**Part 1– Dream Essay**

**Objective**: to write down your hopes and dreams for the future

This is your chance to write about the dream life you would like to have. When you close your eyes and imagine the life you could have what would it look like?

· What kind of work will you be doing?

· Where will you live?

· What kind of house or apartment will you have?

· What kind of car will you drive?

· Will you get married?

· Will you have a family?

· What will you do in your free time? Hobbies? Sports?

· How will you contribute to society (volunteering, charity, church, etc) ?

**Part 2– Your goals**

Create a list of goals for yourself. You need to come up with 10 short-term goals for yourself and 10 long-term goals. A short-term goal is something you want to accomplish in the next 1 to 5 years. A long-term goal is something you want to accomplish in your life at some time.

Since this is a list you may bullet it if you would like.

**Part 3– Your road to life**

Provide a realistic plan as to how you are going to accomplish your goals. Give a 2-3 paragraph explanation as to how you plan on reaching the goals you stated above. Do you plan on taking honors classes in the future? Getting your GPA up? Joining clubs or volunteering, etc.

**Part 4- The Job**

**Objective**: Find a job

**Requirements:**

-Must be a real job. No fantasy or celebrity jobs such as being a famous rapper, athlete, etc.

-You must use the salary provided in the following worksheet (“Summary of Paycheck” at the top). You are fresh out of school and you will not make the top salary. You have to work your way there and for the sake of this project, everyone will have the same starting salary.

 The following websites may help you search for jobs

- [www.collegegrad.com/careers/servi.shtml](http://www.collegegrad.com/careers/servi.shtml)

-[www.salary.com](http://www.salary.com/)

- [www.careeronestop.org/SalariesBenefits/Sal\_default.aspx](http://www.careeronestop.org/SalariesBenefits/Sal_default.aspx)

- www.livercareer.com

**You will need to find the following information:**

-Job description

-Working conditions or environment

-Required training or education

-Salary range

-Benefits (health, dental, etc) if possible

-Are there perks to having the job?

-What are the things you get from doing your job that are not listed in the job description?

EX: teachers get summers off or doctors can give their families free medical care.

**Summary of Paycheck**

Business of Your Imagination

600 E. Fourth Street

PO Box 30035

Charlotte, NC 28202 UNITED STATES OF AMERICA XXXX-XXX-XXXX

|  |  |  |
| --- | --- | --- |
|  | **For Month** | **For Year (so far)** |
| **Total Gross Income:** | $2,951.46 | $35,417.50 |

Employee Pre-Tax Deductions from Paycheck:

|  |  |  |
| --- | --- | --- |
|  | **For Month** | **For Year (so far)** |
| **401K Retirement Plan** | $183.34 | $2,200.08 |
| **Dental Insurance** | $29.00 | $348 |
| **State Retirement Plan** | $112.51 | $1,350.12 |
|  |  |  |
| **Total Employee Pre-Tax Deductions** | 1. | 2. |

Employee Tax Deductions from Paycheck:

|  |  |  |
| --- | --- | --- |
|  | **For Month** | **For Year (so far)** |
| **Federal Income Tax** | $374.91 | $4,498.92 |
| **State Income Tax** | $177.00 | $2,124.00 |
| **Social Security Tax** | $217.79 | $2,613.48 |
| **Medicare Tax** | $50.93 | $611.16 |
|  |  |  |
| **Total Employee Tax Deductions** | 3. | 4. |

|  |  |  |
| --- | --- | --- |
| **Total Deductions:** | 5. | 6. |
| **Total Net Income (after deductions)** | 7. | 8. |

1. Find the value for the total employee pre-tax deductions.
2. Find the value for the total employee pre-tax deductions for the year so far.
3. Find the value for the total employee tax deductions.
4. Find the value for the total employee tax deductions for the year so far.
5. Find the value for the total employee deductions including both pre-taxes and taxes.
6. Find the value for the total employee deductions including both pre-taxes and taxes for the year so far.
7. How much do you actually have as far as spending money for the month? Find the total net income (Gross income – Total deductions).
8. Find the total net income for the year thus far (Gross income total for year so far – total deductions for year so far).
9. Does the amount of taxes taken out of this employee’s paycheck surprise you? Why or why not?
10. What percent of the employee’s total gross income is taken out of his/her paycheck each month (total % of deductions)?

