

Preparing a Realistic Budget Activity

Facts: You are a young adult starting out in the job market. You have succeeded in finding employment but must move to a large city for one year. You have found an apartment close to your job and, thanks to your parents, have been able to furnish the apartment at no cost.

Income: Your net salary paid every two weeks is \$1,300

Fixed Expenses:

Savings - 10% of your net salary, so \$130 per paycheque

Rent - \$850 per month, including utilities

Personal Expenses - (snacks, laundry, grooming, etc) \$8 per day

Telephone - \$35 per month

Cable - You have four options

1 - no service - \$0

2 - Basic service - \$35.99 per month

3 - Economy package - \$45.99 per month for a wider choice of channels

4 - Unlimited package - \$55.99 for cable and internet

Transportation - You have three options

1 - New car:

Monthly payment \$393

Insurance \$120 per month

Gas and upkeep \$120 per month or \$30 per week

Parking \$120 per month

2 - Used car:

Monthly payment \$183

Insurance \$75 per month

Gas and upkeep \$160 per month or \$40 per week

Parking \$120 per month

3 - Public transportation:

Bus or subway pass \$40 per month

Meals

1 - Meals at home:

Breakfast \$1.80 per day

Lunch \$2.80 per day

Dinner \$5.00

2 - Restaurant meals:

Breakfast \$4.95 per day

Lunch \$8.00 per day

Dinner \$20.00

Plan your month: Indicate:

- * your daily food expenses (restaurant or at-home meals)
- * your gas and upkeep payments (4 per month)
- * sporting events and cultural and social outings (at least 2 per month)
- * gifts to friends and family (at least 1 per month at \$20)
- * gifts to yourself (at least 2 per month at \$20 each)
- * clothing purchases (at least 3 per month at \$25 each)

You could use the calendar budget or the monthly budget to complete this activity.