

Grade 7 Third Trimester PROJECT

Your Future Budget

Name: _____

My chosen career: _____

My annual salary: _____

My student loan owing: _____

Project due date: Week of June 10th , 2019

You have chosen a career for your future.

Based on this career, you have also been given an annual salary. This salary is your spending money AFTER you have paid your income tax and other pay cheque deductions.

You may not claim that parents/grandparents are giving you extra money or a new car – you are an adult now and on your own.

With this money, you have to come up with a ***monthly*** budget that covers the following:

1. Everyone has a student loan to pay off. The amount you owe will depend on the career you have chosen. The longer you have to go to university, the more you owe. For example; it takes 10 years to become an orthodontist, 7 years for a lawyer, 8 - 10 years for a doctor, depending on specialization.
2. Rent
3. Renter's insurance
4. Utilities
 - a. heat,
 - b. water,
 - c. cable TV (Netflix)
 - d. Internet
 - e. cell phone
5. Car payments, gas, car maintenance and car insurance, parking costs
OR
6. Monthly bus pass
7. Food
8. Clothing
9. Savings – you should always put away money in case of emergencies. This should come before 'fun' money. As a rule, you should put away 10% of your salary. If you hope to buy a house some day, you will have to put more aside for that.
10. Charitable donations
11. Gifts
12. Entertainment

NOTE: many apartments include heat and water in the rent. Ads say "Util. included" OR "Plus utilities" You will always have to pay cable and cell telephone.

These are the basic necessities, although many will argue that cable TV is not a necessity. So, if you find that you are having difficulty coming up with a balanced budget, you might be able to save here.

So, where do you start?

- 1st thing – you must arrange to start paying off the student loan. Check interest rates for loans. Most banking websites have an online loan calculator. PRINT OUT your payment plan. The loan does not have to be paid off in one year. It will take 5-10 years (or more). \$6000 per year of university.

- RENT
 - Get a renters guide or go online, and find an apartment or house to rent. Do you want a 1 or 2 bedroom apartment?
 - Where do you want to live? What part of the city?
 - Will you share, or live alone? Sharing means you divide rent and utilities, but not food, clothing, or travel expenses.

- UTILITIES
 - Does your apartment include heat and water? Check the ad in the paper, it will say either “plus utilities” meaning you have to pay, or it will say “Utilities included”. If the utilities are not included, you should budget about \$125 per month.
 - Laundry service – If you are lucky enough to have laundry room in the apartment building, it will cost you about \$30 per week to do your laundry. You may have to go to a laundry mat outside your building. If you are a business person (lawyer etc.) you will also have to budget for dry cleaning. Allow \$75 month
 - Renter’s insurance is about \$75 (apartment) to \$125 (house) per month – get a quote online
 - Cell phone – at least \$75 month, more if you text and use your phone to surf internet. Get a quote
 - Cable TV and internet can run \$100, more if you want movie channels etc. Get a quote... (Cable TV is optional)
 - If you want a streaming service (Like Netflix instead) find a quote. You are not sharing your parents Netflix.

- TRANSPORTATION
 - Will you buy a car? Check newspapers for car ads. How much per month will you have to spend? Big car or small?
 - Will you lease or take out a car loan? Get a quote.

- Gas – the bigger the car, the more gas it uses. Anywhere from \$45 (small car) - \$70 (SUV) per WEEK for gas.
- Maintenance - a similar amount should be put aside for regular maintenance, new tires etc. This is over and above savings listed below.
- Insurance – these are just averages. Prices go up and down depending on age and type of car, and how long you have been driving. <http://www.kanetix.ca/auto-insurance>
 - Here girls get a break; under 25 year old men are statistically more likely to get into accidents, so their insurance is higher.
- Don't forget that you may have to pay for parking as well if you live in an apartment building and if you plan on driving to work. Calculate \$125/ month
- Maybe you will prefer to use the bus – get the price of bus passes. <http://www.octranspo1.com>

- FOOD

- Start by writing down everything you eat for one week, including snacks
- Talk to mum/dad about making a grocery list.
- Check flyers that come in the mail to start pricing what it costs for food for one week. Multiply by 4 for a month's budget.
- Don't forget personal items (toothpaste, makeup, shampoo)
- Have a pet? You have to feed it too.