***Analyze the following chart. This chart shows the deductions that the employer has to pay on each pay date:***

Employer Deductions before Paycheck

|  |  |
| --- | --- |
|  | **For Month** |
| **Life Insurance for Employee** | $0.68 |
| **State Healthcare for Employee** | $432.66 |
| **State Retirement Plan for Employee** | $520.28 |
| **Social Security Tax Matched by Employer** | $217.79 |
| **Medicare Tax Matched by Employer** | $50.93 |
|  |  |
| **Total Employer Deductions (not including employee paycheck)** | 11. |
|  |  |
|  |  |
| **Employee Paycheck** | 12. |
|  |  |
| **Total Employer Deductions** | 13. |

1. Calculate the value for the total employer deductions that don’t include the employee paycheck.
2. Put the monthly Gross income of the employee in this space.
3. Calculate the total employer deductions from payroll (#11+#12).
4. The employer pays a total of \_\_\_\_\_\_\_\_\_\_\_ (#13) toward the employee, and the employee only receives \_\_\_\_\_\_\_\_\_\_ (#7) in usable/disposable income. What is your reaction to this?
5. What is the largest tax on the employee?

**Part 5– Creating a Budget**

**Objective:** to discover how much money you can spend on the following things.

Disposable Net Income Per Month (income after taxes)- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\*\*\***Answer to #7 on the paycheck worksheet**\*\*\*

Housing allowance Per Month (***suggested***: up to 35% of disposable income)- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Multiply disposable income by .35

Vehicle allowance Per Month (***suggested*** up to 15% of disposable income)- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Multiply disposable income by .15

Savings allowance Per Month (***suggested*** up to 10% of disposable income)- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Multiply disposable income by .10

Loans/Debt allowance Per Month (***suggested*** up to 15% of disposable income)- \_\_\_\_\_\_\_\_\_\_\_\_\_

 Multiply disposable income by .15

Other living expenses Per Month (***suggested*** up to 25% of disposable income) -\_\_\_\_\_\_\_\_\_\_\_\_\_

 Multiply disposable income by .25

**Part 6– Housing**

**Objective:** to find a place to live

Think about how you will live once out of high school or college. Will you rent an apartment? Buy a house? Have roommates? Since living at home will NOT be an option you must decide what works best for you. You may choose to have a roommate but you may not count on a spouse or significant other. This means if there will be two people living together you must have a 2 bedroom apartment or house.

 Step 1: Find an apartment or house

 Step 2: Find renters or homeowners insurance based on the apartment you find.

 Step 3: Decide **if you want** cable, land line, cell phone line, DVR, etc. (you do not HAVE to get these if you cant afford)

 Step 4: Figure out if the apartment or house you found AND the price of utilities fits into your budget.

 Step 5: Fill out the chart and complete the questions and reflection piece.

**House Buying**

If you are deciding on buying a house you must calculate your mortgage (house payments) according to current interest rates. You may use the following sites to help you:

 [http://www.mortgage-calc.com](http://www.mortgage-calc.com/)

 [http://www.homestore.com](http://www.homestore.com/)

 [http://www.apartmentfinder.com](http://www.apartmentfinder.com/)

**Apartment Renting**

 Do an internet search for apartments in the Charlotte area. (It is easier to do Charlotte since cities like L.A. and NYC are really expensive)

 Find an apartment that fits into your price range

 Record on your chart where the apartment is located

**Renters or Homeowners Insurance**

 You MUST get renter or homeowners insurance. Do an internet search for “renters insurance” or “homeowners insurance”

