

A Look into the Future

1st Semester Economics Project

As you look toward your future life, make reasonable choices as to who and where you think you will be.

I am 23 years old with/without (circle one) a college degree.

I work as a _____.

I live in a(n) _____ . (apartment, room, alone, with/without roommates)

I use public transportation/my own car (circle one).

I drive a new/used _____ (year, make and model car).

I have a cell phone/landline.

I have/don't have cable TV. I have/don't have internet.

I have/don't have a computer.

I tithe _____% of my income or \$_____ per month to my church.

Cost-of-Living Analysis

1st Semester Economics Project

Purpose:

1. To look at “real life” economics: How much money it costs for you to live.
2. To analyze living costs as a prelude to making a budget.
3. To think about needs/desires/lifestyles.
4. To consider what income you might require to support yourself and a family.

Due Date:

Last seminar meeting, December 12, 2008

Task:

1. Pretend you are 23 years old (after college) living independently for the first time.
2. Pretend you are working a full-time job (one that you might reasonably or actually do).
3. Determine what your gross income might be for one month.
4. By using some of the categories below, determine real costs by performing the suggested activities. To estimate other costs for your chosen lifestyle, divide a month of your parent’s electric bill, for example, by the number of members in your household.

Rent	Call local apartment complex	Electricity	Call utility
Natural gas/oil	Call utility	Phone Services	Call service company
Cable TV	Call Verizon	Internet Services	Call service company
Groceries	Ask parent	Eating Out	
Car Payment	Call car dealer. Cost of car div. by 12	Education	
Gasoline	Price per gallon x gal/month	Car Insurance	Call insurance company
Clothing	Ask parent	Car Maint./Repairs	Ask parent
Health/dentist	Ask parent	Tithing	
Payroll deductions	Ask parent	Taxes	
Entertainment		Other	

5. Use the expenses from #3 above to create a pie chart (or some other chart or graph) that shows what percentage of your income is spent in each of the following categories:

Category	Total Cost	% of Gross Salary
Healthcare		
Taxes		
Food		
Car-related Expenses		
Entertainment		
Tithe		
Rent		
Utilities		
Services		
Savings		

6. Discuss all aspects of this project with your parents and get their advice, permission, and input.
7. Let your pie chart also show how much money remains after all monthly expenses are paid and savings is set aside.
8. Consider how you could “cut corners” in order to save/invest more of your Income, or give more to the Church.
9. Show where you reduced expenses and explain how you did it.
10. During the seminar meeting on Dec. 12th, be prepared to discuss your chart, cost-cutting and what you learned.

Determining your Pie Chart

My monthly salary is _____.

Determine your monthly spending for these 10 categories:











Food	Utilities (gas, electric, water)	Entertainment	Services (internet, phone, trash)	Housing
Healthcare	Taxes	Car-related expenses	Savings (10%)	Tithe (10%)

1. Find out if you are spending more than you make. Add the spending for all categories. It better be less than your monthly salary!

How much is left after all expenses are paid? _____ (Add this to your savings!)

2. To determine what percentage (P) of your salary (\$S) is spent on a category (\$C), do the math:

$$P = \frac{100 C}{S}$$

	%
 Food	_____
 Utilities	_____
 Ent.	_____
 Services	_____
 Health	_____
 Taxes	_____
 Car	_____
 Rent	_____
 Savings	_____
 Tithe	_____