

To find the percent of budget when using a dollar total amount:

\* for example, you will do this to make sure you budget enough to cover your debt - loan monthly payment. (going from amount  $\rightarrow$  percent)

$$\frac{\text{Category amount}}{\text{total monthly income}} \cdot 100 = \text{--- \% of budget that category is.}$$

ex:  
my loan payment

See pink boxes on Budget page

$$\frac{114.97}{2,716.97} = 0.0423 \cdot 100 = 4.23 \%$$

my net monthly income

Because 4.23% is a bit awkward for calculating the other percents - I set it at 5%, and found the total projected dollar amount to be \$135.85.

$$\begin{array}{l} \boxed{5\%} \rightarrow 0.05 \cdot 2,716.97 = 135.848 \\ \text{of} \\ 2,716.97 \end{array} \quad \boxed{=\$135.85}$$

# Budget



Use this form to calculate your Net Monthly Income and create your budget. When you have completed your budget, sketch a pie chart for your spending. A couple rules of thumb: most financial advisors suggest not spending more than 1/3 of your budget on housing and to save at least 1/10 of your money.

Annual Salary: \$ 45,282	Tax Rate: 28% = 0.28
Amount of Taxes: \$ $(45,280 \cdot 0.28) = 12,678.40$	
Net Annual Income: \$ 32,603.60	Net Monthly Income: \$ 2,716.97

  

Projected Monthly Budget			Pie Chart
Category	Percent of Budget (must add to 100%)	Total	
Housing	30%		
Groceries	10%		
Transportation	20%		
Debt - Loan Monthly Payment (from previous assignment)	4.23%	114.97	
	5%	135.85	
Savings	15%		
Extras (phones, clothes, internet cable, etc.)	20%		

1. How did you determine your budget? Did you need to make any special considerations?
2. After housing, what is your most significant part of your budget? Why did you make that choice?

Once you have your loan expense covered  
 (a non-negotiable - you must cover your loan  
 payment, or go further into debt), you budget  
 out your other categories.

★ Financial Advisors suggest spending  
 no more than  $\frac{1}{3}$  of your budget on  
 housing, and to save at least  $\frac{1}{10}$  (10% or greater)  
 (33.3%  
 or  
 less)

These percentages must add up to 100%!  
 → they do not have to be multiples of 5...

on notes  
 Fill out percentages (in orange!)

Calculate total dollar amount each month based on percentages.

$$\begin{array}{l} \text{percent} \\ \text{(as a decimal)} \end{array} \cdot \begin{array}{l} \text{(of)} \\ \text{monthly} \\ \text{income} \end{array} = \begin{array}{l} \text{total amount} \\ \text{in that} \\ \text{category} \end{array}$$

For example:  
 housing!!

$$\begin{array}{l} \uparrow \\ \text{percent I chose} \end{array} 30\% \rightarrow \begin{array}{l} \text{convert} \\ \text{to decimal} \end{array} 0.30 \cdot \begin{array}{l} \uparrow \\ \text{my} \\ \text{monthly income} \end{array} 2716.97 = 815.0911$$

= \$815.09  
 dollars & cents!

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Projected Monthly Budget			Pie Chart
Category	Percent of Budget (must add to 100%)	Total	
Housing	30%	815.09	
Groceries	10%	271.70	
Transportation	20%	543.39	
Debt - Loan Monthly Payment (from previous assignment)	4.23%	114.97	
	5%	135.85	
Savings	12%	326.04	
Extras (phones, clothes, internet cable, etc.)	23%	624.90	

1. How did you determine your budget? Did you need to make any special considerations?

2. After housing, what is your most significant part of your budget? Why did you make that choice?

# Year 1: Monthly Spending Plan



Use this form to compute your actual monthly expenses and use it to compare it to your projected budget.

Net Monthly Income: \$

Category	Actual	Projected	Difference
Housing	\$ 900.00	815.09	+84.91
Groceries	\$ 254.00	271.70	-17.70
Transportation	\$ 234.00	543.39	-309.39
Debt - Loan Monthly Payment	\$ 114.97	135.85	-20.88
Savings	\$ 326.04	326.04	0
Extras (phones, clothes, charity internet, cable, etc.)	\$ 360.00	\$ 624.90	-264.90
Totals	2189.01	2716.97	-527.96

positive is over spent

## Annual Savings Calculator

negative means under budget!

We will complete this part together!	Savings (Savings • 12)	
	Previously	+
	Savings	

1. How well are you adhering to your budget? Are you able to keep up with your bills?