

Stretch That Paycheck

Student Activity: Earning an Income and Budgeting

Living on your own can be exciting, but it can be surprising to discover how much living expenses actually cost. Choices must be made to divide your paycheck between living expenses, saving and fun. Creating a budget helps you stay on track with your spending.

Objective

Determine how income and budgeting affect your standard of living.

Activity

Create a budget by selecting one item from each of the categories listed below. Your monthly income is \$2,000. To successfully create the budget, you must not spend more than you make and you must have at least 27 comfort points.

Bills (Required)

- Water/Electricity/Gas: \$160, 3 comfort points

Phone

- Phone A: \$50, 2 comfort points
- Phone B: \$100, 4 comfort points

Savings

- \$0, 0 comfort points
- \$100, 1 comfort point
- \$300, 3 comfort points
- \$500, 5 comfort points

Groceries/Food

- Cheap groceries & fast food: \$200, 1 comfort point
- Moderate groceries & occasional restaurant, \$300, 3 comfort points
- Expensive groceries & luxurious dining, \$450, 5 comfort points

Entertainment

- 1 night out a month, \$20, 1 comfort point
- 3 nights out a month, \$50, 3 comfort points
- 5 nights out a month, \$100, 5 comfort points

Miscellaneous

- Basic internet, \$30, 1 comfort point
- High-speed internet, \$60, 3 comfort points

Renters Insurance (Required)

- \$15, 1 comfort point

Housing

- Apartment A: \$500, 1 comfort point
- Apartment B: \$700, 3 comfort points
- Apartment C: \$1,000, 5 comfort points

Car Insurance (Required)

- \$115, 1 comfort point

Auto/Gas

- Car payment A: \$100, 1 comfort point
- Car payment B: \$200, 3 comfort points
- Car payment C: \$300, 5 comfort points

Expense	Amount	Comfort Points
Bills	\$160	3
Renters Insurance	\$15	1
Car Insurance	\$115	1
Phone		
Housing		
Auto/Gas		
Savings		
Groceries/Food		
Entertainment		
Miscellaneous		
Total Expenses		
Total Income/Points	\$2,000	
Difference		

Reflection:

1. What was your strategy for meeting the comfort requirement?
2. Why do you think comfort points were included in this activity?
3. Why do you think putting money into savings awarded comfort points?