

# Let's Practice Budgeting!

Imagine you are a second-year student at Michigan Tech! Last year you lived in the dorms, but this year you will be living off campus. Your scholarships and student loans cover tuition and books, and you won't need to worry about repaying your student loan debt until after you graduate from college. For now, you need to focus on your studies and managing your monthly expenses with your part-time income. Lucky for you, you are still on your parent's health insurance until you turn twenty-six, and they offered to pay for your cell phone bill because you are on their family plan.

## Step 1: Pick a job

You may choose more than one job, as long as your total hours don't exceed 30 hours/week. (Remember, you still need time to study.)



**Gas Station Cashier - 30 hours a week at \$12.48/hr**

### Bi-Weekly Paycheck Breakdown:

Gross Pay: \$748.80

Federal withholding: -\$74.88

Social Security: -\$46.43

Medicare: -\$10.86

MI State withholding: -\$31.82

Total deductions: -\$163.99

**Net Pay (Take-Home): \$584.81**

- Evening & weekend shifts
- Permitted to do some homework in downtime

Since there are 26 pay periods/year, your average monthly take-home pay is: **\$1,267.09**



**Ski Instructor - 15 hours a week at \$13.00/hr**

### Bi-Weekly Paycheck Breakdown:

Gross Pay: \$390.00

Federal withholding: -\$39.00

Social Security: -\$24.18

Medicare: -\$5.66

MI State withholding: -\$16.58

Total deductions: -\$85.41

**Net Pay (Take-Home): \$304.59**

- Evening & weekend shifts
- Free meal with each shift

Since there are 26 pay periods/year, your average monthly take-home pay is: **\$659.95**



**Dining Service Cook - 25 hours a week at \$15.00/hr**

### Bi-Weekly Paycheck Breakdown:

Gross Pay: \$750.00

Federal withholding: -\$75.00

Social Security: -\$46.50

Medicare: -\$10.88

MI State withholding: -\$31.88

Total deductions: -\$164.25

**Net Pay (Take-Home): \$585.75**

- Weekday evenings and some weekend shifts
- Permitted to take leftover food home

Since there are 26 pay periods/year, your average monthly take-home pay is: **\$1,269.12**



### IT- Help Desk Student Job - 25 hours a week at \$14.50

#### Bi-Weekly Paycheck Breakdown:

Gross Pay: \$725.00  
 Federal withholding: -\$72.50  
 Social Security: -\$44.95  
 Medicare: -\$10.51  
 MI State withholding: -\$30.81  
 Total deductions: -\$158.78

**Net Pay (Take-Home): \$566.23**

- Day and evening shifts (flexible around classes)
- Permitted to do some homework in downtime

Since there are 26 pay periods/year, your average monthly take-home pay is: **\$1,226.82**



### Library Student Worker - 15 hours a week at \$12.75/hour

#### Bi-Weekly Paycheck Breakdown:

Gross Pay: \$382.50  
 Federal withholding: -\$38.25  
 Social Security: -\$23.71  
 Medicare: -\$5.55  
 MI State withholding: -\$16.26  
 Total deductions: -\$83.77

**Net Pay (Take-Home): \$298.73**

- Flexible around classes
- Permitted to do some homework in downtime

Since there are 26 pay periods/year, your average monthly take-home pay is: **\$647.25**



### Barista - 28 hours a week at \$15.00 (including tips)

#### Bi-Weekly Paycheck Breakdown:

Gross Pay: \$840.00  
 Federal withholding: -\$84.00  
 Social Security: -\$52.08  
 Medicare: -\$12.18  
 MI State withholding: -\$35.70  
 Total deductions: -\$183.96

**Net Pay (Take-Home): \$656.04**

- Evening & weekend shifts
- Unlimited coffee to keep you awake

Since there are 26 pay periods/year, your average monthly take-home pay is: **\$1,421.42**

**Side Gigs** - These casual labor jobs are paid under the table, as long as the amount does not exceed \$600 from one source per year. This means you do not need to pay taxes on them. Pick one or two.

