

BUILDING YOUR BUDGET

STARTING YOUR CAREER and LIVING AWAY FROM HOME

1. **Choose a career** that you would like to have after you finish your schooling. Research the **beginning salary or wage** for this career as well as the current level of income tax that you would need to pay for the province/territory where you plan to live. If you expect to work two part-time jobs, research wages for both of them.
2. Budget for your expenses by providing the yearly and monthly costs for each of the following:
 - a. **Income tax:** Estimate federal and provincial/territorial tax for the income bracket you expect to be in.
 - b. **Housing:** Choose an area in Canada where you would like to live. Research the housing costs for this area. Be specific with your location and type of housing, and include other costs that may be associated with your accommodation expense.
 - c. **Utilities:** Research costs for heat, light, telephone, cable, and so on.
 - d. **Transportation:** Choose a method of transportation that is reasonable and practical for your location and career choice. Research the expenses for this type of transportation. If you intend to use a car, include average fuel and maintenance costs and parking fees.
 - e. **Food:** Research typical food and restaurant costs in your chosen area.
 - f. **Savings:** When preparing a budget, an established principle is “pay yourself first.” This means saving some money each month for future unexpected expenses or for large planned purchases (a car, a vacation, a new snowboard). Choose an item to save for and research the cost of that item. It should be valued at over \$5427.29.
 - g. **Charitable donations:** Consider making regular contributions to a charity or non-profit community organization whose work you want to support.
 - h. **Clothing and personal items:** How much do you plan to spend on clothing, on average, in a month? How much will toiletry items and other ongoing personal expenses cost?
 - i. **Other:** What are some other expenses that are unique to you? Do you play sports or have recreational activities that involve expenses? List these other expenses and research costs associated with them.
3. **Report:** Prepare a write up explaining the following.
 - a. What your chosen career is and a company that you might like to work for.
 - b. Where will you live? Describe the type of housing (ex. Rent a one-bedroom apartment, share a two-bedroom townhouse with a roommate, etc.), what city, and where you found your values.
 - c. What utilities will you require? If you will not require a certain utility (such as TV or home phone), explain why.

- d. Describe your transportation (what type of car, bus pass, how much you will drive, etc.)
- e. What type of food will you eat and how did you calculate your costs (monthly groceries and eating out).
- f. What item are you saving for? Why do you want to save for that item? Where will you purchase it?
- g. Provide a breakdown of your clothing and personal items expenses.
- h. What other expenses you plan for? Why?

Tips

- Use your “Lifestyle Reality Check” as a guide for the types of expense you will incur. Calculate your own values for each expense.
- Use the Simple Budget Formula to help with estimating your expenses.
- *Budget conservatively* – always assume things will cost more than they do.
- Use Microsoft Excel to help with keeping all these numbers organized. You can even use the AutoSum function (it adds everything up for you).

This project is due on **midnight of Dec. 24th**. You will have part of Friday, Monday, and Tuesday to complete this project in class.