

# Virtual Budget Project



Congratulations! You're just months from your high school graduation, and for many of you a day closer to the time that you'll live independently. For this project, you will create a personal budget portfolio which demonstrates how you will manage your personal finances once you're on your own. You'll do some basic research regarding your prospective career choice and make some crucial decisions regarding some expenses that you may encounter. In the end, you'll want to have some extra cash. Money that you could be saving!

- You'll have Tuesdays and Thursdays to work on the project and it's due on the last day of this month.
- Use your time wisely, and **do NOT procrastinate**; you'll most likely need to do some work outside of class.
- This project is valued at **250 points** and consists of the following nine parts.
- You must include a title slide (MLA format).

**Part I:** Occupation = **Your income!**

**Part VI:** Weekly Menu

**Part II:** Income Taxes **AND** Two (2) Deductions

**Part VII:** Day to Day Living

**Part III:** Vehicle Expenses

**Part VIII:** Your Monthly Budget

**Part IV:** Housing (Apartment / House)

**Part IX:** Reflect on Your Budget

**Part V:** Furnishing Your Residence **AND** Acquiring Your Loan

## Project Requirements:

1. Typed slideshow that clearly and accurately presents the work that you did.
2. Monthly budget that is correctly calculated and results in the ability to save money. **Note:** To create your report and budget, use the Google Slides template. This will enable you to work on the project from school and home.



3. Project neatly organized in a slideshow to display everything you purchased including your house and your car. This is the evidence of your decisions as a consumer (e.g., a picture of the advertisement for your housing)

4. **All items must be purchased! For the purpose of this project no items will be given or brought from a previous home.**

**Note:** Advertisements are found online. Please include active links to the items you are renting or buying.

# Start your typed report with the Modern Language Association (MLA) heading.



## Part I: Occupation / Career

1. What is your future occupation/job title?

For questions #2 through #9, use the following websites:

- a) [www.bls.gov/emp](http://www.bls.gov/emp)
- b) [http://www.payscale.com/research/US/Country=United\\_States/Salary](http://www.payscale.com/research/US/Country=United_States/Salary)
- c) <https://www.ziprecruiter.com/Salaries/>

2. What do people in this occupation do? Write a brief summary of five (5) of the duties.
3. What is the typical work schedule for this occupation? Again, write a brief summary.
4. What major, program of study, or training is required or suggested for entry into this occupation? Explain how you plan on paying for school/training? (*will you take a year off to save, will you get a loan, will you work part-time*)?
5. Identify the licenses **AND/OR** certifications that are required.
6. Briefly list (5) important qualities or essential skills.
7. What is the **entry level income/salary** for someone entering this job? → Use [payscale.com](http://payscale.com)
8. What is the U.S. Department of Labor's employment outlook for this occupation?
9. List three (3) similar occupations.

## Part II: Income Taxes & Deductions

The main taxes deducted from your paycheck are: federal income tax, state and local income tax, and Social Security tax. Taxes pay for things like roads, the military, schools, parks, and first responders. The Social Security tax helps pay benefits to people who are disabled or retired.


Surprisingly about 30% of your pay check goes to taxes. The amount taken out depends on several things like where you live, how much you make, and how many people are dependent on you, such as children.

Use the *smartasset* paycheck calculator for this portion of the activity ( **Website Link:** <https://smartasset.com/taxes/paycheck-calculator> ). Select “annually” on the left side of the webpage. Use your salary (#7). Under “DETAILS” will find your Federal, State, Soc. Sec., & Medicare.

<b>Federal Income Tax:</b>	The rate of tax at the federal level is progressive → Taxpayers fall into one of seven brackets, depending on their taxable income.
<b>State Income Tax:</b>	Pennsylvania's income tax rate is 3.07%. Multiply your income by .0307
<b>Local Income Tax:</b>	The local tax rate is 1% of your earned income. Multiply your income by .01
<b>Social Security:</b>	The Social Security tax rate is 6.2%. Multiply your income by .062
<b>Medicare:</b>	The Medicare tax rate is 1.45%. Multiply your income by .0145

## A. Income Taxes:

In your Budget Project Google Doc, complete the following table. Ensure to identify the federal tax rate.

