmates to estimate a monthly budget for each of the examples below:

Example #1: David is a website designer with a degree in graphic design. He makes approx. \$4,800 a month after taxes. Build a monthly budget for him including \$450 a month for student loans.

	\$ Per Month
Rent or Mortgage	\$
Electricity/gas	\$
Water/sewer	\$
Phone	\$
Cable TV	\$
Internet Access	\$
Car Payment	\$
Car Insurance	\$
Child Care	\$
Gasoline	\$
Health Insurance	\$
Food	\$
Home Maintenance	\$
Clothes/Shoes	\$
Entertainment	\$
Student Loans	\$
Savings	\$
Other (e.g., travel)	\$
TOTAL	\$

Example #2: Brianna is a stylist at a hair salon. She makes approx. \$2,700 a month after taxes plus \$550 a month for child support. Build a monthly budget for her including \$300 a week for childcare.

	\$ Per Month
Rent or Mortgage	\$
Electricity/gas	\$
Water/sewer	\$
Phone	\$
Cable TV	\$
Internet Access	\$
Car Payment	\$
Car Insurance	\$
Child Care	\$
Gasoline	\$
Health Insurance	\$
Food	\$
Home Maintenance	\$
Clothes/Shoes	\$
Entertainment	\$
Student Loans	\$
Savings	\$
Other (e.g., travel)	\$
TOTAL	\$

Handout 4.17.1

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Building a Budget for Your Future (28-Year-Old) Self

Ten years after high school, what do you think your monthly expenses will be? (*not counting for inflation*) Go back to the Bell Ringer questions and estimate how expensive you think your rent/mortgage, utilities, and other expenses would be. Use the sample budgets as a model for building a budget for your future self.

	\$ Per Month
Rent or Mortgage	\$
Electricity/gas	\$
Water/sewer	\$
Phone	\$
Cable TV	\$
Internet Access	\$
Car Payment	\$
Car Insurance	\$
Child Care	\$
Gasoline	\$
Health Insurance	\$
Food	\$
Home Maintenance	\$
Clothes/Shoes	\$
Entertainment	\$
Student Loans	\$
Savings	\$
Other (e.g., travel)	\$
TOTAL	\$

- What was your TOTAL monthly expense for your "future self" budget?
- If approximately 25% of your income goes toward federal and state taxes, how much would you need to earn per month to afford your future self budget? (Multiply this amount by 12 to determine your "annual income target.")
- Compare your annual income target to the average annual incomes by education level on the slide in class. Which education category most closely aligns with your annual income target?