

## Personal Budget

You just graduated from college and were recently hired as a chemical engineer. Your starting salary is \$48,000. You are excited about your new career and salary, but realize that you need to budget your money.

You are going to plan your budget for two months. Listed below is an example of a budget for someone with a similar income that you found on-line. You know that you cannot change the amount that you pay for taxes, housing, car payment, car insurance, medical insurance or your student loan because those are fixed expenses. You do, however, see some flexibility with the other expenses.

Plan your budget using the example budget as a guide. You may add additional expenses in the blank spaces, but your total expenditures for the month cannot exceed \$4,000.

EXPENDITURE	EXAMPLE	MONTH 1	MONTH 2
TAXES	\$1,400	\$1,400	\$1,400
HOUSING (includes utilities, cable, Internet)	\$850	\$850	\$850
FOOD (groceries & eating out)	\$600		
CLOTHES	\$175		
CAR PAYMENT	\$250	\$250	2350
GASOLINE/OIL CHANGE	\$175		
CAR INSURANCE	\$75	\$75	\$75
CAR REPAIRS	\$20		
MEDICAL INSURANCE (co-pays)	\$70	\$70	\$70
ENTERTAINMENT (movies, going out, etc.)	\$150		
NEWSPAPERS, BOOKS, MAGAZINES	\$25		
SAVINGS	\$25		
STUDENT LOAN PAYMENT	\$135	\$135	\$135
MISCELLANEOUS (haircuts, toiletries, etc.)	\$50		
<b>TOTAL</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$4,000</b>

1. Did you make any changes in your budget from month to month? Why?

2. What tradeoffs did you make?