	<b>Deduction</b>	<b>Tax Rate</b>	<b>Amount Deducted</b>
	1. Federal Withholding Tax	%	
	2. State Withholding Tax (PA)	3.07 %	
	3. Local Tax	1 %	
	4. Social Security	6.2 %	
	5. Medicare	1.45 %	
<b>Total amount of taxes taken out of your annual paycheck:</b>			

## B. Deductions:

You may elect to have certain voluntary deductions taken out of each of your paychecks. For this project, **you're required to have at least two (2)**. The Affordable Care Act requires everyone to have health insurance or pay a penalty. To avoid the penalty, you are required to purchase health insurance. The second deduction will relate to your needs. The most popular deductions include: a retirement plan,, dental insurance, and life insurance.

In your typed report, you must include the **name of the plan**, the **'monthly' cost**, and **at least three (3) important details** about the plan that you've selected. → What enticed to you to select the plan?

Here are several websites that pertain to voluntary deductions:

### A. Health insurance (Required):

- <https://enroll.pennie.com/hix/>
- <http://www.ehealthinsurance.com/>
- <https://www.progressive.com/health/>
- <https://www.healthmarkets.com/health-insurance/>

### B. Dental insurance:

- <https://www.easydentalquotes.com/>
- <https://www.deltadentalins.com/individuals/plans/>

### C. Life insurance:

- <https://www.esurance.com/insurance/life>
- <https://www.policygenius.com/life-insurance/> (*other forms of insurance as well*)

### D. Retirement Plan:

- <https://smartasset.com/retirement/retirement-calculator>
- <https://www.vanguard.com/retirementincomecalculator>



### Part III: Vehicle Expenses:



**2000 HONDA ACCORD LX**, 37K, 4 Door, White w/tan leather interior, Cruise Control, Dual Airbag, A/C, PWR Steering, PWR Mirrors and Windows, FM/CD, Alarm System, \$13500 OBO  
Contact : Marshall (555) 615-9859

For many of you that already are driving, it will not come as any great shock that owning a vehicle can be quite expensive. However, as you grow beyond your high school years, become more independent, and become a responsible young adult, you'll realize that there is a lot more to owning your own vehicle.

Purchase a vehicle. This is supposed to be in the future but use today's available models and prices. I'm asking you to find **an advertisement from a local dealership** and use that as your vehicle. Along with a picture of your vehicle, you're required to include the make, the model and the year.

1. What is the make, model, and year of your vehicle?
2. The U.S. Department of Transportation estimates that the average American motorist drives close to **13,500** miles behind the wheel each year.
3. Identify the average miles per gallon (mpg) for the make, model, and year of your vehicle → A Google search is a quick and easy way to find out this information.
4. Use *Kelley Blue Book* to determine 'trade-in value' – (include this in your loan):

<http://www.kbb.com/whats-my-car-worth/>

5. How much do you pay for car insurance? If you do not know, use one of the two websites listed below to generate a quote (*Be certain that you include the **yearly** figure*)

A. <https://www.thegeneral.com/quote/>

B. <https://www.safeauto.com/>

6. For common passenger vehicles in the state of Pennsylvania, the registration renewal fee is **\$37.00**
7. Cost of fuel per year: **Step 1** - Divide #3 by #4  
**Step 2** - Multiply the above answer (Step 1) by the present price of fuel.
8. Yearly cost of oil (*Multiply the average number of miles per year (#3) by \$.007 per mile. Answer in dollars*).
9. Yearly cost of tires (*Multiply the average number of miles per year (#3) by \$.01 per mile*).
10. Repairs and maintenance. Cost could be low for a newer vehicle. An older vehicle could be very expensive (*Multiply the average miles per year (#3) by \$.04 per mile*).
11. Total cost per year (*Add #6, #7, #8, #9, #10, and #11*).
12. To come up with your 'monthly total,' divide #12 by 12.

