***Budgeting***

Name: Div.: Date:

Below is a basic guideline for what percent of your before tax income one should spend on different facets of your life according to Forbes magazine (<http://www.forbes.com/2010/06/08/budgeting-young-adults-personal-finance-spending.html>).

|  |  |  |  |
| --- | --- | --- | --- |
| **Housing:** 25% | **Food:** 15% | **Saving/Debt:** 10% | **Utilities:** 7% |

You will use the below information to figure out how to live as a university student, in Victoria:

* Student Loans Possible: $15,000/yr.
* Tuition: $8,000/yr. (based on current growth from approximately $6,000 in 2014)
* BC Minimum Wage: $11.25/hr.
* University goes from Sept – April. (4 Months off in Summer)
* Part Time Work = 20hr/wk.
* Full Time Work = 40hr/wk.
1. During school you may be able to work part time (Friday Night, Saturday, and another ½ shift here or there), so calculate how much money you could make during the 8 months of university.
2. Once you are in the summer you would be able to work full time. Calculate how much money you could earn over the 4 month summer, working full time.
3. Combine your work totals from the previous two questions to get your **Total Income** for the year.
4. Based on your above income find the following:

|  |  |  |
| --- | --- | --- |
|  | Total Income = | Income + Student Loan = |
| Amount dedicated to Housing (25% of Total) |  |  |
| Amount dedicated to Food (15% of Total) |  |  |
| Amount dedicated to Saving/Debt (10% of Total) |  |  |
| Amount dedicated to Utilities (7% of Total) |  |  |
| University Tuition |  |  |
| Remainder: |  |  |

1. What sort of things would you still need to pay for with your remaining money?
2. Based on your total for food in the above chart, calculate your weekly food budget

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | (÷ 12) Monthly | (÷ 4) Weekly |
| Amount Dedicated to Food **No Loan** (15%) = |  | ÷12 = | ÷4 = |
| Amount Dedicated to Food **With Loan** (15%) = |  | ÷12 = | ÷4 = |

1. Use the online flyer at <http://www.saveonfoods.com/weekly-specials> to create a grocery list that will feed you for a week (breakfast, lunch, and dinner) within your budget.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Breakfast | Lunch | Dinner |
| Purchases($) |  |  |  |
| Total $ |  |  |  |

1. Go online to <http://victoria.craigslist.ca/> or <http://www.usedvictoria.com/classifieds/real-estate-rentals> and find the cheapest places you could live:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Monthly Rent | Rent with Roommate(s) | months | Yearly cost for rent |
| One Bedroom | $ | n/a | x12 |  |
| Two Bedroom | $ | ÷ 2 = | x12 |  |
| Three Bedroom | $ | ÷ 3 = | x12 |  |

1. Do the above places allow you to live off either of your total incomes? (With or Without Loan?)
2. Based on the costs (and suggested percentages) for your housing and utilities how much should you make a year to be able to afford the accommodations?

|  |  |  |  |
| --- | --- | --- | --- |
|  | Yearly Cost for Rent | = 25% of | Yearly Income |
| One Bedroom |  | **÷** $\frac{1}{4}$ **=** |  |
| Two Bedroom |  | **÷** $\frac{1}{4}$ **=** |  |
| Three Bedroom |  | **÷** $\frac{1}{4}$ **=** |  |

1. How much should your utilities be for each place, based on your total income and the utilities section of the budget? (If your place includes utilities put $0 for this section)

|  |  |  |  |
| --- | --- | --- | --- |
|   | Yearly Income | 7% | Yearly Utilities |
| One Bedroom |  | x 0.07 |  |
| Two Bedroom |  | x 0.07 |  |
| Three Bedroom |  | x 0.07 |  |

1. Based on your Yearly Income how much money should you spend on food (15%)?

|  |  |  |  |
| --- | --- | --- | --- |
|  | Yearly Income x 0.15 = | (÷ 12) Monthly | (÷ 4) Weekly |
| One Bedroom  |  | ÷12 = | ÷4 = |
| Two Bedroom |  | ÷12 = | ÷4 = |
| Three Bedroom |  | ÷12 = | ÷4 = |

1. Given all of your **YEARLY** costs (include tuition) how much money do you have left over for everything else in your life, for the year?

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Yearly Income |  $- Rent$ | $$- Utilities$$ | $$- Food$$ | $$- Tuition$$ | = Remainder |
| One Bedroom |  |  |  |  | $8,000 |  |
| Two Bedroom |  |  |  |  | $8,000 |  |
| Three Bedroom |  |  |  |  | $8,000 |  |

1. Minimum wage in B.C. is around $11.25/hr. How much would you have to work to earn enough money to live in each place (without student loans)?

|  |  |  |  |
| --- | --- | --- | --- |
|  | $$\frac{Yearly Income}{\$11.25/hr}=\# of Hrs$$ | $$\frac{\# of Hrs}{52 weeks}=\# hr/week$$ | $$\frac{\# of hr/wk}{7 days}=\# hr/day$$ |
| One Bedroom |  |  |  |
| TwoBedroom |  |  |  |
| ThreeBedroom |  |  |  |

1. Minimum wage in B.C. is around $11.25/hr. How much would you have to work to earn enough money to live in each place (with student loans)?

|  |  |  |  |
| --- | --- | --- | --- |
|  | $$\frac{Yearly Income-Loan}{\$11.25/hr}=\# of Hrs$$ | $$\frac{\# of Hrs}{52 weeks}=\# hr/week$$ | $$\frac{\# of hr/wk}{7 days}=\# hr/day$$ |
| One Bedroom |  |  |  |
| TwoBedroom |  |  |  |
| ThreeBedroom |  |  |  |

1. What are some other ways you could reduce your costs?
2. What else could you do, in the next few years, to plan for the future?