j0232599j0232431**You want to move out and live on your own! What will it cost?**

Scenario: You have just moved into your first apartment. Opening the door you notice the studio apartment you just rented is completely empty. Other than the refrigerator, dishwasher, stove, washer and dryer you are missing the normal comforts of home. Your parents have kindly provided you with your clothes and a $4000 gift to put towards furnishing expenses. After this money is spent, it is up to you to provide anything else you need to furnish the apartment. What is it going to cost you to live on your own? Can you make it?

Part 1: Determining your Income

1. You scored a great job working as a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_! Right out of high school you are making $\_\_\_\_\_\_\_\_\_\_ per hour take home and you are working a 40 hour week. Determine the amount of money you take home each week.
2. Find the amount of money that you take home per year, and then find the average amount per month. This amount is what you will need to build your budget amount.

|  |  |  |  |
| --- | --- | --- | --- |
| Job Title | Hourly Wage | Income Per Week | Income Per Month |
|  | $ | $ | $ |

Part 2: Creating a Working Budget

1. Make a budget to determine how much you can spend on each item per month.
2. As you find the cost for each item, place it in the “amount actually spent” area.

|  |  |  |  |
| --- | --- | --- | --- |
| **Expense** | **Percentage** | **Amount Budgeted** | **Amount Actually Spent** |
| **Housing** | **36%** |  |  |
| **Food** | **12%** |  |  |
| **Auto** | **12%** |  |  |
| **Insurance** | **5%** |  |  |
| **Debt** | **5%** |  |  |
| **Entertainment / Recreation** | **6%** |  |  |
| **Clothing** | **5%** |  |  |
| **Savings** | **5%** |  |  |
| **Cell Phone** | **4%** |  |  |
| **Miscellaneous / Pocket Money** | **5%** |  |  |
| **Investments** | **5%** |  |  |
| **TOTAL** | |  |  |

Part 3: Finding an Apartment

1. j0205462Make a list of the areas of West Virginia that you feel would have apartments in your price range. Where are you willing to live? why?
2. Using the newspaper, look for a range of prices in your areas listed.

* In what city / town is the apartment located?
* What floor is the apartment on, if given?
* What is the rent amount?
* What are the requirements when signing the lease (first, last, and security)?
* Is the apartment furnished / unfurnished?
* Are pets allowed?
* Are any utilities included?

1. Copy the advertisement into your portfolio and record the rent payment in your budget.

Part 4: Furnishing the Apartment

1. j0232650With an empty place there are a lot of things you could get to fill it. In an Excel document, make a list of the things you absolutely need for the apartment. Then make a list of the items you would like to have, but are not necessary for you to live on your own. Be sure to prioritize.
2. Based on the needs you have written, search the internet, store flyers, and the “for sale” ads for the best possible price. Collect information about the items you want to purchase, store names, and prices for all of the items. Put all of this information into an Excel worksheet and find the total spent before tax using the auto sum function.

j0281970Part 5: Project Reflection

* + - 1. Are you over or under budget? What can you do to adjust your budget so that you break even? What could you do with any remaining amounts?
      2. Finding an apartment can be difficult in certain price ranges. The city that fits into your budget may not be a place you want to live.
         1. Which town would better fit into your overall budget? Why?
         2. What criteria could you use to select a city or town to live in?
         3. If you could not afford an apartment in your towns of choice, what steps could you take to be able to afford the preferred town?
      3. Based on your apartment furnishing information, discuss the following.
         1. Are there items that you still absolutely need?
         2. How did you determine which items out of the needs list to get first?
         3. How could you get the same items at a lower price?
         4. What are some “incentive programs” that you have seen at stores that could provide you with more of your needs at a lower price?
         5. At what stores did you find low prices? reasonable prices? high prices?
      4. Is there anything else?
         1. What other costs that were not discussed in this project do you find important to provide for?
         2. How could you incorporate them into your budget?
         3. Would you have to give something up in order to cover those costs? What would you be willing to give up?

Part 1: Determining Your Income – Show all work.

Part 2: Creating a Working Budget – Show all work.

Part 3: Finding an Apartment

Part 4: Furnishing the Apartment