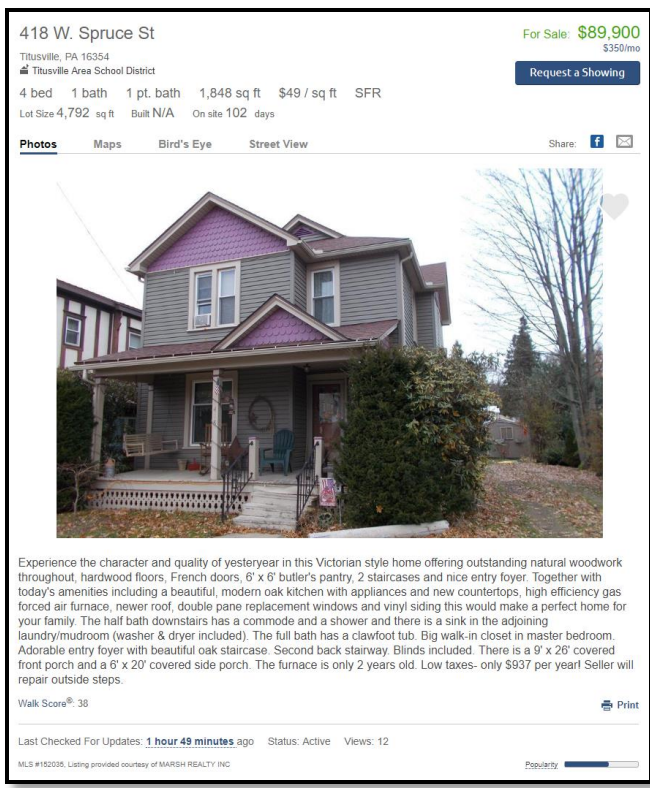
**Part IV: Housing**

Use a local relators' guide to find an advertisement for an appropriate apartment or house and paste that advertisement into your written report (you can pull info. only from https://www.homes.com/homes-for-sale/). Be sure that the monthly charge or cost is clearly indicated in the advertisement. **In addition, you should also find out which utilities, if any, are included in the apartment.**

**Part V: Furnishing Your Residence**

**Assume that you must purchase appliances and furniture for your residence.** You will get a loan for the total amount of money needed to buy all of housing needs. On the following page is a list of items needed to furnish your residence. You must find the price for each of the items listed. These items can be found in a Google search. **Every item must be linked. Include an image and a clearly marked price on the slide with the item.** Be sure to clearly indicate the price of each item, and the total amount of money that you need to purchase all of the items, which will be your loan amount. **Do not forget to calculate the taxes for new items.** For this assignment, assume that you do not already own any of the items listed.

**Your Loan:**

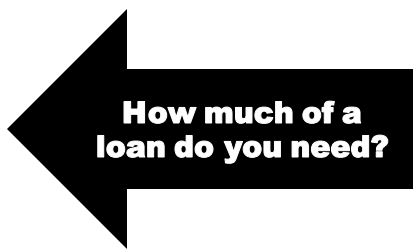


**Car Value:** \$ \_\_\_\_\_

**Cost of your House:** \$ \_\_\_\_\_

**Cost of your Furnishings:** \$ \_\_\_\_\_

**Loan Amount:** \$ \_\_\_\_\_



Use the Bankrate Loan Calculator link below to help you compute your loan. In your typed report, include the details (monthly payment amount, interest rate, & time length).

<http://www.bankrate.com/calculators/mortgages/loan-calculator.aspx>

**'Monthly' Loan Repayment:** \$ \_\_\_\_\_

**Term Length (Years):** \$ \_\_\_\_\_

**Loan Interest Rate:** \_\_\_\_\_ %

# Housing Needs

## **Kitchen:**

Table and chairs:	_____	Stove (if it isn't provided):	_____
Fridge (if it isn't provided):	_____	Garbage can*:	_____
Microwave:	_____	Cooking utensils:	_____
Measuring cups*:	_____	Toaster OR toaster oven*:	_____
Coffeemaker*:	_____	Plates:	_____
Bowls:	_____	Cups*:	_____
Glassware*:	_____	Silverware*:	_____
Can opener*:	_____	Pots & pans:	_____
Cutlery*:	_____	At least two others*:	_____

*\*You must include at least two (2) of the optional items.*

## **Living Room:**

Couch and/or chairs:	_____	Television:	_____
D.V.D. / Blu-ray / Gaming System	_____	Coffee / end tables*:	_____
Lamp(s)*:	_____	At least one other*:	_____

*\*You must include at least two (2) of the optional items.*

## **Bedroom:**

Bedroom suite (frame & dresser):	_____	Mattress:	_____
Linen(s):	_____	Pillow(s):	_____
Lamp(s)*:	_____	At least one other*:	_____

