

## Real-Life Budget I

### The **BIG** Idea

- How can creating a budget help me manage my money?  
What kind of lifestyle can I afford with a high school education?

### AGENDA

Approx. 45 minutes

- I. Warm Up: You're Making Money! (5 minutes)
- II. Deductions (10 minutes)
- III. Imagine Your Life (10 minutes)
- IV. Real Life, Real Budget (15 minutes)
- V. Wrap Up (5 minutes)

### MATERIALS

#### STUDENT HANDBOOK PAGES:

- Student Handbook page 113, Monthly Budget Worksheet 1
- Student Handbook page 114, Expenses Worksheet 1
- Student Handbook page 115, Percentage Calculator (optional)

#### FACILITATOR PAGES:

- Facilitator Resource 1, Monthly Salary Cards (your state only)
- Facilitator Resource 2, You Choose: Housing (one per student, your state only)
- Facilitator Resource 3, You Choose: Transportation, Leisure Items (one per student)

- Calculators (one per student)

### OBJECTIVES

During this lesson, the student(s) will:

- Determine expenses, including those based on choices for housing, transportation, and leisure items.
- Develop, analyze, and revise a budget based on actual incomes and expenses.

## OVERVIEW

In this lesson, students discover how they could make and maintain a budget in the real world. Students will be given an actual monthly salary for a career that could be attained with a high school degree. Then they'll learn about the percentage of income that's subtracted for taxes, and the difference between their gross and net incomes. Next, students will determine their expenses, including those based on choices they make about their housing, transportation, and leisure items. Finally, they'll compare their monthly net income and expenses, and determine if they have a monthly balance or if they need to cut down expenses by making different choices.

## PREPARATION

- List the **BIG IDEA** and the day's activities on the board.
- Write the day's vocabulary words and definitions on the board.
- Make transparencies of the following pages:
  - **Student Handbook page 113, Monthly Budget Worksheet 1**
  - **Student Handbook page 114, Expenses Worksheet 1**
  - **Student Handbook page 115, Percentage Calculator**
- Print out **Facilitator Resource 1, Monthly Salary Cards** for your state and cut out the individual cards.
- Create packets of housing, transportation, and leisure items for each student, using **Facilitator Resource 2, You Choose: Housing** for your state only, and **Facilitator Resource 3, You Choose: Transportation and Leisure Items**. (Note, if you prefer, you may create a class set of packets and reuse from class to class.)

**Note:** **Facilitator Resource 1** provides career descriptions and salaries based on information from RUPrepareND.com. **Facilitator Resources 2 and 3** provide choices for housing, transportation, and leisure items, which students select to create annual budgets. Local housing options have been provided for urban and rural areas of North Dakota. You may wish to provide alternatives specific to your region, updated to reflect current prices.

## BACKGROUND INFORMATION

Most students have some experience with income, whether it's an after-school job or an allowance, as well as spending, such as downloading music or buying clothes. But as they begin to think about life after high school, it's important they learn how incomes and expenses compare. They should begin to recognize some of the expenses they'll face on their own, as well as how far a monthly salary can go to cover these expenses. By using sample monthly salaries and living expenses, students will begin to appreciate the challenge of making an income cover their expenses. They'll also begin to understand how budgets can help them plan and set realistic goals.

## VOCABULARY

**Budget:** A plan that helps people track spending so they can get the things they need and want without running out of money.

**Deductions:** Money taken out of your income for taxes.

**Expense:** What you spend money on.

**Gross income:** The money you earn *before* taxes are taken out.

**Income:** The money you have coming in.

**Net income:** Your “take home” pay or paycheck amount; the money you earn *after* taxes are taken out.

## IMPLEMENTATION OPTIONS

Most students will need careful explanation of the budgeting process. These tips are based on facilitators' experience in previous years:

- Have students consider whether they're adding or subtracting, and why. You may want to point out that the purpose of **Student Handbook page 114, Expenses Worksheet 1**, is to add up all of their expenses for the month. Their total on this worksheet will be included on **Student Handbook page 113, Monthly Budget Worksheet 1**, where they'll subtract taxes and expenses from their gross monthly income to find out if they can afford everything they want.

- Students' abilities to perform calculations will vary greatly. You may want to designate good math students as "team leaders" to provide assistance as needed.
- To minimize paper shuffling, some facilitators had success walking students through their choices one category at a time, setting a time limit for housing and having students star their choice before moving on to the next category. Students should select no more than three leisure items.
- Three-year car loans have been listed for used cars, with five-year car loans for new cars.
- On **Student Handbook page 114, Expenses Worksheet 1**, item F, students shouldn't worry too much about assigning expenses to the correct category. For example, highspeed Internet and premium cable are a leisure items, but could be legitimately categorized as entertainment.

