

 **BUILDING BLOCKS STUDENT WORKSHEET**

Creating a monthly household budget

Creating a monthly household budget can help you make responsible spending decisions. Budgets can help you to make sure you have enough money to pay for both your needs and

Instructions

- 1 Review the budgeting scenario.
- 2 Follow the steps below to build a budget for your monthly needs and wants.
- 3 Answer the reflection questions.

A budgeting scenario

Imagine that you're an adult, you've just started a new full-time job, and you're getting ready to move out on your own for the first time. You bring home \$2,000 in pay each month. That's how much you can spend each month on both the things you need and the things you want. You want to create a monthly budget to plan for all of your expenses.

Step 1. Select housing options

Below are three housing options that are within your budget and the required monthly bills for each option. Select the housing option that you think will let you meet both your needs and your wants. Then add up the total expenses for that choice.



One-bedroom apartment: \$750 a month

- Electric: \$80
- Garbage: \$20
- Groceries: \$200
- Laundry: \$35
- Utilities (heat, water, etc.): \$80

Monthly total _____

Studio apartment (a one-room apartment): \$500 a month

- Electric: \$60
- Garbage: \$20
- Groceries: \$200
- Laundry: \$35
- Utilities (heat, water, etc.): \$60

Monthly total _____

Room in a shared house: \$300 a month

- Electric: \$30 (this expense is shared with your roommates)
- Garbage: \$5 (this expense is shared with your roommates)
- Groceries: \$200
- Laundry: \$35
- Utilities (heat, water, etc.): \$25 (this expense is shared with your roommates)

Monthly total _____

Step 2. Figure out the monthly cost of things you need

Monthly budget	\$2,000
Your housing costs (Write the option you chose) _____	\$
How much is left after your basic needs?	\$
Many people consider saving money for emergencies to be a need, not a want. How much will you put into savings each month?	\$
How much is left after putting money into savings? This is what you can spend on your wants each month.	\$

Step 3. Spending money on things you want

Once we know our needs are taken care of, we can spend money on things we'd like to have.

How much money did you have left after taking care of your needs? \$ _____

Below are some items you may want. Staying within your budget, check the things you'll choose to spend your money on each month.

Things you may want	Monthly cost
<input type="checkbox"/> Cable or satellite TV	\$80
<input type="checkbox"/> Internet service	\$50
<input type="checkbox"/> Cell phone service	\$85
<input type="checkbox"/> Video/movie streaming service	\$15
<input type="checkbox"/> Music streaming service	\$10
<input type="checkbox"/> Owning a dog or cat (food, vet bills, etc.)	\$100
<input type="checkbox"/> Going out to dinner (\$20 each time) x _____ times a month	\$
<input type="checkbox"/> Going to the movies (\$12 each time) x _____ times a month	\$
<input type="checkbox"/> Getting coffee (\$2.50 each time) x _____ times a month	\$
<input type="checkbox"/> Other:	\$
<input type="checkbox"/> Other:	\$
<input type="checkbox"/> Other:	\$
Total monthly cost for your wants	\$

Step 4. Balancing your budget

Subtract the total cost of your wants from the amount you have left after covering your needs each month.

Money left over after taking care of your needs each month (this is your wants budget)	\$
Total monthly cost of your wants	\$
Money left over each month	\$

Reflection questions

1. How did you decide what choices to make?

2. Did you have any money left over? If so, what might you do with this money? Why?