*\*You must include at least one (1) of the optional items.*

## **Bathroom (not including toiletries):**

Shower curtain*:	_____	Wash clothes & towels:	_____
Bathroom fixtures*:	_____	At least two others:	_____

*\*You must include at least one (1) of the optional items.*

# Housing Needs (Continued)

## Miscellaneous:

Vacuum cleaner: \_\_\_\_\_

Broom & dustpan: \_\_\_\_\_

Mop\*: \_\_\_\_\_

Cleaning supplies: \_\_\_\_\_

Computer: \_\_\_\_\_

At least one other\*: \_\_\_\_\_

*\*You must include at least one (1) of the optional items.*

## Overall Costs:

Kitchen: \_\_\_\_\_

Living Room: \_\_\_\_\_

Bedroom: \_\_\_\_\_

Bathroom: \_\_\_\_\_

Miscellaneous: \_\_\_\_\_

**Furnishings Grand Total:** \_\_\_\_\_

**Make sure that you include PA sales taxes (6%). To do so, multiply each total by .06**

### Tax Example:

**Kitchen Total:** \$968.79

**PA Sales Tax:** 6% → .06 x 968.79

**Sales Tax Total:** \$59.21

**Kitchen Total + Sales Tax = Overall Total**

$\$968.79 + \$59.21 = \$1,028.00$

**Find the costs of the following utilities/expenses and indicate where you found these prices:**

Heat: \_\_\_\_\_

Water: \_\_\_\_\_

Electricity: \_\_\_\_\_

Cable or Satellite Television: \_\_\_\_\_

Internet: \_\_\_\_\_

Telephone or Cellphone: \_\_\_\_\_

**Utilities Grand Total:** \_\_\_\_\_

Please identify and list which utilities are already 'included' with your apartment or house. Shop for the others.

- Use the '**Calculating Your Utilities**' portion of this outline to help you complete this portion of the project
- If some utilities are bundled, include the cost in one category and type the word **bundled** in the other. You will need evidence of this.

# Calculating Your Utilities

**A. Electricity:** To estimate the cost of your electric bill, get an electric bill from your parents or guardians and divide the bill total by the number of rooms. Multiply that figure by the number of rooms that are in your residence that you found for Part IV.

- ❑ **Electricity Example:** Your parent's residence has: 3 bedrooms, 2 bathrooms, 1 kitchen, 1 dining room, and 1 living room. Therefore, your present home, has a total of 8 rooms. Their electric bill is  $\$216.96 / 8$  (rooms) =  $\$27.12$  per room. Suppose your new house has: 2 bedrooms, 1 kitchen, 1 living room and 1 bathroom, for a total of 5 rooms, take the per room amount  $\$27.12$  and multiply by the number of rooms in your new home [ $\$27.12 \times 5 = \$135.60$ ].

**B. Gas (Heat):** Since we live in Northwestern Pennsylvania, you will need to heat your residence. If you have access to a heating (gas) bill, use the same method above to calculate this utility. If you do not have a family member that has a heating bill, you will need use the following website. If needed, you can calculate your electricity costs using the same website.

<https://www.uesaz.com/home-energy-calculator/>

**C. Water / Sewer/ Trash:** For the students that are renting their residence, your landlord might pay for these expenses – you should have these utilities identified on Part IV. If you are buying a home, please get a bill for each of these utilities from your parent/guardian and divide the bill amount by the number of people and multiply by the number of people in your home.

<https://www.cityofitusvillepa.gov/city-services>

<https://www.wm.com/index.jsp>

**D. Phone:** Select either a cellular or regular landline provider. With either selection, find a quote for the service that you desire. In some cases, you may find a quote that includes the taxes. If you find a normal monthly rate, you will need to add 15% to that rate to cover the taxes.

**E. Cable TV / Satellite TV:** Find a quote from a provider that includes the channels that you watch. **Be careful of low price/short time packages!** You should also watch out for promotional rates that expire after a specified period (*you should always carefully read the smaller text*). You need to use the regular monthly fee. If you do not plan on paying for Cable (Armstrong) or Satellite TV (DirecTV, Dish Network) and will use Comcast for your Internet service, you should know that Comcast will put a data cap on your Internet plan. If you do not pay for television in the project, you are more likely to exceed the Internet usage of 300gb per month and therefore should add \$30 for an unlimited data plan from Comcast.

