FINANCIAL PLANNING PROJECT (120 points total)

The overall objective for this project is to create a realistic monthly budget for the first and second months out of college.

1. Find a Job (20 points)

Select a job based on your interests, something you could see yourself doing in the future. Your job must be an entry level position requiring one year or less experience. Points will be deducted for taking a job for which you are not qualified.

What is your job/career? **Write a paragraph in your own words** (not copy and pasted from the web) that describes your job. You should also paste the entire text of the job advertisement into your document, or paste an image/screenshot.

What is the starting salary? Salary must be reasonable or no points will be given in this category. What benefits are offered? Write a paragraph to explain the salary and benefits, then also paste an image/screenshot with your source of information into the document. (NOTE: If you are planning to go directly to graduate school, this job will be after completing graduate school. You must show how you are going to finance graduate school if you are going to go that route for this project, including the amount and subsequent interest rate for any student loans. I recommend you take a “gap year” to work for the sake of this project!).

2. Location (10 points)

Select a city/area of the country in which you will be living.

Where will you be living? Apartment, house with roommates, etc.? **Write a paragraph in your own words and be specific**. Include a screenshot of the advertisement in your document. Note any application fees and security deposits. If none are mentioned, assume a first month rent as a security deposit and no additional fees. What utilities are included? NOTE: High speed internet available does NOT mean there is free high speed internet.

You must also get renter’s insurance for your belongings. Costs for the apartment may be shared with roommates. One person per bedroom.

3. Taxes (5 points)

Estimate taxes that will be withheld from your pay. (Federal Tax, State Income Tax, FICA). Your calculation must show yearly gross pay and monthly pay. You must use paycheckcity.com to calculate
your taxes. Copy the web page with your information into your document.

4. Medical and Dental Insurance (5 points)

Medical Insurance
Dental Insurance

Estimate your health insurance costs. Unless otherwise explicitly stated in the job information that all health insurance premiums are paid by the company you must assume that a portion of the cost of insurance will be deducted from your salary. Since it is usually very hard to get this information before being hired by a company, you must get insurance from an independent source. The premium shown will be your full premium. Your company will not be sharing this expense. Copy the source from the web and include both the premium and the coverage in your document. **You must have medical and dental insurance.**

5. Retirement Savings (5 points)

CNN's Retirement Planner

Assume your company doesn’t offer an adequate retirement plan, how will you save for your retirement? Investigate several different monthly contributions. With a rate of return of 3.4%, and a 1% cost of living adjustment per year, how much money will you have by the time you are 65? You must try at least 3 different contribution amounts. Show all three at this point in your paper and explain later on which contribution amount you choose based on your budget.

6. Credit Card Debt (5 points)

Credit Card Calculator

You got a credit card during college and were not careful about paying off your card each month. You now have a balance of $5000. The interest rate on the unpaid balance is 15.65%. You must pay off the debt within 6 years. **You may pay off the debt sooner if you wish.** Using a website, calculate the total amount paid to the credit card company over your payment period. Indicate how much of the payment is interest. Save the table showing your calculations from the web site in your document.

7. Utilities (5 points)

Electricity Usage Calculator

Calculate the utilities for your apartment. Be sure to consider electric, gas, water, and trash pickup. Your utilities may be shared with a roommate. Copy the information from the website into your document.

8. Commuter or car costs (5 points)

Vehicle Cost Calculator
Kelly Blue Book
Cars.com Calculator
Public Transportation

How will you get to work? If you are using public transportation for work you must calculate the monthly cost of traveling to and from work on the transportation system. If you need to buy a car, you must include the cost of the car (monthly car loan payments plus insurance costs).

9. Phone/Internet/Cable/Satellite TV/Subscription TV (5 points)

AT&T
You must have either a cell phone that **you pay for**. You must have internet. You may not use your current phone or be on your parent’s plan. You may find a plan that bundles some or all of these items. Decide on the best plan for you. Include the advertisement in the word document. Be sure to confirm any activation fees or initial fees. Be sure to include the price of the phone. Be specific as to the plan you choose. If you choose to pay for a subscription to Netflix, Amazon Prime, Hulu, HBO Go or a similar service, you must include that cost in your monthly budget and show the advertised rate here.

**10. Food (5 points)**

Choose one option.

A. Cook almost all meals at home, dine out rarely.  $483/month  
B. Cook some food at home, eat some prepared meals, dine out 2 times a week.  $758/month  
C. Eat mostly prepared meals, dine out most days.  $997/month

**11. Living Room and Dining Room Furniture (5 points)**

- Salvation Army  
- Goodwill  
- Target  
- Ikea  
- Raymour & Flanigan  
- Ethan Allen  
- Pottery Barn

You must buy a couch, a table and chairs, a bed and a mattress. Your roommate, if you have one, will supply other items for the apartment so these costs will not be shared. Include the advertisement for the furniture in your document. If you buy anything from eBay, you must use the “buy it now price,” and from Craigslist you must buy at the listed price. No auction-only or "best offer" items will be accepted.

**12. Clothes for Work (5 points)**

- Target  
- Old Navy  
- The Gap  
- H&M  
- Macy’s

Your casual wardrobe from college and outdated academic dress from high school is not suitable for your new job. You must buy appropriate clothing for your career. Include all advertisements (with prices) for your wardrobe in your document.

**13. Miscellaneous expenses (5 points)**

Everyday living requires many small expenses. You must shop for your frequently used items online and include either a shopping list or the individual advertisements for these items in your document. Consider toiletries, haircuts, cleaning supplies, etc.

**14. Charitable contribution (5 points)**
You must donate a portion of your earnings to a charity or non-profit of your choice. Be specific as to the recipient and explain your choice.

15. Savings (5 points)

You must save some of your salary every month. This is not the same as your retirement savings. Be specific as to the amount saved.

16. Gift Money (5 points)

Your grandparents, parents, etc. give you a total of $2000 in cash for graduation. What will you use this money for? Be specific.

17. Monthly Budget (10 points for each budget, 20 points total)

With the gift money and your salary, you must come up with an itemized monthly budget of all income and expenses. The expenses must include the items listed below. You must show each as a separate line item on your budget table. You must have two tables: one for the first month including start-up costs and one for a typical month after the first month. How much money will you have at the end of the month for entertainment and vacations, etc.? Line items to include on your monthly budget:

- Gross Income (Monthly)
- Taxes
- Health Insurance
- Credit Card payment
- Retirement Contribution
- Rent
- Security deposit and/or application fees
- Renter’s insurance
- Electric
- Gas
- Water
- Trash
- Public transportation or car costs
- Cell phone and/or land line
- Cable/satellite dish
- Internet accounts
- Food
- Living room and dining room furniture
- Clothes for work
- Miscellaneous expenses
- Savings (required contribution)
- Charitable contribution (required contribution)
- Entertainment

Conclude your project with a summary paragraph that addresses at least THREE things you learned by completing this project, and some goals that you now have as you head into college. Submit all objectives and the summary in a single document, with all images and text pasted directly into the document.

Submit as a WORD DOC or a PDF or a shared Google Doc. This is counting as a test grade for the fourth quarter. Come to class prepared to share a brief (2 minute) summary of your job/lifestyle and the three "lessons learned" from your summary.