

Name _____
 Address _____
 Subject _____
 Date _____

REALITY CHECK 101:

As you begin your career, it is very important that you learn how to budget your money! What is a budget? It is how you predict and organize your future income and expenses.

	Bachelor's Degree	Associate's Degree	High School Diploma	High School Dropout
Starting Salary:	\$40,000	\$30,000	\$20,000	\$15,000

*Source: U.S. Census Bureau, 2007

Taxes: Uncle Sam wants his portion of your salary! Multiply your yearly income by 25%. This is how much you will pay each year in taxes to the city, state, and federal government.

STUDENT TAKE-HOME \$ _____ $\times 25 =$ \$ _____ (Taxes)

Retirement Plan: Thinking or retiring? Start saving! Multiply your yearly income by 10%. This is how much you'll be putting into your retirement plan (401k, 403b, 457b, etc.).

STUDENT TAKE-HOME \$ _____ $\times 10 =$ \$ _____ (Retirement plan)

Take Home Pay: This is the money you'll actually receive in your paycheck.

STUDENT TAKE-HOME \$ _____

- **FOOD** \$ _____

- **TRANSPORTATION** \$ _____

- **YOUR TAKE-HOME** \$ _____

Remainder: (Profit!) How much more money you'll have to budget with each month.

YOUR TAKE-HOME \$ _____ $\times 10 =$ **STUDENT TAKE-HOME** \$ _____

How do we need to figure the rest of your expenditures (what you spend your money on)? Your expenses will fall under two categories: **FOODS** and **LOTTOS**. Your fixed expenses are recurring, they will be the same every month. Your living expenses can vary, depending on your needs/wants, this will come out of your disposable income.