If your students find the housing costs, transportation costs, leisure time, and grocery calculations challenging, you can skip clothing, entertainment, and other expenses or suggest a reasonable amount for each.

Students can also learn more about the careers featured in this lesson by exploring Choices Planner and Choices Explorer at [RURReadyND.com](http://RURReadyND.com). The salary cards in both real-life budgeting lessons were adapted from information from [RURReadyND.com](http://RURReadyND.com).

This lesson and the one that follows require students to do basic addition and subtraction. Students are also required to calculate percentages, as follows:

- 30% of gross monthly income = payroll deductions
- 30% of rent or mortgage = monthly household expenses
- 30% of monthly car payment = vehicle maintenance and insurance

Calculating percentages has potential as a teachable moment to show students the value of skills taught in math class. Some students will struggle with this, so you'll want to provide enough assistance so that everyone can create a budget without spending an undue length of time on calculations.

Here's a list of options, in order of least assistance to most.

### OPTION 1

Remind students how to calculate percentages as follows:

1. **SAY SOMETHING LIKE:** Many students (and even some adults) find calculating percentages to be intimidating, but it's a great skill to have. Not only will you be able to find out how much will be deducted from your paycheck for taxes, but you can figure out the sale price of something that's 30% off, right in the store, with no calculator and no multiplying.
2. **SAY SOMETHING LIKE:** Here's the trick. Let's say your gross income for the month is \$1,670. Do I have any math experts who can tell me what 10% of \$1,670 is? [At least a few of your students will know that it's \$167—you're just dividing by 10 or moving the decimal point.] What about 10% of 2,360? [\$236] What about 10% of \$5,240? [\$524] Anybody see a pattern here?

[On the board, write:

$$10\% \text{ of } \$1,670 = \$167$$

$$10\% \text{ of } \$2,360 = \$236$$

$$10\% \text{ of } \$5,240 = \$524]$$

If we already know what 10% is, how can we figure out what 20% is? [Add 10% + 10%; in the first example \$167 + \$167.] How about 30%? [Add 10% + 10% + 10%, or \$167 + \$167 + \$167.]

[On the board, write:

$$20\% = 10\% + 10\%$$

$$30\% = 10\% + 10\% + 10\%]$$

By the way, I don't expect you to become an expert at percentages in a single lesson. Who can you ask if you need more help?

### OPTION 2

Direct students to optional **Student Handbook page 115, Percentage Calculator**, and use the overhead projector to model how to use it.

### OPTION 3

Provide students with calculators and talk them through the steps to calculate 30%.

### OPTION 4

Pre-calculate 30% of all figures, and write these amounts in a different color on the career cards as well as the list of housing and transportation choices.

## ACTIVITY STEPS

### I. Warm Up: You're Making Money! (5 minutes)

1. **SAY SOMETHING LIKE:** Today we're going to travel ahead in time about four years. Are you ready? Let's go.

Congratulations! You've graduated from high school, and you're ready to make it on your own in the real world. Of course, your first step is to get a job. The good news is, you don't even have to interview. I'm going to hand you a card for a job you could get right out of high school.

Every card includes the name of a career, a description of the job, and the starting monthly salary. Take a minute to read about your new job.

[Hand out a card to each student.]

2. **SAY SOMETHING LIKE:** The monthly salaries on these cards range from about \$1,000 to \$3,140. Think that sounds like a lot? In this lesson, we're going to find out just how far that salary goes. You're going to create a **budget**, or a plan for spending money. The first step is to figure out your **income**, or the money coming in. And that all depends on the card you're holding in your hand.
3. **SAY SOMETHING LIKE:** The next step is to determine your **expenses**, or the things you spend your money on. What are some things you'll spend money on when you're on your own?

[Write their answers on chart paper. If students need help, encourage them to think about where they'll live, how they'll get to work, what they'll do if they get sick, and things they might like to do for fun.]

4. **SAY SOMETHING LIKE:** The items on this list are expenses, or things you spend your money on. Figuring out your expenses is the next step in setting up a budget. The challenge is to make sure your income, or the money you bring in, can cover the things you need, or your expenses.

## II. Deductions (10 minutes)

1. **SAY SOMETHING LIKE:** Let's say your monthly salary is \$2,000. That means you have \$2,000 to spend on expenses, right? Not exactly. Your salary is different from your "take home pay" or paycheck, because money is deducted, or taken out, of every paycheck you earn. These are called "**deductions.**" Does anyone know what deductions pay for?

That's right—taxes. The main taxes deducted from your paycheck are federal income tax, state and local income tax, and Social Security tax. Federal, state, and local income taxes pay for things like roads, the military, schools, parks, and police and fire services. Social Security tax helps pay benefits to people who are disabled or retired.

