

Step 1: Income Research (due date: 3/31)

Job	Job #1 (no training or education required)	Job #2 (some training, education, experience)	Job #3 (at least 4-year college degree)
<i>Income Research – salary.com - Salary Tab - browse by income level/entry or middle level OR by US salaries/income level</i>			
	Salary tab - choose job with a salary up to \$30,000	Salary tab - choose a job with a salary up to \$50,000 that requires some education or experience	Salary tab - choose an entry level job that requires at least a bachelor's degree
Description of Job <i>(including education or experience requirements)</i>			
Gross Annual Income <i>(Use 10% figure because you will be entry level!)</i>			
Process	÷ 12	÷ 12	÷ 12
Gross Monthly Income			
WITHHOLDING: to be subtracted from Gross Monthly Income <i>(paycheckcity.com: Salary Calculator Tab – choose GA, ENTER gross annual \$, CHOOSE annual, YTD= 0, monthly, single, 1 allowance, skip to the bottom of the page and click “calculate”)</i>			
Taxes and Benefits			
1 Federal Income Tax			
2 Social Security			
3 Medicare			
4 Georgia State Tax			
5 Healthcare Cost to You <i>(assume employer pays all but \$200)</i>	200.00	200.00	200.00
6 Pension Contribution	N/A	0 <i>(employer pays)</i>	 <i>(If not stated in job description, use 3% of gross monthly)</i>
TOTAL WITHHOLDING <i>(add all 6 withholding items)</i>			
MONTHLY TAKE- HOME INCOME Process: subtract total withholding from gross monthly income			

Step 2: Budget Check (due date: 3/31)

Read and apply cost of living research from
 “Home Budget: Cost of Living Reality Check.”

<http://quicken.intuit.com/support/help/money-guide/home-budget--cost-of-living-reality-check/INF16169.html>

Record the amount you will budget in each category.

Job	Job #1 (entry level)	Job #2 (some training/ed)	Job #3 (4-year college degree)
<i>Calculate each category based on the percentages found in the “Home Budget” article referenced above and each of the three salaries you researched. This will give you an idea of what you could afford at each salary level.</i>			
Monthly Take-Home Income (last row from page 1)			
1. Housing			
2. Utilities			
3. Food			
4. Transportation (includes car payment)			
5. Debt Repayment			
6. Savings **			
7. Clothing			
8. Entertainment			
9. Car Insurance & Misc. Expenses			
<i>Process to calculate Total Monthly Budget: Add items 1 – 9. Record below</i>			
Total Monthly Budget <i>Should be close to monthly take-home income.</i>			

Savings?? Emergency Fund??? A comfortable goal is to maintain a \$1,000 cash emergency fund plus savings that would cover 3 -6 months of expenses. It may take several years to achieve this, but it is a goal worth working toward.

Comment on how you could integrate this into your budget. You might include additional income (tips, bonus, raise, 2nd job) in your savings plan.

Step 3: Reality Check (due date: 3/31)

Figure your hourly wage by dividing the Gross **ANNUAL** income by 2080 hours.

Job #1 = \$ _____ per hour Job #2 = \$ _____ per hour Job #3 = \$ _____ per hour

Go to JumpStart.org <http://jumpstart.org/reality-check.html> and “Enter Reality Check.” Provide requested information and click “Reality Check.” Use provided JumpStart lifestyle list to record your choices.

Record hourly wage required for the lifestyle you chose: \$ _____ per hour

Paragraph:

- Comment on how salaries and education requirements for your Job 1, Job 2, and Job 3 differ.
- Include honest analysis of which budget categories from Step 2 would NOT cover your expenses and which budget categories you might be able to spend less than budgeted to use in another category.
- Based on the reality check from JumpStart.org, comment on how you might need to alter your preferred lifestyle to match your income. (consider 2nd job, roommate(s), no new cars, less entertainment, etc.....)

Step 4: One-Time Investment Activity (due date: 3/31)

You receive \$1500 from friends and family for graduation.

You decide to be smart with your money and invest it in a 5-year CD (Certificate of Deposit).

1. Go to ratebrain.com and choose CD, choose 5 year tab.
2. Choose an institution with whom you would like to invest with a minimum deposit requirement \leq \$1500.
3. Record the name of the institution, interest rate and the initial investment needed (*must be \leq your PV of \$1500*) into Table A. If the interest rate is listed as "APY," you may assume annual compounding.
4. Use the TVM solver on a graphing calculator to determine the value of your investment at the end of the **FIVE** years. Complete the TVM solver info in Table B.
5. Include a statement about how much money you will have at the end of five years. Explain why you would or would not choose this investment.

Table A: Record info on investment choice:

Institution	
Interest Rate	
Compound period	
Initial investment required	

Table B: Record info from TVM Solver:

N # compounding periods	
I%	
PV	
PMT	
FV	
P/Y	
C/Y	

#5 Statement:

Step 5: Vacation Investment (due date: 3/31)

1. Research a dream vacation (see bottom left of Library Guide for links.) Cite your source for each of the cost items.
2. Go to bankrate.com and choose savings account (MMA Savings).
3. Choose an investment you would like to use that is compounded monthly with an initial deposit required of $\leq \$500$.
4. Record the name of the institution, interest rate, the compounding period, and your initial investment (\$500) into the "How I Plan to Pay for My Vacation" table below.
5. Complete the two TVM solver tables. (Remember PV and PMT both start as **negative**.)

Scenario A: First one: You want to take your vacation in five years. How much will you have to put into your account each month (PMT) to pay for your dream vacation? (Alpha, Enter for PMT)

Scenario B: Second one: You know you can put \$75 into your investment each month (PMT). How long will you have to wait to go on your vacation? (Alpha, Enter, for N)

My Dream Vacation

Destination			
Duration			Website Used
Total cost	Plane fair	\$	
	Gas	\$	
	Car rental	\$	
	Food	\$	
	Entertainment	\$	
	Hotel	\$	
	Miscellaneous	\$	
Total			

How I Plan to Pay for My Vacation: CD Investment

Institution	
Interest Rate	
Compound period	Monthly
Initial investment needed	

TVM Solvers

A	Monthly investment needed each month to pay for my dream vacation in 5 years (SOLVE FOR PMT)		B	# months needed for a \$75 monthly investment to pay for my dream vacation (SOLVE FOR N)
N			N	months
I%			I%	
PV			PV	
PMT	\$ per month		PMT	-75.00
FV			FV	
P/Y			P/Y	
C/Y			C/Y	