

RESOURCES

Activity 1

Michael's Budget

Michael's Budget

Read the case study below. Use the information to complete a one-month budget.

Case Study

Michael works as an office assistant. His take-home pay each month is \$1,300. He has the following fixed expenses each month.

Living Expenses:	Rent	\$500
	Electricity	80
	Telephone	65
Transportation:	Car payment	225
	Gas	80
Total fixed expenses:		\$950

Michael spends about \$15 a day on eating out. He goes to the movies every weekend, where it costs him \$20 for a ticket and snacks. He doesn't budget for clothing or entertainment expenses other than the movies, but he will buy clothes and video games if he has the money.

Michael would like to save some money to buy a new game system that costs \$400. How would you help him budget his money? Use the following chart to plan a one-month budget for Michael.

Date:	Income this month:
Item	Budget Amount
Food	
Clothes	
Living costs: Rent	
Living costs: Electricity	
Telephone	
Transportation	
Personal items	
Recreation	
Savings	
Total	

Activity 2
My Monthly Expenses

[[WELD: Put a box around this activity sheet like for the one above]]

My Monthly Expenses

Your monthly take-home pay is \$1,300. List essential expenses, the cost of each item, and their percentage of your pay. How much do you spend each month?

	Expenses	Cost in \$	Percentage (\$/\$1,300)
1.	Housing/rent	\$400	30% (400/\$1,300)
2.			
3.			
4.			
5.			
6.			
	Total Expenses		

What is your monthly balance?

Pay minus expenses equals balance

$$\begin{array}{ccccccc}
 \$1,000 & & - & & = & & \\
 \text{Pay} & & & \text{Expenses} & & & \text{Balance}
 \end{array}$$

Do you have enough money to make it through the month?

If you don't have enough money, what changes will you need to make?