2. [Ask students to guess what percentage is taken out of a typical monthly paycheck. They might be surprised to learn that about 30% is deducted. Explain that the amount taken out depends on different factors like where you live, how much you make, and how many people are financially dependent on you, such as children.]

3. **SAY SOMETHING LIKE:** Let's figure out your actual paycheck if 30% is deducted for taxes. Say your monthly salary is \$2,000. That's your **gross income**—or the money you earn before taxes are taken out. Your taxes are based on your gross income.

[Project a transparency of **Student Handbook page 113, Monthly Budget Worksheet 1**, for the class to see. Refer students to this page. On line A, Gross Monthly Income, write \$2,000.]

4. **SAY SOMETHING LIKE:** Now let's figure out your deductions. If 30% is deducted for taxes, you can calculate the deductions by multiplying your gross income by 30% or 0.3. Use your calculators to see what the deductions would be.

[On the transparency, write \$600 next to line B, Deductions.]

5. **SAY SOMETHING LIKE:** So how much money will be in your paycheck? You're having money taken out of your pay for taxes, so subtract your deductions from the gross income. What's left is your **net income**.

[On the transparency, write \$1,400 next to line C, Net Monthly Income.]

6. **SAY SOMETHING LIKE:** Now it's your turn. Look at the monthly salary on your salary

card. This is your gross monthly income. Write this on line A.

Then use your calculators to determine your deductions and your net monthly income. First, multiply your salary by 0.3. Write that amount on line B. Then subtract line B from line A to get your net income.

7. **SAY SOMETHING LIKE:** Are you surprised at the difference between your salary and what you actually get to take home?

In the next activity, you will figure out how you're going to spend that paycheck. Remember, the point of this game is to make sure we have more money coming in (income) than going out (expenses).

### III. Imagine Your Life (10 minutes)

1. **SAY SOMETHING LIKE:** Now that you've figured out your monthly paycheck, how are you going to spend it? Where will you live? How will you get around? What will you do for fun?

[Distribute packets of housing, transportation, and leisure item choices you've created using **Facilitator Resource 2, You Choose: Housing** for your state and **Facilitator Resource 3, You Choose: Transportation and Leisure Items.**]

Look through these handouts and choose one option for housing, one for transportation, and up to three "leisure items." (These are some of the "fun" things you might hope to have as an adult.)

A couple of things to note:

- A place to live will probably be your single biggest expense, so we've given you the option of living at home with your family (and giving them a little rent money) or sharing your space with roommates and dividing the rent between you.
- Also, you'll note that some of the leisure items are too expensive to buy in a single month, so we've divided the payments up so you can pay for them a little bit at a time. (In real life, it's very expensive to do this. Credit card companies charge interest and if you spread out the payments, your purchase can cost many times its original price.)
- [If students ask why someone would rent when it's just as cheap to own, explain that buying your own home usually requires a big payment before you move in—often 10% of the purchase price or more.]

2. [Have students share some of their choices with a partner.]
3. **SAY SOMETHING LIKE:** What are some of the choices you made? How did you decide what house, car, or leisure items to choose? Do you think you'll be able to afford your choices?

#### IV. Real Life, Real Budget (15 minutes)

1. [Project a transparency of **Student Handbook page 114, Expenses Worksheet 1**, and refer students to this page. As you discuss each step below, model the process by writing in an amount based on the available choices and describing what you're doing.]

**SAY SOMETHING LIKE:** Now it's time to figure out if you can afford the things you chose. The first step is to fill in your expenses based on your choices. First, look at your housing choice. You'll notice there's either a mortgage or rent listed. A mortgage is a payment you make in order to own an apartment or a house. When someone else owns the apartment or house, you pay the owner rent. Fill in your mortgage or rent in the first line under "Housing Costs."

2. **SAY SOMETHING LIKE:** Of course, when you live someplace, you also have to pay for things like electricity, heat, and a telephone. Let's figure out your household bills.

[Show students how to calculate their household bills. They can estimate these will be about 30% of their monthly rent or mortgage payment. To calculate their household bills, they can multiply rent or mortgage by 30% or 0.3. Have students fill in this number on their worksheet. Then have them determine their total housing costs. Remind them that they're adding rent plus the extra expenses of running a household.]

3. [Next, have students look at their transportation choice and decide whether they want a new or used car. Show them where to fill in their monthly payment on the worksheet. Explain that if they have a car, they'll also have to pay for things like gas, insurance, taxes, and repairs. 30% of a monthly car payment is an estimate of how much it costs to run a car—so students will once again multiply their monthly payment by 30%, or 0.3, to determine this cost. This is another addition problem—adding the cost of owning a car to the cost of their car payments. Have them total their transportation costs.]

