**Personal Finance: Family Budgeting Simulation**

**For the next couple of classes, we will be working on budgeting and spending from many different family perspectives. You received a description of your family and now you will do the following tasks with your “family members” based on the description you received.**

**1. Job and Income**

Your description mentioned your job/career. You need to research what the average income for this career is in the state of Oregon. Don’t forget to consider how many years of experience you have in this job when determining your income. Along with the websites below, look at business’ websites under “employment” to see listed incomes. Try these websites as well:

[www.workinginoregon.com](http://www.workinginoregon.com) go to “Job market Info” at the left side of the page and then look for “Wages and Income”

[www.oregonlive.com](http://www.oregonlive.com) look for the “JOBS” tab at the top of the page

[www.salary.com](http://www.salary.com) Information about the average salary/income for careers

**2. Housing Expenses**

In your family description, you were giving a brief explanation of your housing situation. You will need to research the price and monthly cost of your housing based on the type and location. You should be able to find this information on the websites below. Don’t forget, if you are newly moving into a place, you will have to pay a deposit which is generally the same price as one month rent.

[www.oregonlive.com](http://www.oregonlive.com) Look for the “REAL ESTATE” tab

[www.windermere.com](http://www.windermere.com) Can help you look for housing prices and mortgage prices

[www.mortgagecalculator.org](http://www.mortgagecalculator.org) This will calculate your mortgage payment based on the interest rate and principle. Don’t forget to add in property tax and insurance to your monthly payment

[www.portlandrentals.com](http://www.portlandrentals.com) Find rental across the Portland metro area

**3. Transportation Expenses**

Based on your description, figure out what your transportation expenses will be each month. This includes car payment, car insurance, gas and maintenance/repairs. If your description did not specify anything about transportation you must decide if you have a car, motorcycle or use public transport. May sure your choice is fitting and practical for your description. Helpful websites:

[www.oregonlive.com](http://www.oregonlive.com) look for “AUTOS” tab at the top of the page

[www.carinsurance.com](http://www.carinsurance.com) You will have to make up some information – do your best with the description given to you.

[www.trimet.org](http://www.trimet.org) information for public transportation

**4. Food and Groceries**

Make a meal list for one week. For example:

Sunday:

Breakfast: cereal with milk X2 (for husband and wife)

Lunch: turkey sandwich, bag of chips and apple

Snack: orange and chips and salsa

Dinner: Lasagna, French bread w/ butter, salad with dressing

Do this for Sunday through Saturday. Once you have made your meal list, make your grocery list for the week based on the planned meals. If you plan making all your meals from scratch, have your grocery list reflect that. If you plan on putting your food in the microwave and pressing start, make your list reflect that. This is a choice to make within your family. Also, don’t forget non-food grocery items like napkins, toilet paper or dish soap. Next, go online and do your shopping. Use the websites below for guidance or use the website of the grocery store of your choice. Once you have finished your shopping, print out the final total for your bill. Be sure to multiply this grocery bill by four when you calculate your monthly expenses.

[www.newseasonsmarket.com](http://www.newseasonsmarket.com) look for the “Shop Online” tab at the top of the page

www.safeway.com look for the “Grocery Delivery” tab at the top right hand side of the page

[www.netgrocer.com](http://www.netgrocer.com) tabs at top direct you to food categories

[www.coupons.com](http://www.coupons.com) fell free to use this site if you want to use coupons for your groceries

**5. Monthly Utilities and Necessities**

You will need to figure out your monthly utilities for the month of February. This includes your natural gas for heating, electric, water and sewer, garbage, internet, telephone (including cell phone), and cable/satellite. Some of these are optional, but others are not. For example you don’t have to have cable, internet and cell phone; however, things like water and electric really aren’t optional. Also, note that for those of you who are living in apartment, often time water and sewer and garbage are included in the rent cost. Use these websites to find out the cost;

[www.verizonwireless.com](http://www.verizonwireless.com) Feel free to use other cell phone providers like Sprint, Cricket, etc.

[www.comcast.com](http://www.comcast.com) Information about cable and internet. Go to “Shop” on left for rates

Rates for natural gas, electric and water will vary based on the number of occupants the size of your house/apartment. This is difficult to find online. Try Google searching “winter gas bill in Portland” or something along those lines. Also, ask your parents/guardian what they pay for electric, gas and water.

**6. All Other Expenses**

Based on your family’s description and any other foreseeable expenses, tally up all other expenses your family will have for the month. Don’t forget about things like credit card bills, student loan payments, entertainment, recreational activities, vacations, unforeseen house or car problems, health insurance, etc. List the amount and the description of the expense on a sheet of paper. Be sure to verify that these expenses are about right by double checking on the internet. This will take some searching around, but I am serious business about not just making up some arbitrary number.

**7. Calculate All Monthly Expenses**

Now that you and your family have figured out all of your expenses for the month, add them all up. Now, subtract that from your income based on #1. When doing this, don’t’ forget to take taxes and health insurance out of your monthly pay.

* How much money do you have left after all of your expenses?
* Do you need to go back and make different choices about expenses?
* If you have extra money leftover, make a decision as a family what you will do with this. Be sure to provide research on your choice.