<http://www.armstrongonewire.com/>

**F. Internet:** Many times phone or cable companies will include this cost in a bundled package. If it is covered through another utility as a bundle, make a note that you purchased it in a package with your cable and or phone. Make certain that you identify and include the correct cost of the bundled package.



## Part VI: Weekly Menu, Grocery List and Monthly Food Expense

For this project, you will create a weekly meal plan (21 meals) and estimate the meal plan's cost. Eating out for every meal is not realistic. Students are expected to "shop" for meals to prepare at home in addition to the "occasional" meal eaten out. All meals should be nutritionally balanced and realistic. Students who eat out for more than 15% of their meals or who do not create a realistic variety of food options will not receive credit for the Food Expenses portion of the budget. **Present your menu in chart format.**

### Examples of Satisfactory Meal Planning:

- a) **Home:** turkey sandwich on whole wheat bread, one apple (5lb. turkey: \$3.99/lb.; bread \$3.49/loaf, 1/2lb. apples \$1.99/lb.) = \$24.43
- b) **Dining Out:** cheeseburger, french fries, and a medium drink = \$5.50

### Examples of Unsatisfactory Meal Planning:

- a) **Home:** PowerBar = \$1.79
- b) **McDonald's:** Cheeseburger = \$1.00

	Breakfast	Lunch	Dinner	Snacks
Sun.				
Mon.				
Tues.				
Wed.				
Thurs.				
Fri.				
Sat.				
<b>Weekly Cost for Groceries:</b>				\$
<b>Monthly Cost for Groceries:</b>				\$

**Show the total amount of money needed to purchase your weekly amount for groceries.** (Note that if you plan to eat out at a restaurant, indicate that on your weekly menu, but include the amount of money in your expenses.)

To calculate your monthly Food expense, **multiply the weekly amount of money you need for groceries by 4.** This monthly amount for food should be included in your monthly budget.

## Part VII: Day to Day Living → Again, include circular advertisements!

**Clothing:** What are your current spending habits for clothing, shoes, purses, hats, etc.? List **five (5) or more items** that you would buy in a year. Find out how much each item costs. Add up the total. Divide the total by 12 to get the **monthly** clothing sum for your budget. Here is an example:

- |                   |          |                                 |
|-------------------|----------|---------------------------------|
| • 2 pair of jeans | \$64.00  | } <b>Monthly Cost = \$21.58</b> |
| • 5 t-shirts      | \$75.00  |                                 |
| • Steel-toe boots | \$120.00 |                                 |

**Toiletries:** Every household needs certain supplies. These may include toilet paper, foil, paper towels, deodorant, shampoo, cleaning supplies, plastic bags, soap, toothpaste, sunscreen, and lotion. In your written report, **list at least five items (5)** that could fit into this category as a **'monthly'** expense.



**Entertainment:** In what ways do you like to entertain yourself? Estimate your **'monthly'** entertainment expenses by itemizing and then totaling them. **You should have at least two (2) of them.** Here is an example:

- One movie ticket \$8.00
- Rodeo (Flying W) \$20.00
- Dance club \$12.00
- NHL game \$50.00

**Note:** The list above is an example only! Your monthly entertainment expenses should be somewhat different than what is shown above. You could also include travel, tractor pulls, zoos, concerts, races, video games, music, etc.

**Other:** Is there anything else that you haven't yet budgeted for that you'd like to include here? In your written report, **list at least one (1) other 'monthly' expense that you may incur that isn't included elsewhere in your budget.** Be creative - think outside the box!

**Part VIII. Your Monthly Budget (Include this in your final report)**

This is the heart of your 'budget' project. Have you been more than successful in balancing your financial affairs? It is suggested by financial advisors that you have six months of savings set aside in case something happens. As a result, any positive number is savings that can be used in the future.

**Remember that this is a monthly budget!** All figures represented in your report must be monthly figures. You will need to divide annual figures by 12, and multiply weekly sums by four (4).

