

# Senior Transition Seminar Week 12

## Budgeting



Thanks Collin College

# Your ES needs your work samples !!!!

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# Electric Vehicle Technician

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## Wages

BLS does not currently have wage data specific to the electric vehicle industry. The table shows wages for selected manufacturing occupations in the transportation equipment manufacturing industry group for May 2010. The wages shown are median annual wages for the United States as a whole; wages vary by employer and location.

| Selected manufacturing occupations in transportation equipment manufacturing | Median annual wages, 2010 <sup>(1)</sup> |
|------------------------------------------------------------------------------|------------------------------------------|
| Electrical and electronic equipment assemblers                               | \$29,470                                 |
| Electromechanical equipment assemblers                                       | \$32,430                                 |
| Engine and other machine assemblers                                          | \$47,440                                 |
| Team assemblers                                                              | \$32,500                                 |
| Computer-controlled machine tool operators, metal and plastic                | \$35,580                                 |
| Machinists                                                                   | \$40,810                                 |
| Industrial production managers                                               | \$91,460                                 |

<sup>1</sup> Occupational Employment Statistics data are available at [WWW.BLS.GOV/OES](http://WWW.BLS.GOV/OES). The data do not include benefits.

# ATTENDANCE

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# Personal Budgeting 101:

What is a Budget and Why do I  
need one!

# Fill in the blanks.

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1. Why is a budget \_\_\_\_\_.
2. \_\_\_\_\_ is a budget?
3. How do I \_\_\_\_\_ a budget that best suits me?

# Following a practical budget can help you:

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1. Develop better financial habits.
2. Relieve emotional stress.
3. Assist you in achieving your financial goals.

# Why is a Budget Necessary?

- Identifies and defines your financial goals
- Manages your money
- Directs your money flow
- Increase your savings
- Avoids spending money unnecessarily
- Achieves your personal goals



# What is a Budget?

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“...a plan for the  
coordination of resources  
and expenditures”

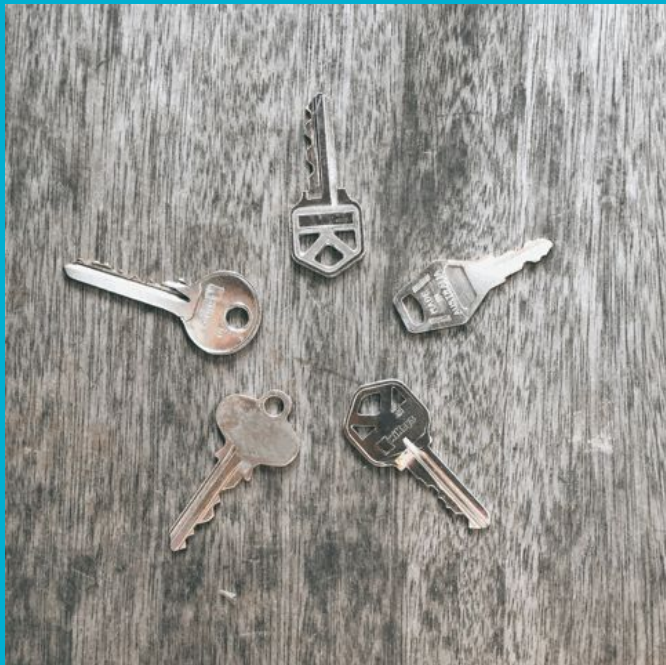
Merriam-Webster Online  
Dictionary



**In the chat...  
tell me what  
your definition  
of what a  
budget is.**

# Seven Keys to Effective Budgeting

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1. Identify and develop personal goals
2. Evaluate and record current trends, both income and expenses
3. Assign priorities
4. Develop a tim line for the month
5. Keep it simple
6. Remain flexible: “One size does not fit all”
7. Review and revise

# Effective money management includes:

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- Developing personal financial goals
- Organizing personal financial records
- Creating a personal monthly budget
- Evaluating personal financial health

# What's in a Budget?

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## **INCOME**

**Simply any money earned or contributed to your household from either personal finances or a business.**

## **EXPENSES**

**Money that you spend, this includes anything you purchase. This includes both planned and unexpected expenses.**

# In the chat ...

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List one thing that could be considered income and another that could be considered an expense.



