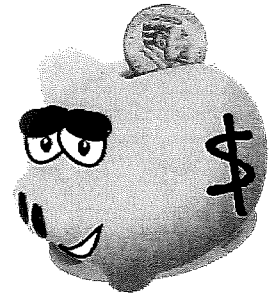


Budget Busters



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:

Net Annual Income:	Net Monthly Income:
<i>Projected</i>	<i>Actual</i>

Projected Budget:
Housing: 30%
Groceries: 20%
Debt: 15%
Transportation: 15%
Savings: 10%
Church: 10%

Category	Total	Percent
Housing	\$1200	
Groceries	\$950	
Transportation	\$490	
Debt	\$585	
Church	\$390	
Savings	\$285	

Category	Actual	Projected	Difference
Housing	1200		
Groceries	950		
Transportation	490		
Debt	585		
Church	390		
Savings	285		

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?



Bella - Barista - Single
\$ 28,000 annual salary at 18% Tax Rate

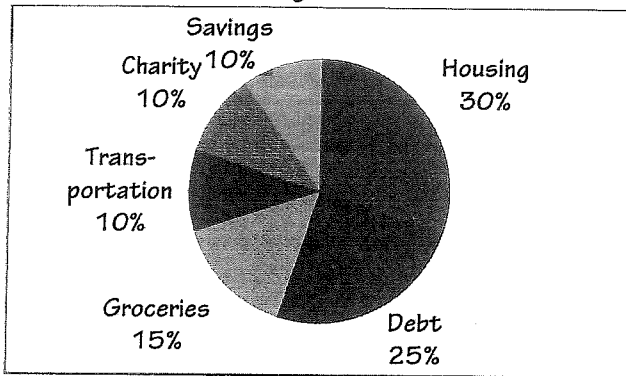


Amount of Taxes:

Net Annual Income:

Net Monthly Income
 (round to nearest dollar):

Projected



Actual

Category	Total	Percent
Housing	\$575	
Debt	\$478.25	
Groceries	\$320	
Transportation	\$250	
Charity	\$100	
Savings	\$189.75	

Category	Actual	Projected	Difference
Housing	575		
Debt	478.25		
Groceries	320		
Transportation	250		
Charity	100		
Savings	189.75		

1. What is the most significant difference between Bella's actual spending and her budget?

2. Bella would like to pay more money toward her debt to pay off her student loan faster. Offer a couple suggestions for what she could do based on your analysis of her financial situation?



Safiya – Investment Banker – Married
 \$ 105,000 annual salary at 34% Tax Rate



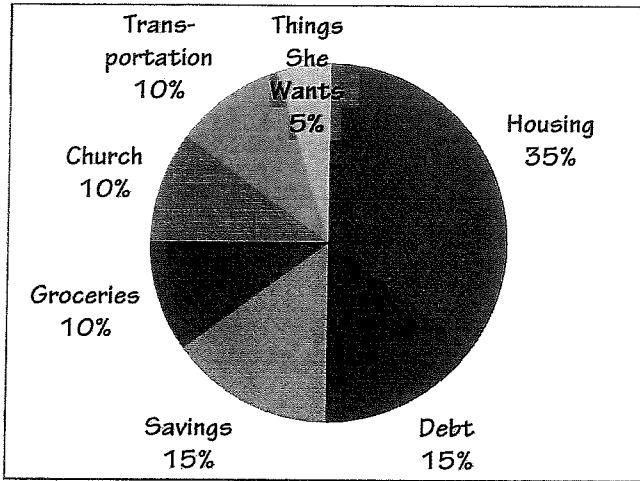
Amount of Taxes:

Net Annual Income:

Net Monthly Income:

Projected

Actual



Category	Total	Percent
Housing	\$ 1950	
Debt	\$ 875	
Savings	\$ 920	
Groceries	\$ 560	
Church	\$ 495	
Transportation	\$ 450	
Things She Wants	\$ 525	

Category	Actual	Projected	Difference
Housing	1950		
Debt	875		
Savings	920		
Groceries	560		
Church	495		
Transportation	450		
Things She Wants	525		

1. How well is Safiya adhering to her budget? Are there any significant differences?

2. The roof on Safiya's house has developed a leak and her homeowner's insurance will not cover the entire amount. A contractor quoted the new roof and water damage repairs at \$35,000. She will need to rearrange her finances, based on your analysis where can she save some money?



Rishi – Electrician – Family of 5
\$ 48,000 annual salary at 26% Tax Rate



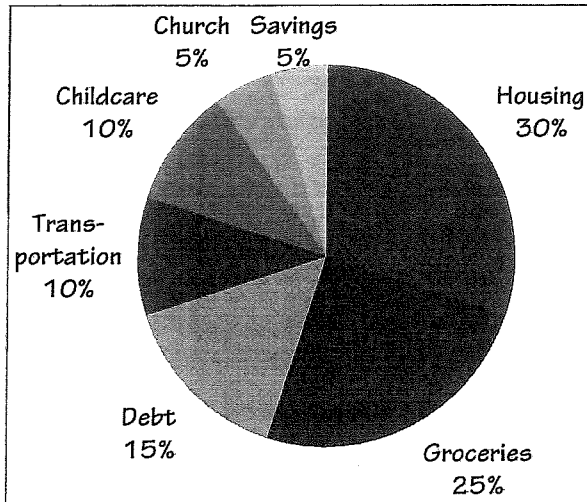
Amount of Taxes:

Net Annual Income:

Net Monthly Income:

Projected

Actual



Category	Total	Percent
Housing	\$ 1000	
Groceries	\$ 800	
Transportation	\$ 450	
Debt	\$ 190	
Childcare	\$ 370	
Church	\$ 150	
Savings	\$ 0	

Category	Actual	Projected	Difference
Housing	1000		
Groceries	800		
Transportation	450		
Debt	190		
Childcare	370		
Church	150		
Savings	0		

1. How well is Rishi adhering to his budget? Is he able to keep up with his bills?

2. Over the weekend, Rishi was in a car accident and his car is totaled. The driver who hit him does not have insurance so he is on the hook for everything. He needs \$5,000 to buy a quality used car or else he will likely lose his job, what can he do to save the money? Will he need to move?