**Babysitting** - \$60/ month (school year only)

**Shoveling for elderly neighbors** - \$100/ month (winter months only)

**Pet Sitting** - \$50/ month (for a single person who travels once a month for work)

**Tutoring friend's kid** - \$52/ month (\$13.00/hr - once a week)

**Selling handcrafted items** - \$30/ month



# Step 2: Pick housing - Utilities are \$250 per household

Make sure to pick a pet-friendly home if you want a pet. Look ahead to the transportation section to see how the location of your home will affect your transportation needs.

← 1 Bed 1 Bath - House



**1 Bed 1 Bath - House**  
\$600

Listed over a week ago in Hancock, MI

- No housemates
- Dishwasher
- Has laundry
- Dog & Cat friendly
- Plowing included
- Tenant pays all utilities

**Rent: \$600/person**  
**Utilities: \$250/person**

← 4 Beds 1 Bath House



**4 Beds 1 Bath House**  
\$1,650

Listed over a week ago in Houghton, MI

- 4 housemates
- Dog & Cat Friendly
- Has laundry
- Tenant pays all utilities

**Rent: \$412.50/person**  
**Utilities: \$62.50/person**

← 3 Beds 1 Bath House



**3 Beds 1 Bath House**  
\$1,350

Listed over a week ago in Hancock, MI

- 3 housemates
- Has Laundry
- Has AC
- Tenant pays all utilities
- No pets

**Rent: \$450/person**  
**Utilities: \$83.33/person**

← 3 Beds 1 Bath Apartment



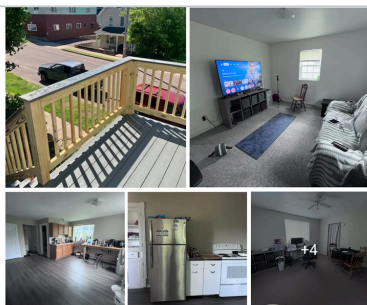
**3 Beds 1 Bath Apartment**  
\$1,350

Listed over a week ago in Houghton, MI

- 3 housemates
- Has laundry
- Tenant pays all utilities
- Located above the KBC (think noise)

**Rent: \$450/person**  
**Utilities: \$83.33/person**

← 2 Beds 1 Bath Apartment



**2 Beds 1 Bath Apartment**  
\$975

Listed on Wednesday in Hancock, MI

- 2 housemates
- No laundry
- Tenant pays all utilities
- No pets

**Rent: \$487.50/person**  
**Utilities: \$125/person**

← 3 Beds 2 Baths - Townhouse



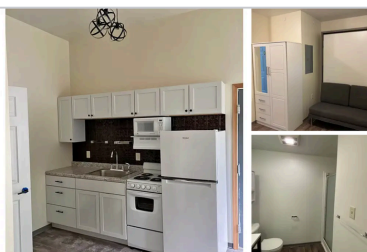
**3 Beds 2 Baths - Townhouse**  
\$1,850

Listed over a week ago in Atlantic Mine, MI

- 3 housemates
- Has Laundry
- All utilities included
- No pets

**Rent: \$616.67/person**  
**Utilities: Included**

← 1 Bed 1 Bath - Apartment



**1 Bed 1 Bath - Apartment**  
\$900

Listed last Friday in Houghton, MI

Send seller a message

Is this still available? 😊

- No housemates
- No pets
- Coin laundry
- Has AC
- All utilities included

**Rent: \$900/person**  
**Utilities: Included**

← 5 Beds 2 Baths - House



**5 Beds 2 Baths - House**  
\$2,500

Listed over a week ago in Hancock, MI

- 5 housemates
- Has Laundry
- No pets
- Tenant pays all utilities

**Rent: \$550 per person**  
**Utilities: \$50/person**

# Step 3: Move-In Furniture Shopping

You’re moving into your own off-campus housing, which means you need to furnish your space! Since these are one-time costs, you’ll use money from your starting credit union savings account to buy what you need. Don’t worry—you can share some items with housemates, but you must purchase your own bed and bedding.