Your **'Monthly'** Income: \$ \_\_\_\_\_

**MONTHLY EXPENSES**

**'Monthly'** (divide the annual taxes by 12) Taxes: \$ \_\_\_\_\_

Deductions: \$ \_\_\_\_\_

**'Monthly'** Vehicle Expenses: \$ \_\_\_\_\_

Apartment expenses (if renting): \$ \_\_\_\_\_

Loan for your car, house (if *not* renting), & furnishings: \$ \_\_\_\_\_

Utilities: \$ \_\_\_\_\_

**'Monthly'** Food Expense: \$ \_\_\_\_\_

**'Monthly'** Clothes: \$ \_\_\_\_\_

Toiletries: \$ \_\_\_\_\_

Entertainment: \$ \_\_\_\_\_

Other: \$ \_\_\_\_\_

Total **'Monthly'** Expenses: \$ \_\_\_\_\_

**'Monthly'** Income *minus* (-) **'Monthly'** expenses = (savings): \$ \_\_\_\_\_

**This is the number that matters!**



**Part IX. Reflect On You Budget (Include this in your final report)**

**Directions:** Answer the following questions about completing this project.

1. Over the course of this budget project, what have you learned?

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2. Which part of this project was the most valuable to you? Explain.

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3. Which part of this project did you struggle with the most? Explain.

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4. What do you want your financial future to look like? What budgeting principles will you take with you into your adult life?

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5. What changes could you make to either increase your income or lessen your expenses (while not dramatically changing your lifestyle)? Name two (2).

1. 

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2. 

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# Rubric: Budget Project

	<b>Outstanding</b> 50 – 38	<b>Good</b> 37 – 26	<b>Needs Work</b> 25 – 13	<b>Poor</b> 12 – 0
<b>Monthly Budget</b>	Accurately completed all applicable parts of the budget project.  There were no apparent calculation errors.	Completed all applicable parts of the budget project.  There were several calculation errors.	Completed some but not all applicable parts of the budget project.  There were some major calculation errors and omissions.	Selectively completed the project.  There were many calculation errors and omissions.
<b>Overall Product</b>	The project is extremely well-organized.  All the font (style and size) is consistent.  All the graphics and information are meaningfully aligned. White space has been utilized effectively.	The budget project is organized.  Font styles and size is mostly consistent, except for a couple minor instances.  Most of the graphics are aligned, with some needed improvements.	The budget project lacks organization.  There are at least three font styles and sizes used.  Either too much or not enough white space between the graphics and information.	The budget project is poorly organized.  There is no consistency among fonts used.  Too much clutter or vast areas with no contents.

**Total:** \_\_\_\_\_ / 100

	<b>Description:</b>	<b>Points:</b>
<b>Cover Slide</b>	<input type="checkbox"/> The cover slide includes an MLA heading and the title “Budget Project” <input type="checkbox"/> Add a unique and creative design!	_____ / 10
<b>Career</b>	<input type="checkbox"/> Respond to the questions in detail, using the provided websites. <input type="checkbox"/> Use PayScale.com to identify “entry-level salary”	_____ / 15
<b>Taxes</b>	<input type="checkbox"/> Correctly compute the federal, state, local, & FICA taxes. <input type="checkbox"/> Research the cost of 2 deductions & include the plan’s details. <i>Hyperlink!</i>	_____ / 10
<b>Vehicle Costs</b>	<input type="checkbox"/> Correctly calculate the ‘monthly’ cost of owning a car. <input type="checkbox"/> Include a <i>hyperlinked</i> picture of the car.	_____ / 10
<b>Housing Costs</b>	<input type="checkbox"/> Correctly calculate the cost of renting/buying & furnishings a residence <input type="checkbox"/> Acquire a loan for the car, house, furnishings & the ‘other’ if needed. <input type="checkbox"/> <i>Hyperlink</i> the house & furnishings! Calculate & hyperlink utilities.	_____ / 50
<b>Weekly Menu</b>	<input type="checkbox"/> Carefully develop a nutritious weekly menu & convert the weekly cost of food to the monthly cost. <i>Hyperlink</i> the foods and drinks.	_____ / 25
<b>Daily Costs</b>	<input type="checkbox"/> List & calculate the ‘monthly’ cost of clothing, entertainment, and ‘other’ not included. <i>Hyperlink</i> the goods and services.	_____ / 20
<b>Reflection</b>	<input type="checkbox"/> The questions on the reflection page were thoroughly answered in complete sentences.	_____ / 10

**Total:** \_\_\_\_\_ / 150