

## Budget Worksheet Summer Coop 2008

You are now in the summer work experience program and have a summer job. People work for a variety of reasons, but one of the most common reasons is to make money. What are you going to do with the money you make this summer? Are you going to save it for post secondary training? Are you going to spend it on transportation? Are you going to buy some new items that you've always wanted?

### Did you Know?

- Total consumer debt hit \$2.7 trillion in April 2007, the highest in history.
  - -Federal reserve Statistical Release, June 7, 2006
- Bankruptcies in 2006 totaled 2,078,415. Of those, 79% were total Chapter 7 bankruptcies
  - -U.S. Bankruptcy Courts, <http://www.uscourts.gov/bnkrpctstats/statistics.htm#june>
- The national personal savings rate for 2007 was -1%, the lowest since the Great Depression
  - -Bureau of Economic Analysis: U.S. Dept. of Commerce January 2006

**Dave Ramsey**, a nationally recognized personal money management expert, states that "You will either learn to manage money, or the lack of it will always manage you." What he is saying is that you need to tell your money what to do and not have it tell you what to do. Many Americans are use to buying things on credit and accumulating large amounts of debt. It is far better to save up for a purchase and pay cash for it rather than go into debt.

How you spend you money can have a impact on the long term result of how much money you will have when you retire. The following chart will give you an example of how much money can be saved by cutting out some of our "extra" expenses. It also shows the advantage of compound interest.

### Daily decisions can make a HUGE impact!

Expenses	Cost per day	Cost per month	If invested at 12% from age 16-76
Cigarettes	\$3	\$90	<b>\$11,622,000</b>
Gourmet Coffee	\$5	\$150	<b>\$19,371,943</b>
Lunch (5 days/week)	\$8	\$160	<b>\$20,663,319</b>

As you can see how you choose to spend your money can not only have an immediate impact but can also have long range consequences. If you don't have a **plan** on how you are going to manage your money, at the end of the month you will wonder where it all went.

One type of plan to help you deal with your money is a **BUDGET**. On the following page you will find an estimated budget form for the summer of 2009. The first column is only an estimate based on your projections for your summer employment.

List all paychecks and income that you expect to receive for each month. Then list all expenditures that you plan to occur for each month. If you are in the OJT program list any other earnings that you may have or expect to receive.

The purpose of this exercise is to see how much money you might be able to save by the end of the summer. Remember to estimate using your projection of wages and earning potential. Over the Alaskan summer many people work longer or later hours than during the rest of the year. Some people even work more than one job.

Once you have estimated your budget for the month ahead, keep track of what you actually spend in each category. At the end of the month compare what you projected to the actual costs you incurred. You may not have expenses in all of the categories. If not just enter zero on that line.

Simply deduct your estimated expenses from the estimated income to see what your balance will be at the end of each month. Then add up the months to see what you will have for a balance at the end of the summer.

Do a separate sheet for each month (June, July, & August) and then do one for the total for the summer. The only one that has to be handed in is June. The others are for your benefit.

Make a goal to save at least 20% of your wages. See what you can come up with for your summer earnings and savings!

Name \_\_\_\_\_

## BUDGET FORM

Month \_\_\_\_\_

	Estimate	Actual
Monthly Income	+ _____	+ _____
Charitable Gifts	_____	_____
Savings	_____	_____
Housing	_____	_____
Utilities	_____	_____
Food	_____	_____
Transportation (Car payment, Maintenance and fuel)	_____	_____
Clothing	_____	_____
Medical/Health	_____	_____
Personal	_____	_____
Recreational	_____	_____
Total	_____	_____