## Bed Options (Required)



Size	Basic Model ( <i>Budget-Friendly</i> )	Upgraded Model ( <i>Comfier</i> )
Twin	\$150 – basic frame & foam mattress	\$225 – memory foam with support layer
Full	\$200 – standard frame & spring/foam	\$300 – hybrid foam with cooling tech
Queen	\$250 – starter mattress in a box	\$375 – plush top with added support

## Bedding Bundle (Required)

You’ve got the mattress—now you need to sleep in it! Choose a bedding set that fits your bed size and comfort preference. Each bundle includes 1 fitted sheet, 1 flat sheet, 1 comforter, 1 pillow, & 1 pillowcase.



Size	Basic Set ( <i>No-frills comfort</i> )	Premium Set ( <i>Softer, cozier materials</i> )
Twin	\$40 – microfiber & polyester blend	\$75 – cotton blend with plush comforter
Full	\$50 – basic cotton-blend set	\$90 – brushed cotton & down-alternative
Queen	\$60 – starter bedding kit	\$100 – hotel-style bundle with extras

## Optional Items

These items are not required, but they’ll make your space more livable. You can share some of these with housemates, but someone has to bring them! Decide which you’ll provide (if any), and budget accordingly from your savings.



Item	Basic Option ( <i>Thrift / Budget</i> )	Upgraded Option ( <i>New / Stylish</i> )
Desk & Chair	\$60 – simple desk with folding chair	\$120 – ergonomic chair & full desk set
Bookshelf	\$30 – cube shelf or small bookcase	\$75 – full-size shelving unit
Dining Table	\$50 – used table and two chairs	\$150 – new 4-person set
Sofa	\$75 – used futon or couch-in-a-box	\$250 – new comfy couch (IKEA-level)
Coffee Table	\$25 – basic side table or reused crate	\$75 – mid-range modern table

Add up all your purchases. How much did you spend on home furnishings?



# Step 4 - Pick your transportation



### Walk/ Bike - No cost

- Do you live close enough to walk? Check the location of your house in the listing.
- Are you really going to want to walk in the winter?



### Public Transportation - \$25/month

(occasional taxi fees, but the MTU shuttle is free for students.)

**Own your own car** - Use the table below to calculate how much it really costs to own and operate a car while you're in college.

### Yearly fixed costs for owning a car

Registration and tabs	\$115
Michigan Tech Student Parking Permit	\$150
Insurance (multiply monthly premium by 12 for yearly cost)	
<b>Total fixed costs for the year</b>	
Divide your total yearly fixed costs by 12 to get your <b>monthly fixed cost</b>	



Here are a few insurance options. These prices reflect real-world averages for young drivers. Pick one that fits your budget and record it in the chart to the left.

Provider	Coverage Type	Monthly Premium
Progressive	Full Coverage	\$195
	Minimum Coverage	\$88
State Farm	Full Coverage	\$228
	Minimum Coverage	\$113

### Monthly Operating Costs

Maintenance	\$80
Gas	\$100
<b>Total Monthly Operating Costs</b>	

### Total Monthly Transportation Expense

Monthly Fixed Cost	
Monthly Operating Costs	
<b>Total Monthly Transportation Expense</b>	

# Step 5 - Feed yourself!

## 🌿 Frugal Budget – \$240/month

### What it covers:

- Primarily home-cooked meals using budget ingredients: rice, pasta, beans, canned goods, frozen vegetables, eggs, and store-brand items.
- Occasional meat or fresh produce depending on sales and meal planning.
- Shopping at discount stores (Walmart or Dollar Store), using coupons, and buying in bulk.
- Home-brewed coffee and snacks.
- Splitting the cost of 1-2 meals per week with housemates to stretch the budget.

**Dining out:** Rare, if at all—might cover a fast-food meal once or twice a month.



## 🍷 Moderate Budget – \$350/month

### What it covers:

- A wider range of fresh produce, proteins, and pantry staples.
- Occasional name-brand items or specialty ingredients.
- Shopping at discount stores and occasionally local markets or the Co+op.
- Splitting cost of shared meals with housemates 1-2 times per week.
- Home-brewed coffee and snacks, with the occasional treat from a coffee shop.