- CLOTHING

- Most people can't wear jeans/yoga pants/sneakers to work
- You need 'business' attire.
 - Dress slacks, shirt, skirts etc.
- Figure that you need a starter wardrobe 4 or 5 outfits. You will add to it as the months pass. Go 'shopping' online.

ENTERTAINMENT

- How often will you go out with friends? What will you do? **Nobody** stays in 24/7, so be realistic
 - Price movies with snacks.
 - Going out to clubs in the market can easily run \$75-100 a night. And add to that the cost of a taxi because you can't drive home afterwards if you have been drinking alcohol.

- Skiing in the winter? Calculate for a ski pass. No, you can't use a 'family' pass from mum and dad.
- Do you want to join a gym?
- Dinner out with friends? Pick your favourite restaurant and go online to see how much dinner costs. Don't forget to include taxes and a tip.
- Don't forget morning coffee on the way to work.

- SAVINGS

- You have to save for a rainy day - 10% of your salary
- Holidays – still want to go south in the winter? \$2500 a trip easily; budget \$250 /month
- buying a house – put away a few hundred each month
- retirement – put away a few hundred a month, but here you get a tax break

- Charitable donations

- Think about how much you plan on tzedakah each year, then divide by 12

- Gifts

- Who will you be buying gifts for? Birthdays, Chanukah?
- How much will you spend on each person?
- Add it up and divide by 12

This entire budget is to be put in a spreadsheet. See attached.

For every amount you enter on the spreadsheet, you must include proof of the price. Print out the quote from the website, clip ads from flyers for groceries and clothing, cut out ads in newspapers.

I will not accept a web address/URL as proof

You MUST justify your budget.

		WEEK	MONTH	YEAR	
STUDENT LOAN:					
RENT:					
APARTMENT INSURANCE:					
UTILITIES:	Electricity				
	Gas				
	Water				
	Phone				
TRANSPORTATION:					
	Car Loan				
	Car Insurance				
	Gas				
	Maintainance				
	Bus Pass				
FOOD:					
CLOTHING:					
ENTERTAINMENT:					
SAVINGS:	"Rainy Day"				
	Holidays				
	Home				
	Retirement				
Charitable Donations:					
Gifts:					

Name: _____

Budget Project

This sheet MUST be included with your project

Student loan	/ 5
Rent	/ 5
Insurance	/ 5
Utilities	/ 5
Travel expenses	/ 5
Food	/ 5
Clothing	/ 5
Entertainment	/ 5
Savings	/ 5
Gifts	/ 5
Charitable donations	/ 5
Spreadsheet	/ 5
Scoring sheet	/ 5
Proof of each cost/expense	/ 25
Balanced budget	<u>/ 10</u>

/ 100

Timeline to help breakdown the planning your work:

Check ins with Mrs. Cleveland

Student loan March 20th _____

Rent March 26th _____

Insurance March 29th _____

Utilities April 5th _____

Travel expenses April 12th _____

Food April 19th _____

Clothing May 3rd _____

Entertainment May 10th _____

Savings May 17th _____

Gifts May 24th _____

Charitable donations May 31st _____

Spreadsheet May 31st _____

Scoring sheet

Proof of each cost/expense (Review your proof) June 7th

Balanced budget Pass in: Week of June 10th

Dear Parents,

The grade 7 class has been assigned a project for the 3rd Trimester. It involves researching the cost of living and budgeting, based on a salary. Students have been provided a career to pursue, based on their feedback from career day choices.

Details are included, and the project has been explained in class. The project is due week of _____, 2019

Your son/daughter may have questions about household expenses and your cooperation is appreciated.

Please email me, or sign below and return to me, to indicate that you are aware of the project, its requirements and due date. This may be scanned and emailed.

Regards,

Chelsea

I am aware of the Grade 7 Budget Project. This assignment is due week of 2019

Parent/guardian name: _____

Signature: _____