**Economics Budget Project**

**Task: Create a real life budget. If you are planning to go to work right after high school and to live on your own, you may create your budget for immediately following graduation. If you are planning to go to college, your budget will need to begin anywhere from 2 to 4 years from now, depending on your plans. Military life will have different implications, depending on if you will be devoting 4 years or serving long-term in the military. This will be a monthly budget based on your annual income and all of your expenses and expenditures.**

Step 1: Write a one half to one page narrative of your life. Details should include your profession, whether you are married or single, and any children you may have. Do you have pets (If so this should be included later on in our expenses)? Are you divorced? This is your chance to be creative and to think about what your life will be like. Be REALISTIC!

Step 2: Choose a career. Research the average salary for the career you have chosen. This will be your annual income that you will use to help create your monthly budget. We will assume that you will be paid in 24 installments, two times per month. If you’re married you will also need to decide on a career for your spouse.

Step 3: TAXES. Based on the expected salary of your chosen career, find out how much money will come out of your paycheck in taxes. Although these figures can vary, I want everyone to use the following steps to determine how much of your earnings will be taken out in taxes. You will also need to figure out the taxes for your spouse. This will be the amount that is withheld from your paycheck (federal tax, state tax, Social Security, Medicare, etc).

Visit this web site: <http://www.payroll-taxes.com/calculators.htm>

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Enter in total gross pay. Pay frequency should be semi-monthly. Choose appropriate filing status. You may claim yourself, spouse, and kids depending on your “life”. Leave the rest blank. Go to the bottom and click calculate. These are the figures you will use to figure the amount you have left to spend.

For: Choose Alabama or state in which you will reside.

Step 4: HOUSING. Decide where you will live, what type of house, will you rent or own. Figure out your monthly payment as well as any insurance needed. Include utilities (use the average for the state you choose to live in).

Step 5: TRANSPORTATION. Decide on a car that you will either purchase or lease. Figure out your monthly payments as well as any insurance that will be needed.

Step 6: MONTHLY BUDGET. Establish a monthly. You must create your own budget as it relates to your life. All expenses and expenditures should be included. Make sure to include expenses that have already been mentioned, as well as other expenses you may have such as groceries.

Format: PowerPoint presentation. Each step would be a new slide. Each step may have multiple slides; you do not have to fit a step onto a single slide.

**\*This project will be due Friday May 18 by the end of class.**

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|  | **0** | **1** | **2** | **3** | **4** |
| **Career** | None of the requirements are present. | One of the requirements is present. | Two of the requirements present. | Three of the requirements present. | All requirements are present (job, salary, semi-monthly salary, spouse’s info if needed) |
| **Taxes** | None of the requirements are present. | One of the requirements is present. | Two of the requirements present. | Three of the requirements present. | All requirements are present (federal tax, state tax, Social Security, Medicare, spouse’s info if needed) |
| **Housing** | None of the requirements are present | One to two of the requirements is present  | Three to four of the requirements are present | Five of the requirements present | Includes the a picture of the house, state you will live in, property tax, home insurance, monthly payment (rent or mortgage), and utilities |
| **Transportation** | None of the requirements are present | One of the requirements is present | Two of the requirements are present | Three of the requirements are present | Includes a picture of the car, monthly payment (own or lease), price of insurance, price of gas. |
| **Budget** | Monthly budget wasn’t created | Hardly any of box 4 is present | Some of box 4 is present | Most of box 4 is present | Monthly budget was created that covers all expenses mentioned above as well as food, leisure, student loans, etc. Includes the money you have left over after all expenses. |

Narative:\_\_\_/20 Total:\_\_\_\_/20x4=\_\_\_\_/80+\_\_\_\_/20=\_\_\_\_/100