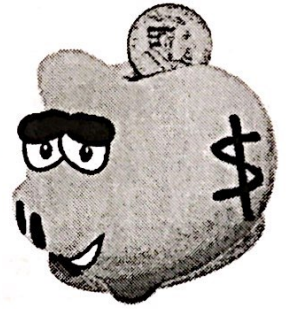


Budget Busters



Budgets are a way to help people keep track of their income and plan their expenses. Of course unexpected events will arise; having a solid idea of how to use your money is a great idea. Budgets are also used to help control or trim spending. For instance if you have budgeted 10% of your income on groceries and you are spending over 15%, then perhaps there are ways to reduce your costs.

In this assignment, you will be given budgets for different individuals. You will also be given their actual spending. Will their spending line up with their budgets or are they out of whack? Do they need a trim? Put your percentage skills and problem solving to the test!

Before you can get down to the nitty-gritty, you will need to calculate an individual's *Net Pay*. *Gross Pay* is the total amount of money a person makes, but the *Net Pay* is the amount of money someone actually receives after taxes and deductions. Budgets are typically planned based off an individual's net pay.

Name _____

Date _____

Period _____



DeAndre - Entrepreneur - Family of 4

\$65,000 annual salary at 28% Tax Rate



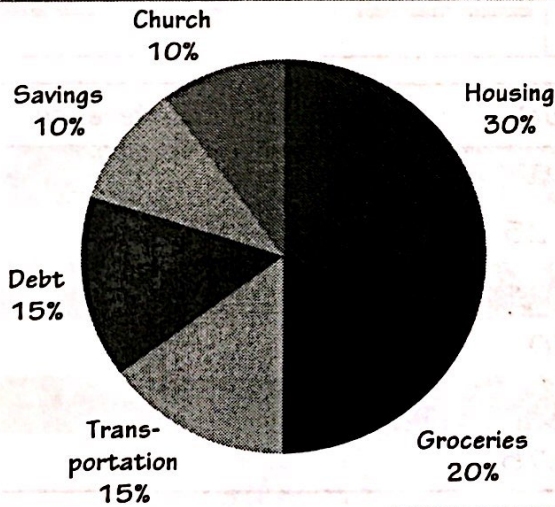
Amount of Taxes: \$18,200

Net Annual Income: \$46,000

Net Monthly Income: \$3,900

Projected

Actual



Category	Total	Percent
Housing	\$1200	30.8%
Groceries	\$950	24.4%
Transportation	\$490	12.6%
Debt	\$585	15%
Church	\$390	10%
Savings	\$285	7.3%

Category	Actual	Projected	Difference
Housing	1200	1170	+30
Groceries	950	780	+170
Transportation	490	585	-95
Debt	585	585	0
Church	390	390	0
Savings	285	390	-105

1. How well is DeAndre adhering to his budget? Are there any significant differences?

2. DeAndre wants to save more money for his children's college education, what would you suggest he could trim from his spending?

Date:

Notes: The Game of Life

Bookkeeping Basics:

$$\text{Income} - \text{expenses} = \text{available funds}$$

↓
what's left at the end of the month for things you have not budgeted for.

Budget Busters

of Annual Salary
↓
28% • $\boxed{65,000}$

= tax rate is 28% → What percent of salary is paid to taxes?

← 28% of \$65,000

equivalent forms - fraction, decimal, percent

$$\frac{28}{100}$$

Use Decimal!
 $\boxed{0.28} \cdot 65,000 = \boxed{\$18,200}$ annual taxes

Net: 65,000 salary
annual salary - 18,200 taxes

$$\boxed{46,800} \div 12 = \boxed{\$3,900}$$

Net pay months net monthly income

$\frac{\text{part}}{\text{whole}} \cdot 100 = \% \leftarrow$ general formula to find percentage

$$\frac{\text{housing}}{\text{total budget/net monthly income}} \cdot 100 = \frac{1,200}{3,900} = \boxed{30.8\%}$$

Percent of income actually spent on that item - housing, for example

$$30\% \rightarrow 0.3 (3,900) = \boxed{1,170}$$

projected/budgeted % net monthly income

amount projected to be spent as part of budget