

## Create a Personal Budget

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### Directions

Create a monthly budget to make career goals that fit your current and future financial needs. If you are not currently employed, create a future budget based on a desired occupation.

### Advance Your Career

**Audience:** Exploration; In Depth

**Length:** 30-45 minutes

Make copies of this page to make a few budgets. Create one that you can use now, and other budgets based on your projected expenses and income a few years from now. See how your budget changes when you add or cut monthly expenses or use wages from different jobs.

**Occupation** \_\_\_\_\_

**Occupation Median Wage \$** \_\_\_\_\_

(Use *MnCareers* or MCIS to find wage information.)

### Gross Pay vs. Net Pay

<b>Gross monthly</b> income is your hourly wages times the number of hours you work in an average month or your annual salary divided by 12.	\$ _____
<b>Payroll deductions</b> include Federal and State taxes, Social Security plans and insurance costs (typically 30 percent of your gross monthly income).	\$ _____
<b>Net monthly income</b> is your total take-home pay, minus payroll deductions. <i>This is the number to use for your monthly budget.</i>	\$ _____

When estimating your monthly expenses, determine how much you spend in each category based on an honest look at your spending habits. Base this budget on your **net income**, not your gross income.

## Monthly Expenses

<b>Housing</b> includes monthly rent or mortgage payments (preferably no more than 30 percent of your income).	
<b>Food</b> expenses vary for single people and families. Be sure to include eating out.	
<b>Utilities</b> are services in your home like electricity, heating costs, telephone service, Internet service, cable TV, etc.	
<b>Transportation</b> costs include public transportation fares or car payments, gas and insurance. Also include car repairs and other costs needed to maintain a vehicle.	
<b>Savings</b> , whether in a bank account or investments, are important for unexpected emergencies, large purchases and retirement.	
<b>Clothing</b> includes work and casual clothes, shoes, coats and accessories. If you don't buy clothes every month, estimate your yearly expenses and divide by 12.	
<b>Entertainment</b> includes money spent on going to the movies, DVD rentals, concerts, going to clubs, buying books, video games, etc. Multiply your weekly expenses by four to get a monthly average.	
<b>School</b> payments include tuition, student loans, books and supplies.	
<b>Debt</b> includes credit card bills and other monthly payments.	
<b>Miscellaneous</b> expenses cover all the other things you might spend money on regularly, like cell phone, cosmetics, household cleaning supplies, pet products, prescriptions, other medical costs, etc.	
<b>Total Monthly Expenses =</b>	
<b>Net Income ( - ) Monthly Expenses =</b>	