Congrats !!!! You've earned a brain break.

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# Steps in Budgeting

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1. Set financial goals
2. Estimate your income
3. Record what you spend
4. Budget for actual and unexpected expenses
5. Review and evaluate monthly



# Set Financial Goals

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**Identify and write them down**

Long term (1-5 years)

Short term (within a year)

**Make them achievable, practical, and owned by everyone**

**Keep them in the forefront**

Journal the process

Celebrate their completion

**Write them into your monthly budget**

**Adjust them as necessary**

# Estimate Your Income

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**Make a list of each income stream that you receive on a regular basis each month. The key is to only include that income you get every month.**

Include both monthly wages earned from your job(s) as well as monthly supplemental income (i.e. child support, disability, etc.)

**Mark down the date these are received**

**Calculate the monthly income total**

Record, but do not include any periodic income you may receive at this point.



# Record What You Spend

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- 1. Review the previous month's checkbook ledger, bank statements etc. and record your spending and income.**
- 2. Record what you spend for the next month and write down what your actual expenses and income**

# Budget for Actual and Unexpected Expenses

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## Actual Expenses:

Identify fixed expenses (i.e. rent, car payment, student loans).

Record the monthly payment deadline and plan according to your payday date.

## Variable Expenses:

Identify recurring expenses that fluctuate (monthly grocery, automobile, etc.) calculate an average based on previous months **NOTE: when in doubt, guess *high*!**

Consult with friends and family on what they spend

# Actual Expenses

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**Rent or Mortgage**

**Car – payment, upkeep, gas, etc.**

**Insurance (health/medical, life, auto,  
home, et.)**

**Food**

**Household utilities**

**Clothing**

**Entertainment**



# What Else is in a Budget?

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**Student loan payments**

**Insurance payments**

**Entertainment (movies, books, magazines, toys, cable TV, Internet access)**

**Income taxes in addition to those withheld from your paycheck**

**Child care**

**Medical bills**

**Savings (transfers to savings account, retirement fund or brokerage account)**

**Vacations**

# Emergency Fund !!!

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1. Initially the Emergency Fund should be \$500 - \$1,000 depending on your income and debt load.
2. Eventually you need to increase this to 3-6 months worth of income.
3. Develop the attitude that this is ONLY used for **EMERGENCIES** (unemployment, unexpected medical needs or any other financial crisis).
4. Should you have to use money in this fund for an **EMERGENCY** the priority for the next month is to re-supply the fund.



**Remember Murphy always strikes!**

# Practical Budgeting Tips

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- The budget must **BALANCE**
- The income must equal the expenses. If you make, you must have a ‘destination ‘for that money!
  - That does **NOT** mean you **MUST SPEND** it. Planning to put money in some type of savings account is a **GREAT** idea.
- The Income **MUST EQUAL** Expenses!!
  - Plan carefully
- estimates should be based on some data
  - cover all expenses
    - Be practical
    - Be flexible
- Write your budget down
- Be able to access your budget data easily

# Ticket Out

It's time to take your new found money management skills to the test!

1. Go to [www.playspent.org](http://www.playspent.org)
  2. Select “Accept the Challenge”
  3. Select “Find a job”, select a job
  4. Select “Continue”
  5. Select an insurance plan
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# Ticket Out



6. Select a house (Hint: the closer your house is to work, it will cost more \$\$\$)

7. Play the game until the month ends and you have at least \$1 in the bank.

**8. IF YOU RUN OUT OF MONEY, START OVER!**

9. Make a screenshot of your successful month, rename the file as follows:

Week 12\_LASTNAME

10. Upload your screenshot to the class website. Have fun



And... we're done.