4. **SAY SOMETHING LIKE:** Does it seem like things are starting to add up? Let's not forget those leisure items! [Have students add these expenses to their worksheet.]
5. [Next, have students determine their monthly grocery total. Explain that this amount should be a minimum of \$250. They can add \$5 for any meal they want to eat at a fast-food restaurant, and \$20 for every meal they want to eat in a fancier restaurant. Have students add their grocery total to the worksheet.

(Note: if students find it hard to believe they'll spend \$250/month on food, tell them this amounts to about \$8.30 a day. Lunch at a fast-food restaurant is probably about \$5, a soft drink another \$1. If lunch and a soda cost \$6, they'd have \$2.30 left to pay for breakfast and dinner!]

6. [Then have students determine what they'll spend on clothing each month. This amount can vary, but they must include something. Talk about the cost of some typical items, such as jeans (\$50) and sneakers (\$100). Encourage them to be realistic about how often they'll shop for these things. Have students add their total to the worksheet under "Clothing."]
7. [Finally, have students talk about expenses they might have in the final two categories of the worksheet. For example, "entertainment" might include things like buying music or going to the movies with friends. "Other expenses" might include things like getting a haircut, toiletries, and cleaning supplies. As you brainstorm these expenses, write each activity or item and its cost on chart paper.]
8. **SAY SOMETHING LIKE:** Now it's time to add up all our expenses. [Have students use their calculators to determine their Total Monthly Expenses.]
9. **SAY SOMETHING LIKE:** The real question is, does your income cover these expenses? Turn back to your Monthly Budget Worksheet and write your Total Monthly Expenses on line G.

[Project a transparency of **Student Handbook page 113, Monthly Budget Worksheet 1**, and refer students to this page.]

10. **SAY SOMETHING LIKE:** Now it's time to compare your monthly expenses to your net monthly income. Are your expenses less than your income? If so, that's great! Subtract your expenses from your income to determine your monthly balance. You have money left to save or spend!

If your expenses are *more* than your income, then you can't pay your bills! Go back and make different choices for housing, transportation, or leisure items. [Using the figures you've chosen, show students how to do this. For example, "I really, really want my own car, but I'm \$300 over budget. Maybe I need to find a cheaper apartment or live with my parents if this is my priority."]

Do this until your monthly expenses are the same or less than your monthly income. Remember, if you really want something in one category, like a special car, you might have to give up things in other categories, like that house and fishing boat.

[At this point, you may want to pair students to help each other come up with a budget that works for their income.]

## V. Wrap Up (5 minutes)

### 1. SAY SOMETHING LIKE:

- What surprised you about this activity? Did your monthly salary go as far as you thought it would at the beginning of the lesson?
- If your income didn't cover your expenses, what are some adjustments you had to make?
- If you had money left over, do you think you would spend it on extra things or save it? Why?
- What are some ways you could adjust your budget to afford a bigger house, a more expensive car, or an additional leisure item? (*You could do this by cutting back on expenses; saving money each month; or getting a second job, a promotion, or a new job with a higher salary.*)

[Let students know that next week they'll have a chance to check out what lifestyle changes they might expect if they decide to complete additional education after high school.]

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<p><b>Home Appliance Repairer</b> High School Degree</p> <p>Repairs, adjusts, and installs all types of electric household appliances and tools. Observes appliances during operation and examines mechanical and electrical parts to diagnose a problem. Replaces worn and defective parts, such as switches, bearings, belts, gears, and wiring on appliances.</p> <p><b>Monthly salary (entry level): \$1733</b></p>	<p><b>Baker</b> High School Degree</p> <p>Mixes and bakes ingredients according to recipes to produce breads, pastries, and other baked goods. Goods are produced in large quantities for sale in businesses such as grocery stores.</p> <p><b>Monthly salary (entry level): \$1366</b></p>
<p><b>Bank Teller</b> High School Degree</p> <p>Receives and pays out money in a financial institution. Keeps records.</p> <p><b>Monthly salary (entry level): \$1534</b></p>	<p><b>Brickmason</b> High School Degree</p> <p>Sets bricks, concrete blocks, masonry panels, and other masonry materials to construct or repair walls, partitions, arches, sewers, and other structures.</p> <p><b>Monthly salary (entry level): \$3088</b></p>
<p><b>Bus Driver</b> High School Degree</p> <p>Drives a bus to transport passengers from place to place within a city or town or from city to city. Drives vehicles over routes and to specified destinations according to time schedules. Helps passengers with baggage, and collects tickets or cash fares.</p> <p><b>Monthly salary (entry level): \$1746</b></p>	<p><b>Cashier</b> High School Degree</p> <p>Receives payments, issues receipts, handles credit transactions, accounts for the amounts received, and performs related duties in a wide variety of businesses. Resolves customer complaints. Answers customers' questions and provides information on policies.</p> <p><b>Monthly salary (entry level): \$1296</b></p>

