

Living Within Your Means

Here are five different scenarios. Decide if the person is living within his/her means (meaning they are staying within a budget).

Scenario #1: Sam is a 4th grade teacher and earns \$51,300 per year. Here is a list of her monthly expenses:

Contribution to the retirement plan	\$240.00
Rent/mortgage payment	\$780.00
Utilities	\$340.00
Phone/cable/internet	\$180.00
Food/groceries	\$300.00
Car payment	\$660.00
Insurance (car/home)	\$188.00
Transportation and gas	\$168.00
Charity	\$ 92.00
Clothes	\$ 66.00
Loan payments	\$ 40.00
Entertainment	\$240.00
Services (cleaners, hair dresser)	\$180.00
Other	\$166.00



What is Sam's total expenses every month? _____

How much income does she have every month? _____

Is she controlling her expenses and living within her means? _____

Scenario #2: Omar is self-employed and earns \$60,000 per year. He has the following monthly expenses:

Contribution to retirement plan	\$ 222.00
Rent/home mortgage	\$ 870.00
Utilities	\$ 288.00
Phone/cable/internet	\$ 210.00
Food/groceries	\$ 290.00
Car payment	\$ 438.00
Insurance (car/rental/home)	\$ 178.00
Transportation and gas	\$ 105.00
Charity	\$ 107.00
Clothes	\$ 138.00
Loan payments	\$ 368.00
Entertainment	\$ 180.00
Services (cleaning, barber)	\$ 150.00
Other	\$ 222.00

What are Omar's total expenses every month? _____

How much income does he have every month? _____

Is he controlling his expenses and living within his means? _____

Scenario #3: Juan is a pre-med student, meaning that he will be studying to become a doctor. He works part-time as a lab assistant at the university he attends. He earns \$44,000 a year and has the following monthly expenses:

Contribution to retirement plan	\$ 120.00
Rent/home mortgage	\$ 690.00
Utilities	\$ 340.00
Phone/cable/internet	\$ 270.00
Food/groceries	\$ 450.00

Car payment	\$ 150.00
Insurance (car/rental/home)	\$ 264.00
Transportation and gas	\$ 96.00
Charity	\$ 24.00
Clothes	\$ 222.00
Loan payments	\$ 728.00
Entertainment	\$ 198.00
Services (cleaning, hair dresser)	\$ 90.00
Other	\$ 180.00

What are Juan's total expenses every month? _____

How much income does he have every month? _____

How much money is left over at the end of the month? _____

Is he controlling his expenses and living within his means? _____

Overall Questions:

1. Who has the most money at the end of the month? _____

2. Who needs to control their expenses better in order to maintain a budget?

3. Sam wants to take a vacation. What changes do you think he can make to his budget, so he can start saving money?
