

Name: _____

Date: _____

Budgets and Expenses - Using a Budget 1

It is wise to use a budget. A budget not only helps you keep track of where your money goes each month, it also helps you keep track of your spending habits and shows you areas where you can cut back so you can stay within budget or save money for future expenditures or unexpected expenses such as medical bills.

Formula for Calculating Budget Percentages

$$\text{Amount Budgeted} \div \text{Total Budget} = \text{Percent of Budget}$$

Directions: Complete the chart below for William and then answer the questions.

Round percentages two places.

	Expenditure	Budgeted	Total Monthly Living Expenses	Percent of Budget	Average Household	More or Less Than Average
1.	Food	\$584.00	\$1,301.00		48.00%	
2.	Electric	\$146.00	\$1,301.00		10.00%	
3.	Phone	\$84.00	\$1,301.00		7.00%	
4.	Water	\$18.00	\$1,301.00		2.00%	
5.	Transportation	\$137.00	\$1,301.00		11.50%	
6.	Clothing	\$42.00	\$1,301.00		6.00%	
7.	Credit Cards	\$83.00	\$1,301.00		5.50%	
8.	Subscriptions	\$32.00	\$1,301.00		4.50%	
9.	Entertainment	\$175.00	\$1,301.00		5.50%	

- William reduced his entertainment expense by \$50.00 so he could buy additional food. What is his new percent of budget for food? _____
- What is his new percent of budget for entertainment? _____
- William has decided to start carpooling, which will reduce his transportation expense from \$137.00 to \$31.00. How much money will carpooling save William? _____
- Other than transportation, if all of William's other expenses stay the same, what is the new amount of his total monthly living expenses? _____
- What is the new percent of budget for transportation? _____
- The electric company has installed a new metering system that has caused William's power bill to increase by \$12.00. What is the new amount William must budget for his electric expense? _____
- Considering the decrease in William's transportation expense and the increase in his electric bill, what is the new amount of William's total monthly living expenses? _____