**Dining out:** Fast food about three times a month, a meal at a local restaurant once.



# Step 6 - Personal Care

These everyday items might not seem like a big deal, but they add up quickly! This budget includes things like:

- Shampoo, conditioner, body wash, toothpaste
- Toilet paper, cleaning supplies, laundry detergent
- Menstrual products (if applicable)
- An occasional haircut, nail clippers, razors, etc.



Budget Tier	Description	Monthly Estimate
Frugal	Dollar store and generic brands, basic hygiene, DIY haircuts	\$20/month
Moderate	Mix of store-brand and name-brand, occasional salon/barber visit	\$40/month



## Step 7 - Entertainment

### Frugal Entertainment Budget – \$40/month

#### What it covers:

- One or two low-cost activities per month (e.g., a movie, bowling night, or local concert)
- Free community events, hikes, recreational activities provided by Michigan Tech, game night with friends
- One streaming service (Netflix, Hulu, etc.) or shared logins with housemates.

### Moderate Entertainment Budget – \$100/month

#### What it covers:

- A few outings each month (e.g., movies, local concerts, bowling, ice cream with friends)
- Two streaming services or subscriptions.
- Occasional local music festival.
- Occasional purchase of hobby equipment (e.g., painting supplies, a video game, fishing tackle, etc.).



## Step 8 - Any Pets?

**First, refer to the listing for your house. Is it pet friendly? If not, please choose a home that is!**

**Dog** - Add \$110 a month (small dog) or \$130 a month (big dog)

- Includes food, routine vet care, flea/tick & heartworm prevention, toys, and treats

**Cat** - Add \$75 a month

- Includes food, litter, routine vet care, toys, and treats

## Step 9 - Budget Surprise Trivia

Answer the questions below. If you answer correctly, you receive a surprise bonus in your budget. If not you will receive a surprise expense.

1) If you earn \$800 but take home \$640, what is your net income?

- A. \$800
- B. \$160
- C. \$640
- D. \$0

2) True or False:

In the 50/30/20 budgeting rule, the 20% category is meant for entertainment and shopping.

# MONTHLY PERSONAL FINANCIAL REPORT

## Income Breakdown

Source	Amount
Part-time Job	
Side Gigs	
Surprise Income	
<b>Total Income</b>	

## Expense Breakdown

Category	Amount
Housing (Rent)	
Utilities	
Transportation	
Groceries	
Personal Care	
Entertainment	
Pets	
Surprise Expenses	
<b>Total Expenses</b>	

## Purchased from your initial savings

Starting Amount (Refer to Step 1)	
Furniture	
<b>Account Balance</b>	

### Instructions:

- Record your income and expenses in the tables to the left. Then add the totals for each table.
- Budget Surprise Trivia Results:**
  - Flip this page over to find your surprise income or expenses.
- Subtract your total expenses from your total income to determine your monthly savings.
- Subtract your furniture expenses savings account to determine the new account balance. Add your savings for the month to your account to find your end of the month account balance.
- Make a bar graph below to see a visual representation of your expenses.



Calculate savings for the month		End of Month Account Balance	
Total Income		Savings for the Month	
Total Expenses		Account Balance	
<b>Savings for the Month</b>		<b>End of month balance</b>	

### Food for thought:

- 1) Did you end with a positive account balance at the end of the month?
- 2) Were you able to save any money after paying for all your monthly expenses?
- 3) If you were able to save money, what percentage of your net income were you able to save?
- 4) What would you do differently next time?



## Budget Surprise Trivia Results

Question 1 - Correct answer "C"

- Correct? Good job! You just got a birthday card in the mail from mom with \$100 in it!
- Incorrect? Uh oh. You got a parking ticket for \$35.

Question 2 - Correct answer "False"

- Correct? Good job! You just sold your old textbook for \$40.
- Incorrect? Shoot. You lost your student ID and have to pay a replacement fee of \$15.