Living On Your Own

Living on your own creates many expenses you may not be aware of. The best way to help you prepare is to create a budget and determine exactly what you will need to support your new lifestyle.

What's included in a budget?

Income

- Let's say you make $10 an hour. Multiplying this by the number of hours you work gives you your *gross income*. This isn't what you get to take home each paycheck.

  Deductions (voluntary and involuntary) like taxes, health insurance, 401K, etc. will need to come out of your gross income to determine your *net income*, which is how much you actually take home.

Expenses

- Some expenses will be *fixed expenses*, meaning they are the same amount each month. Others will be *variable expenses*, meaning they can vary from month to month. You will need to account for both types of expenses to make sure your budget is as accurate as possible. It is helpful to group your expenses in a budget to make it easier to see where your money is going.

Before you start your budget:

Set goals

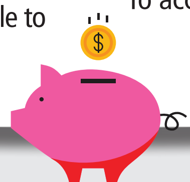
One way to achieve your goals is to save for them and give your savings the same priority as your living expenses.Identify one short-term goal and one long-term goal (over 12 months) and calculate how much you would need to save each month to accomplish that goal. Then, include these amounts in your budget. If you contribute a set amount to your savings each month, you won't be able to *accidentally* spend that money on something else.

In the next 3-12 months, I'd like to: ____________________

To accomplish this goal, I need to save $ ____________________

In the next 12+ months, I'd like to: ____________________

To accomplish this goal, I need to save $ ____________________



Be real about your income

When it comes to budgeting, it's important to calculate your monthly take-home pay—this is your income after estimated taxes and other deductions listed on your paycheck (like health care, social security and retirement savings) have been taken into account.

Does your employer offer health insurance? YES NO **If yes, what will you need to pay?** $ ____________________

Does your employer offer a 401K plan? YES NO **If yes, how much do you think you can save monthly?** $ __________

What will you owe in taxes? *This will depend on your income.* $ ____________________

Think about what expenses you'll have

Will you have roommates to help you pay the rent and expenses? How much will your utilities cost? Do you have a vehicle? If not, calculate what a payment would be for purchasing a new and used vehicle. How much will car insurance cost each month? How much does an average person spend on groceries in a month? How much will it cost to go out with your friends or out to eat? Don't forget to think of your savings goal as an expense, too!

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Your Monthly Budget for ▶ ______________________

MONTHLY INCOME

MONTHLY GROSS INCOME $ ____________
– TAXES $ ____________
– INSURANCE $ ____________
– 401K $ ____________
– OTHER: ____________ $ ____________
– OTHER: ____________ $ ____________

Total Monthly Net Income $ ____________

SAVINGS PLAN

EMERGENCY SAVINGS $ ____________
RETIREMENT SAVINGS $ ____________
(outside of 401K)
GOAL: ____________ $ ____________
GOAL: ____________ $ ____________
GOAL: ____________ $ ____________

Total Saved This Month $ ____________

MONTHLY EXPENSES

Housing

RENT $ ____________
RENTERS INSURANCE $ ____________
ELECTRICITY $ ____________
GAS $ ____________
WATER $ ____________
INTERNET/CABLE $ ____________
CELL PHONE $ ____________

Transportation

CAR PAYMENT $ ____________
CAR INSURANCE $ ____________
GAS $ ____________
MAINTENANCE $ ____________

Other Expenses

STUDENT LOANS $ ____________
CREDIT CARDS $ ____________
MEDICAL INSURANCE $ ____________
(copay, etc.)

Food & Household

GROCERIES $ ____________
HOUSEHOLD ITEMS $ ____________

Personal

ENTERTAINMENT $ ____________
DINING OUT $ ____________
GYM $ ____________
PERSONAL CARE $ ____________
CLOTHING $ ____________
HOLIDAYS/GIFTS $ ____________

Miscellaneous

____________ $ ____________
____________ $ ____________
____________ $ ____________
____________ $ ____________

Total Monthly Expenses $ ____________

Total Monthly Net Income		Total Saved This Month		Total Monthly Expenses		What's left
$ ____________	–	$ ____________	–	$ ____________	=	$ ____________