**Living on Your Own Budget**

You have just moved into your first apartment. The apartment is completely empty, other than the refrigerator, dishwasher, and stove. You are missing many of the comforts you are used to having at home, including a washer and dryer. Your parents provided you with your clothes and a $4000 gift to put towards furnishing expenses. After this money is spent, it is up to you to provide anything else you need to furnish the apartment. What is it going to cost you to live on your own? Can you make it?

Part 1: Determining your Income

1. You have a job working as a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. You are making $\_\_\_\_\_\_\_\_\_\_ per hour before deducting taxes, and you are working a 40 hour week. Determine the amount of money available for you to spend each month.
2. Find the amount of money that you take home per year, and then find the average amount per month. This amount is what you will need to build your budget.
3. An online tool to estimate your after tax or take home pay is found here: <https://smartasset.com/taxes/indiana-paycheck-calculator#odFmqDhetN>
4. Record your information below.

| Job Title | Hourly Wage | Income Per Week | Income Per Month |
| --- | --- | --- | --- |
|  | $ | $ | $ |

Part 2: Creating a Working Budget

1. Make a budget to determine how much you can spend on each item per month.
2. As you find the cost for each item, place it in the “amount actually spent” area. Check local prices for real numbers.

| **Expense** | **Percentage** | **Amount Budgeted** | **Amount Actually Spent** |
| --- | --- | --- | --- |
| **Housing** | **36%** |  |  |
| **Food** | **12%** |  |  |
| **Auto** | **12%** |  |  |
| **Insurance** | **5%** |  |  |
| **Debt** | **5%** |  |  |
| **Entertainment / Recreation** | **6%** |  |  |
| **Clothing** | **5%** |  |  |
| **Savings** | **5%** |  |  |
| **Cell Phone** | **4%** |  |  |
| **Miscellaneous / Pocket Money** | **5%** |  |  |
| **Investments** | **5%** |  |  |
| **TOTAL** | |  |  |

Part 3: Finding an Apartment

1. Make a list of the areas of Indiana that you feel would have apartments in your price range. Where are you willing to live? Why?
2. Find listings of apartments for rent that you can afford in the area you want to live.

a. Where is the apartment located?

b. What floor is it on? Does this matter to you?

c. How much does it cost per month?

d. What other fees do you need to pay (first and last month’s rent, security deposit, etc.)?

e. Is the apartment furnished or unfurnished? What appliances are included?

f. Are pets allowed? If so, is there an extra fee for pets? How much?

g. Are any utilities included? If not, what are the average costs for utilities?

1. Include the rent and utility costs on your budget sheet.

Part 4: Furnishing the Apartment

1. With an empty place there are a lot of things you could get to fill it. Make a list of the things you absolutely need for the apartment. Then make a list of the items you would like to have, but are not necessary for you to live on your own. Be sure to prioritize.
2. Based on the needs you have written, search the internet, store flyers, and the “for sale” ads for the best possible price. Collect information about the items you want to purchase, store names, and prices for all of the items. Determine the total spent before tax. Add 7% for sales tax.

Part 5: Budgeting for a Car

1. Find an appropriate car for sale that you feel you could purchase either with a loan or a lease. Check the current interest rates. Be sure to stay within your budget.
2. What would your approximate payments be? How long would you be paying for? How much will you to pay for the car once all the payments have been made?
3. Record your car payment in your budget.

Part 6: Food Shopping

1. Plan a menu of your meals for a week.
2. Based on the menu, make a food only shopping list.
3. Make a list of other items you may need to pick up at the store. If you are planning to take a lunch, you will need lunch bags or plastic wrap. You will need garbage bags, dish soap, sponges…
4. Shop for items using the store ads or an online source for prices.
5. Find the total amount spent for the week. Then enter the monthly amount in your monthly budget under “actually spent”.

Part 7: Project Reflection

* + - 1. Are you over or under budget? What can you do to adjust your budget so that you break even or have some money left over? What could you do with any remaining amounts?
      2. Finding an apartment can be difficult in certain price ranges. The city that fits into your budget may not be a place you want to live.
         1. Which town would better fit into your overall budget? Why?
         2. What criteria could you use to select a city or town to live in?
         3. If you could not afford an apartment in your towns of choice, what steps could you take to be able to afford the preferred town?
      3. Based on your apartment furnishing information, discuss the following.
         1. Are there items that you still absolutely need?
         2. How did you determine which items out of the needs list to get first?
         3. How could you get the same items at a lower price?
         4. What are some “incentive programs” that you have seen at stores that could provide you with more of your needs at a lower price?
         5. At what stores did you find low prices? reasonable prices? high prices?
      4. Can you afford the car you want?
         1. What other costs are associated with owning a car? What car expenses are weekly, monthly, and yearly?
         2. Estimate the average additional costs. How much should be put aside each week to cover these costs?
      5. Were you able to purchase a week’s worth of meals within your budget?
         1. How could you reduce the total shopping bill? What food stores are cheaper?
         2. Do you think you could save money using coupons or are they a waste of time? When it comes to generic brands, what is the down side of clipping coupons?
      6. Is there anything else?
         1. What other costs that were not discussed in this project do you find important to provide for?
         2. How could you incorporate them into your budget?
         3. Would you have to give something up in order to cover those costs? What would you be willing to give up?