<p style="text-align: center;"><b>Data Entry Keyer</b> High School Degree</p> <p>Operates keyboards or other data entry devices to input data into a computer or onto disk, tape, or card. Duties include coding and verifying alphabetic or numeric data. Compiles, sorts, and verifies the accuracy of data to be entered. Deletes incorrectly entered data.</p> <p style="text-align: right;"><b>Monthly salary (entry level): \$1589</b></p>	<p style="text-align: center;"><b>Fast Food Cook</b> High School Degree</p> <p>Prepares and cooks food in a fast food restaurant with a limited menu. Duties are typically limited to one or two basic items requiring short preparation time.</p> <p style="text-align: right;"><b>Monthly salary (entry level): \$1312</b></p>
<p style="text-align: center;"><b>Floral Designer/Florist</b> High School Degree</p> <p>Designs live, cut, dried, and artificial floral arrangements for individuals or for events such as weddings, banquets, and funerals. Decorates buildings, halls, churches, and other facilities where events are planned. Talks to customers about the care and handling of various flowers and plants.</p> <p style="text-align: right;"><b>Monthly salary (entry level): \$1329</b></p>	<p style="text-align: center;"><b>Home Health Aide</b> High School Degree</p> <p>Attends to the personal health needs of elderly, sick, or handicapped persons in their homes. Provides medical care as prescribed by a physician or under direction of a home care nurse. Changes bed linens, washes patients' laundry and cleans patients' rooms.</p> <p style="text-align: right;"><b>Monthly salary (entry level): \$1451</b></p>
<p style="text-align: center;"><b>Freight/Stock/Material Handler</b> High School Degree</p> <p>Loads, unloads, and moves freight materials at a plant, yard, or other work site. Records the number of items handled and moved using production sheets.</p> <p style="text-align: right;"><b>Monthly salary (entry level): \$1400</b></p>	<p style="text-align: center;"><b>Hotel/Motel Clerk</b> High School Degree</p> <p>Serves hotel customers by registering and assigning rooms, issuing room keys, sending and receiving messages, making and confirming reservations, and presenting statements to and collecting payments from departing guests.</p> <p style="text-align: right;"><b>Monthly salary (entry level): \$1313</b></p>

<p><b>Postal Clerk</b> High School Degree</p> <p>Performs a variety of tasks in a post office, such as receiving letters and parcels; selling postage stamps, postal cards, and stamped envelopes; answering questions from the public; and placing mail in pigeon holes of mail rack or in bags according to name, address, zip code, or other scheme.</p> <p><b>Monthly salary (entry level): \$3982</b></p>	<p><b>Security Guard</b> High School Degree</p> <p>Stands guard at the entrance or patrols the premises of businesses or other establishments to prevent theft, violence, or infractions of rules. Guards property against fire, theft, vandalism, and illegal entry.</p> <p><b>Monthly salary (entry level): \$1352</b></p>
<p><b>Short-order Cook</b> High School Degree</p> <p>Prepares and cooks to order a variety of foods that require only a short preparation time. May take orders from customers and serve patrons at counters or tables.</p> <p><b>Monthly salary (entry level): \$1366</b></p>	<p><b>Telemarketer</b> High School Degree</p> <p>Contacts customers by phone to persuade them to purchase merchandise or services. Explains features and prices of products or services. Gets information about customers, such as name, address, and payment method, and enters orders into a computer. Maintains records of contacts, accounts, and orders.</p> <p><b>Monthly salary (entry level): \$1310</b></p>
<p><b>Heavy Truck Driver</b> High School Degree</p> <p>Drives trucks that carry materials weighing three tons or more. Drives trucks to transport and deliver freight, building materials, farm supplies, or other heavy cargo. Keeps a driving log according to state and federal regulations. Operates equipment on vehicles to load and unload cargo, or loads and unloads by hand.</p> <p><b>Monthly salary (entry level): \$2170</b></p>	

## North Dakota Housing



### BISMARCK, ND

1.5 story, 1411 sq ft of livable area. House has original oak trim around all doorways and windows. Hardwood oak floors under carpet. Large handicapped first-floor bathroom new in 2005. Roof and insulation were replaced in 2003/2005. Water heater new in 2009. All appliances stay including a stackable washer/dryer combo. Two bedrooms and large bathroom with storage cupboard are upstairs; each bedroom has its own set of stairs. Fenced in backyard. House is sound, needs some cosmetic touches and some TLC, but house is in livable condition while you pretty it up.

**Cost: \$34,888**

**Mortgage: \$140/month**

(based on 30-year fixed rate mortgage)

**Share with one person: \$70/month**

Source: [www.realtor.com](http://www.realtor.com)



### BISMARCK, ND

This One-owner raised ranch offers hardwood floors, beautiful updated oak kitchen with eating area and bar stool seating, two bedrooms on the main level near the updated bath including Jacuzzi bathtub and shower. The 500 sq ft addition off the kitchen is framed and complete with windows and siding just waiting for electrical and drywall. This space would be incredible as master bedroom, first floor laundry/bath or a huge family room for friends and family. Lower level gives access to garage and holds laundry, storage, and finished bedroom and office area. Mature landscaping, vinyl siding, newer windows, and newer roof are just a few of the amenities.

