

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 \$** \_\_\_\_\_ \$ \_\_\_\_\_
- **TAXES** \_\_\_\_\_ \$ \_\_\_\_\_
- **RETIREMENT PLAN** \_\_\_\_\_ \$ \_\_\_\_\_

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- **STUDENT TAKE-HOME PAY** \_\_\_\_\_ \$ \_\_\_\_\_

**Monthly Budget:** Uncle Sam wants your money every 30 days! This is how much money you have to budget with each month.

**STUDENT TAKE-HOME PAY** \_\_\_\_\_  $\div 12 =$  **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 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.