**Part 6– Housing (Cont…)**

|  |  |  |
| --- | --- | --- |
|  | **Monthly** | **Company**  ***Who are you getting your services from?*** |
| Housing Payment (mortgage or rent) |  |  |
| Home Owners or Renters Insurance |  |  |
| Gas | **$50.00** | **N/A** |
| Electric | **$50.00** | **N/A** |
| Water | **$25.00** | **N/A** |
|  |  |  |
| Cable |  |  |
| Phone and  Internet |  |  |
| Total Housing Costs |  |  |
|  |  |  |
| Disposable  Income  *(Income left over after housing costs)* |  | **N/A** |

**Answer the following questions:**

1. What choices did you have to make to fit your housing into your budget?

2. Did you choose an apartment or a house? Why did you make this choice?

3. Why is it important to have renters or homeowner’s insurance?

4. \_\_\_\_\_\_\_Check if you used more than 35% of your budget on housing

Explain how are you going to pay for the extra cost?

5. \_\_\_\_\_\_\_ Check if you used less than 35% of your budget on housing

Explain what you are going to use the extra money for:

**Part 7– Vehicle**

**Objective:** to find a car without going over budget

You must decide what type of car you are going to own or lease. You may not count on the fact that your wonderful parents will be supplying you with one. So first you may find a car, the following websites might help you in your quest:

 [www.householdauto.com](http://www.householdauto.com/)

 [www.cardirect.com](http://www.cardirect.com/)

 [www.carmax.com](http://www.carmax.com/) (this site has a payment estimator to help you decide how much you will pay a month. Please use current interest rates)

**Car Payment:**

Step 1: Choose a car

Step 2: Figure out how much it will cost you a month.

Step 3: You will not have a down payment

Step 4: The interest rate will be 6%

Step 5: Decide how long you need the loan (24 months, 36 months, 48 months, etc)

**Car Insurance: \*\*\*Ask parents for help on this\*\*\***

Decide between the following types of insurance:

 **Liability-** covers bodily injury and property damage if you are at fault

 **Collision-** covers your car if you are in an accident

 **Comprehensive**- covers most other incidents: fire, theft, and vandalism.

*You may contact places like* [*www.geico.com*](http://www.geico.com/) *(I would highly recommend giving false information so they can not hassle you).*

**Fill in the chart:**

|  |  |
| --- | --- |
|  | Monthly Cost |
| Car Payment |  |
| Insurance |  |
| Maintenance |  |
| Total Car Cost |  |
|  |  |
| Disposable Income  (income left over after housing costs) |  |
| Total Car Cost |  |
|  |  |
| How much is left over after vehicle costs  (Disposable Income) |  |

**Part 8– The Others**

**Objective**: to figure out how much you can spend on the extra’s in your life.

The others includes the following:

  -Food (both eating out and groceries)

-Clothes

-Gas (this will cost you roughly $30-40 a week depending on your car)

  -Entertainment

 Movies

 Vacation

 Etc.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| How much do you have to spend (what is left of Net Income after Housing and Vehicle Costs)? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | | | |
|  | Weekly | Monthly |  |  |  |
| Groceries |  |  |  |  |  |
| Eating Out |  |  |  |  |  |
| Clothing |  |  |  |  |  |
| Entertainment |  |  |  |  |  |
| Gas |  |  |  |  |  |
|  |  |  |  |  |  |
| Total Cost |  |  |  |  |  |

**Reflection Questions:**

1. What choices did you have to make when deciding how much to spend on “the others”?

2. Which of the costs above could change the most?

3. Did you have any extra money when you finished?

1. Before you started this activity, did you feel like this was going to be really easy? Why or why not?
2. Did you ever go over budget, and have to re-assess your expenses?
3. What was the most expensive item you budgeted? Why?
4. What was the least expensive item you budgeted? Why?
5. After working through this project, what did you learn about budgeting and living in the “real world”? Please explain.