**Cost: \$177,000**

**Mortgage: \$750/month**

(based on 30-year fixed rate mortgage)

**Share with two people: \$250/month**

Source: [www.realtor.com](http://www.realtor.com)



## WEST FARGO, ND

Enjoy the wonderful spaces in this charming Waterbury three-story brick! The character begins with the covered stone entry to welcome guests and continues with beautiful woodwork, arched doorways, original wood doors and arched windows and beautiful hardwood floors throughout including stairs and bedrooms. The main level features a gracious foyer, beautiful living area with fireplace, large formal dining room wonderful for entertaining, spacious kitchen with large eat-in area, 1/2 bath and a large sunny solarium. The second level features large master with bath; three additional bedrooms and a beautiful remodeled full bath. The third floor has finished attic area great for fifth bedroom, study, or play room. This home is situated on a beautiful park-like large corner lot. Many updates including new furnace and AC in 2009.

**Cost: \$599,000**

**Mortgage: \$2,525/month**  
(based on fixed 30-year mortgage)

**Share with three people: \$631/month**

Source: [www.realtor.com](http://www.realtor.com)



## WEST FARGO, ND

With two bedrooms starting at \$625, The Village at Westchester is the right place at the right price. Your new home gives you furniture arranging flexibility and plenty of storage space. Cats have always been welcome and dogs are now welcome, too! Conveniently located near shopping, schools, and restaurants and with a variety of floorplans and prices, The Village at Westchester has much to offer to its residents.

**Rent: \$625/month**

**Share with one person: \$313/month**

Source: [www.rent.com](http://www.rent.com)



### WEST FARGO, ND

Fantastic starter home or investment! Two-story house loaded with character that includes original woodwork, hardwood floors, built-in appliances, and spacious updated kitchen. This residence has three bedrooms, 1,757 finished square feet, a fenced yard, and an oversized two-car garage with workshop.

**Cost: \$81,000**

**Mortgage: \$342/month**

(based on 30-year fixed rate mortgage)

**Share with two people: \$114/month**

Source: [www.realtor.com](http://www.realtor.com)



### GRAND FORKS, ND

A beautiful row home built in 2001 that has two bedrooms and two full bathrooms with 1,460 square feet. All appliances are relatively new and come included with the house. There is a formal dining room, an eat-in kitchen, and vaulted ceilings in the living room.

**Cost: \$157,900**

**Mortgage: \$770/month**

(based on 30-year fixed rate mortgage)

**Share with one person: \$385/month**

Source: [www.realtor.com](http://www.realtor.com)



### GRAND FORKS, ND

This lavish apartment community has much to offer. Grand Reserve offers a warm and friendly atmosphere. It is located in a quiet neighborhood minutes from the main attractions of Grand Forks. Enjoy the spacious two bedroom apartment-home with breathtaking scenery, extra amenities and services we have to offer like valet dry cleaning, maid service, guest suite, putting green, playgrounds and much more!

**Rent: \$860/month**

**Share with one person: \$430/month**

Source: [www.rent.com](http://www.rent.com)



### **BISMARCK, ND**

This is a great one bedroom apartment that is tucked away in a very nice, quiet residential area. The apartment has central air and forced air furnace, newer carpet and ceiling fans, and a nice open floor plan with ample storage space.

**Rent: \$395/month**

Source: [www.craigslist.com](http://www.craigslist.com)



### **MANDAN, ND**

Brick-faced raised ranch with three bedrooms, three baths, formal dining room, eat-in kitchen with open family room, main floor laundry. Walkout lower level offers rec. room, office/computer room, shop/storage room, large garage. Lots of redecorating has been done, loads of built-ins, fireplace, quiet cul-de-sac location. This home has several updates in the past several years like roof, siding, furnace, etc. Large, beautiful backyard.

**Cost: \$400,000**

**Mortgage: \$1686/month**

(based on 30-year fixed rate mortgage)

**Share with two people: \$562/month**

Source: [www.realtor.com](http://www.realtor.com)



### **MANDAN, ND**

A cozy 764 square foot home with two bedrooms and one bathroom. This is a freshly updated home with newer kitchen and bath, privacy fenced-in yard for summers grilling with friends, and a relaxing deck to watch the summer fun in nearby park.

