

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: (State) Use state tax portion of your salary! Multiply your yearly income by 3%. This is how much you will pay each year in taxes to the city, state, and federal government.

STUDENT TAKE-HOME \$ _____ \times 12 = \$ _____ (Yearly)

Retirement Plan: (Money you receive) Start saving! Multiply your yearly income by 3%. This is how much you'll be putting into your retirement plan (401k, 403b, 457b, etc.)

STUDENT TAKE-HOME \$ _____ \times 12 = \$ _____ (Retirement plan)

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

- STUDENT TAKE-HOME \$** _____
- **TAXES** _____
- **RETIREMENT PLAN** _____

- **STUDENT TAKE-HOME \$** _____

Monthly Budget: (Monthly) Divide your take-home pay by 12. This is how much money you have to budget with each month.

STUDENT TAKE-HOME \$ _____ / 12 = **MONTHLY TAKE-HOME \$** _____

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