

Student \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_

Instructor \_\_\_\_\_

# SECTION 3-1 Average Monthly Expenditures

You can manage your money better by keeping an accurate record of your expenditures. You will be able to evaluate your spending habits by keeping detailed records for a number of months.

$$\text{Average Monthly Expenditure} = \frac{\text{Sum of Monthly Expenditures}}{\text{Number of Months}}$$

Complete the table below.

	Name	Monthly Expenditures				Average Monthly Expenditure
		July	August	September	October	
1.	P. Barker	\$ 934.20	\$1,317.27	\$1,112.15	\$1,019.20	
2.	L. Lee	823.40	917.17	1,012.10	987.43	
3.	K. Rue	1,134.14	1,572.99	1,996.61	1,475.50	
4.	T. Geariger	1,192.75	1,946.62	1,439.84	1,503.22	

5. In the table above, who had the highest average expenditure? \_\_\_\_\_
6. In the table above, who had the lowest average expenditure? \_\_\_\_\_
7. The Carsons' expenditures for this month are: rent, \$412; groceries, \$378; utilities, \$219.55; gasoline, \$50.50; entertainment, \$54.80; medical bills, \$62.40; and miscellaneous, \$95.47. How much did they spend? \_\_\_\_\_
8. The Jacobs' expenditures for the past 7 months were: January, \$1,084.45; February, \$886.40; March, \$968.45; April, \$1,142.60; May, \$995.80; June, \$1,379.86; and July, \$1,042.88. What is their average monthly expenditure? \_\_\_\_\_
9. Fay Teng's expenditures for the past 3 months were: August, \$1,735.50; September, \$1,829.42; and October, \$1,793.88. What is her average monthly expenditure? \_\_\_\_\_
10. Adebé Cook has a budget of \$990 per month. His budget includes rent, utilities, transportation, clothing, groceries, and miscellaneous expenses. For the past 6 months his expenditures were: January, \$927.50; February, \$984.40; March, \$1,032.32; April, \$1,195.55; May, \$874.24; and June, \$943.37.
  - a. What is his average monthly expenditure? \_\_\_\_\_
  - b. How much over his budget is this? \_\_\_\_\_
11. You use the utility company's budget plan for paying your home heating bills. You pay \$75 a month for 9 months. Your actual bills are: September, \$28.95; October, \$46.15; November, \$68.46; December, \$109.34; January, \$115.26; February, \$94.19; March \$75.66; April, \$51.97; and May, \$49.16. Compute the average for the 9 months. \_\_\_\_\_

## SECTION 3-2 Preparing a Budget Sheet

A budget sheet outlines your total monthly expenses. It includes your living expenses, fixed expenses, and all annual expenses.

$$\text{Total Monthly Expenses} = \text{Monthly Living Expenses} + \text{Monthly Fixed Expenses} + \text{Monthly Share of Annual Expenses}$$

Diane and Cory Legrand have a combined monthly net income of \$1,800. Use their budget sheet to answer the following questions.

1. What is the total of their monthly living expenses?
- \_\_\_\_\_

2. What is the total of their monthly fixed expenses?
- \_\_\_\_\_

3. What is the total of their annual expenses?
- \_\_\_\_\_

4. What is the monthly share of their annual expenses?
- \_\_\_\_\_

5. What is the total of their monthly expenses?
- \_\_\_\_\_

6. Are the Legrands living within their monthly net income?
- \_\_\_\_\_

7. The Legrands receive pay raises that increase their net income by 5 percent. What is their new combined monthly net income?
- \_\_\_\_\_

8. Can the Legrands meet their total monthly expenses with their new monthly income?
- \_\_\_\_\_

9. If you have the same budget and the same net income as the Legrands had before their received their pay increases, on what items would you try to reduce your spending in order to live within your monthly net income?
- \_\_\_\_\_

A MONEY MANAGER FOR: The Legrands MONTH: October			
Monthly Living Expenses		Monthly Fixed Expenses	
Food/Grocery Bill	\$315.65	Mortgage Payment	\$428.64
Household Expenses		Car Payment	192.45
Electricity	48.40	Regular Savings	20.00
Heating Fuel	65.00	Emergency Fund	40.00
Telephone	40.50	<b>Total</b>	
Water	28.20	Annual Expenses	
Misc.		Life Insurance	244.00
Transportation		Home Insurance	357.00
Gasoline/Oil	118.82	Car Insurance	306.60
Parking	32.00	Real Estate Taxes	1,847.40
Tolls	11.00	Car Registration	60.00
Commuting		Contributions	872.00
Misc.		<b>Total</b>	
Personal Spending		<b>Monthly Share (+12)</b>	
Clothing	114.00		
Credit Payments			
Newspapers, Gifts	27.27	Monthly Balance Sheet	
Pocket Money	25.00	Net Income	
Entertainment		(Total Budget)	
Movies/Theater	32.00	Living Expenses:	
Dining Out	57.00	Fixed Expenses:	
<b>Total</b>		<b>Total Monthly Expenses</b>	
		<b>Balance</b>	

# SECTION 3-3 Using a Budget

You can use a budget to plan your future spending. Using an expense summary, you can compare the amount spent with the amount you budgeted. It is wise to include an emergency fund for unpredictable expenses, such as medical bills and repair bills.

$$\text{Percent of Budget} = \text{Amount Budgeted} \div \text{Total Budget}$$

Expenses	Amount Budgeted	Total Budget	Percent of Budget	Percent for Average Family	Percent More or Less Than Average
Clothing	\$114.00	\$914.84	12.5%	6.8%	5.7% more
1. Transportation	161.82	914.84		20.3%	
2. Groceries	315.65	914.84		27.5%	
3. Entertainment	89.00	914.84		15.0%	
4. Pocket Money	25.00	914.84		5.0%	

5. The Legrands increased their transportation expenses by \$40 and decreased their groceries by \$40. What percent of the budget for living expenses is the new transportation amount of \$201.82? Assume total budget remains \$914.84. \_\_\_\_\_

6. In June the Legrands' heating bill is reduced from \$65.00 to \$10.50.  
How much do they save? \_\_\_\_\_

7. Your monthly net income is \$980. You allocate 10 percent for clothing, 27 percent for transportation, 30 percent for groceries, 8 percent for entertainment.  
Your actual expenses for a month are shown. What is the dollar amount allocated for each expense? Find the difference between the actual amount spent and the amount budgeted.

Item	Monthly Budget	Actual for Sept.	(Actual - Budget) Difference
Clothing	$980 \times .10 = 98$	\$ 75.00	\$23.00 under budget
Transportation	_____	250.00	_____
Groceries	_____	324.50	_____
Entertainment	_____	121.60	_____