**Cost: \$74,000**

**Mortgage: \$312/month**

(based on 30-year fixed rate mortgage)

**Share with one person: \$156/month**

Source: [www.realtor.com](http://www.realtor.com)



### FARGO, ND

Spacious two bedroom and two full bathroom apartment home that is in a relaxed and secure community. Apartment comes ready with all appliances, including washer and dryer, , air-conditioning, walk-in closets, and carpeting. The facilities include clubhouse, tennis court, fitness center, and a pool.

**Rent: \$785/month**

**Share with one person: \$393/month**

Source: [www.rent.com](http://www.rent.com)



### FARGO, ND

This apartment has two bedrooms and one bathroom within 1,000 square feet. The dining area includes enough room for a four-person table, and a ceiling fan. The kitchen includes all the major appliances, and plenty of cabinet and counter-top space. The bedrooms have ample room and the master room has a walk-in closet.

**Rent: \$605/month**

**Share with one person: \$303/month**

Source: [www.craigslist.com](http://www.craigslist.com)



### FARGO, ND

An impressive custom built, all brick ranch walk-out home. It has beautiful cherry cabinetry and granite counters in the kitchen while the spacious formal dining room offers more space for entertaining. The living room has a temperature control fireplace with remote, surround sound, and a 50-inch TV included. The master bedroom has a large walk-in closet, beautiful bath and dual vanity, and a heated floor. Much more is included in the rest of this amazing house.

**Cost: \$898,000**

**Mortgage: \$3,786/month**

(based on 30-year fixed rate mortgage)

**Share with three people: \$1,262/month**

Source: [www.realtor.com](http://www.realtor.com)



## FARGO, ND

This three bedroom and two bathroom house is located in a great area. It offers a spacious living room with newer carpeting and a large eat-in kitchen with newer flooring, new ceiling fan and all the appliances remain. Upstairs is the master bedroom and a nicely remodeled master bath. The lower level offers lots of storage. This home has newer windows and siding and the yard offers extensive landscaping.

**Cost: \$265,000**

**Mortgage: \$1,117/month**

(based on 30-year fixed rate mortgage)

**Share with two people: \$372/month**

Source: [www.realtor.com](http://www.realtor.com)



## FARGO, ND

Don't miss out on this brand new home that was just completed. Situated on a great lot with nice back/side yard that backs up to a future city park. This is a three bedroom, two bath home with an attached two car garage. Features include hardwood cabinets, Shaw carpet, Whirlpool appliances, and a walkout lower level that is insulated and dry walled, and could be rented out as duplex with a separate entrance, if you wanted.

**Cost: \$159,000**

**Mortgage: \$780/month**

(based on 30-year fixed rate mortgage)

**Share with three people: \$260/month**

Source: [www.realtor.com](http://www.realtor.com)

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### **USED Ford Focus (2006)**

4 door, 4 wheel drive sedan with silver exterior and black interior.

AM/FM stereo and cassette, radial tires, air conditioning, air bags, reclining seats,.

Mileage: 72,055

**Cost: \$9,821**

**3 year loan (3.59% interest): \$288/month**

Source: [www.cars.com](http://www.cars.com)



### **USED GMC - Jimmy (2000)**

Silver exterior, gray interior SUV.

Features include: ABS, Air Conditioning, Alloy Wheels, AM/FM Radio, Bucket Seating, CD Player, Cruise Control, Driver-Side Airbag, Leather Interior, Passenger-Side Airbag, Power Locks, Power Mirrors, Power Seats, Power Steering, Power Windows, Rear Window Defroster, Rear Window Wiper, Tilt Wheel, Tinted Glass

Mileage 171,228

**Cost: \$3,999**

**3 year loan (3.59% interest): \$177.33/month**

Source: [www.cars.com](http://www.cars.com)



### **NEW Kia Rio (2012)**

Four door sedan, 5 passenger capacity.

Features include: Air conditioning, AM/FM radio and CD player, power windows, rear window wiper, tinted glass, power door locks. Rear seat adjustable headrests. Driver and passenger front airbags, anti-lock brakes.

**Cost: \$13,400**

**5 year loan (3.59% interest): \$244.30/month**

Source: [www.kia.com](http://www.kia.com)



### **NEW Ford Taurus (2012)**

Four door sedan, 5 passenger capacity.

Features include: AM/FM radio with four speakers and cassette player; driver and passenger side airbag with dual stage deployment; child safety door locks; front reclining split bench seat with adjustable head rest; adaptive automatic transmission; tilt steering column; air conditioning.

**Cost: \$35,945**

**5 year loan (3.59% interest): \$655.35/month**

Source: [www.cars.com](http://www.cars.com)



### **USED Ford F-150 (2005) XL (4 x 2 cab)**

Features include: V-6 or V-8 power; manual or automatic; 4 speed automatic transmission with overdrive; comfortable interior cab; quiet ride; driver and passenger air bags; front anti-roll bar.

Mileage: 78,210

**Cost: \$18,150**

**3 year loan (3.59% interest): \$632.55/month**

Source: [www.cars.com](http://www.cars.com)



### **NEW Lexus ES (2012)**

Five passenger luxury sedan, Won Best Overall value in its class.

Features include: All leather interior with brown walnut trim, rain sensing wipers, daytime running lights, child safety locks for rear doors, collapsible steering column, heated and ventilated front seats, V6 engine, front-wheel drive, driver and passenger air bags.

**Cost: \$36,725**

**5 year loan (3.59% interest): \$669.57/month**

Source: [www.cars.com](http://www.cars.com)

## Leisure Items



Bose Sound Dock: \$240  
\$20/month for a year



Phillips 22" Flat Screen HDTV: \$240  
\$20/month for a year



Apple iPad: \$525  
\$43.75/month for a year



Canon Digital Camera: \$450  
\$37.50/month for a year



[Click For Larger Image](#)

Murray Designer Pool Table: \$5,000  
\$416/month for a year



49 Esprit De Soleil Yanmar Marine  
Power Boat: \$49,000  
\$816/month for 5 years



Miami Vacation for two people (seven days): \$2,000  
\$167/month for a year



SSR Dirt Bike: \$660  
\$55/month for a year



Dog Care: \$30/month  
For the Life of the Animal



Season Tickets: \$100



Fitness Gym Membership:  
\$70/month



Optimum High-speed Internet & Premium Cable:  
\$100/month

## Monthly Budget Worksheet 1

Career \_\_\_\_\_ Education Level \_\_\_\_\_

Use this worksheet to subtract taxes and expenses from your gross monthly income.

<b>Monthly Income</b>	
A) Gross Monthly Income	\$ _____
B) Deductions (30% of A) (Multiply A by .3)	\$ _____
C) Net Monthly Income ( $A - B = C$ )	\$ _____
G) <b>Total Monthly Expenses</b> (from Expenses Worksheet on page 106)	\$ _____
H) <b>Monthly Balance</b> ( $C - G = H$ )	\$ _____

## Expenses Worksheet 1

Use this worksheet to add up your expenses for one month.

Expenses: Details	Subtotal
<b>D) Housing Costs</b>  Monthly rent or mortgage                      \$ _____  Household bills                                    + \$ _____ (30% of rent or mortgage) (Multiply rent/mortgage by .3)	\$ _____  \$ _____
<b>E) Transportation Costs</b>  Monthly payment or                              \$ _____  other transportation costs  Vehicle maintenance                            + \$ _____ (30% of monthly payment) (Multiply car payment by .3)	\$ _____  \$ _____
<b>F) Other Costs</b>  Leisure Item: _____                      \$ _____  Leisure Item: _____                      \$ _____  Leisure Item: _____                      \$ _____  Groceries (at least \$250)                      \$ _____  Clothing    \$ _____  Entertainment                                      \$ _____  Other Expenses                                      \$ _____	\$ _____
<b>G) Total Monthly Expenses (D + E + F)</b>	\$ _____

## Percentage Calculator (optional, from previous lesson)

Knowing how to calculate percentages is a handy skill to have. Eating in a fancy restaurant? You'll need percentages to figure out the tip. Shopping at a big sale? Percentages will help you figure out what you can afford to buy.

In this lesson, you'll need percentages to figure out your take-home pay and your household and car expenses. Use the table below to help.

For example, if you make \$2,000 a month, 10% of your income is \$200. 30% of your income is \$600, as shown in the shaded boxes below.

Monthly income, house payment, or car payment	10% (Drop the last number.)	30% (Add 10% 3 times, or multiply 10% by 3.)
100	10	30
200	20	60
300	30	90
400	40	120
500	50	150
600	60	180
700	70	210
800	80	240
900	90	270
1000	100	300
1100	110	330
1200	120	360
1300	130	390
1400	140	420
1500	150	450
1600	160	480
1700	170	510
1800	180	540
1900	190	570
<b>2000</b>	<b>200</b>	<b>600</b>
2100	210	630
2200	220	660
2300	230	690
2400	240	720
2500	250	750
2600	260	780
2700	270	810
2800	280	840

Monthly income, house payment, or car payment	10% (Drop the last number.)	30% (Add 10% 3 times, or multiply 10% by 3.)
2900	290	870
3000	300	900
3100	310	930
3200	320	960
3300	330	990
3400	340	1020
3500	350	1050
3600	360	1080
3700	370	1110
3800	380	1140
3900	390	1170
4000	400	1200
4100	410	1230
4200	420	1260
4300	430	1290
4400	440	1320
4500	450	1350
4600	460	1380
4700	470	1410
4800	480	1440
4900	490	1470
5000	500	1500
5100	510	1530
5200	520	1560
5300	530	1590
5400	540	1620
5500	550	1650
5600	560	1680