

Name:

Date:

Block:

## How much will it take? Real World Percentages

Congratulations! You have graduated from high school. You just got your first job working at \_\_\_\_\_ . You are buying your first car, and moving into your first apartment. How much will it take?

### Step I: Calculating your income

As an entry level employee, \_\_\_\_\_ has offered you a job making \_\_\_\_\_ per hour. You will work 40 hours per week. Using this information, calculate the following:

Total wages per week:	
Federal and state taxes: (15% of your total wages)	
Payroll taxes: (7.65% of your total wages)	
Total taxes:	
Weekly take home pay:	
Monthly take home pay ( <b>weekly pay x 4.33</b> ):	

**NOTE: YOU MUST USE CURRENCY SYMBOL CORRECTLY, AND ROUND ALL NUMBERS TO THE NEAREST HUNDREDTH.**

## Step II: Buying your first car

You have decided to buy a used 2006 BMW 3-series



**Cost: \$11,993**

You are going to need a car in order to be able to get to work. You need to pay the sales tax on your car, so you can get license plates. Using a sales tax rate of 6.25%, calculate the following:

**DO NOT FORGET TO USE BOTH CURRENCY SYMBOLS AND PERCENT SYMBOLS CORRECTLY. ALL MONEY MUST BE ROUNDED TO THE NEAREST HUNDREDTH.**

### Sales Tax

Cost of your car:	
Amount of sales tax:	
Total cost of your car:	

Because you can't afford to buy the car in cash, you will need to get a car loan from the bank. The bank will finance your car using simple interest over 5 years.

**Loan options:**

Loan Package	Down Payment	Interest Rate	Term (in years)
Package #1	\$1,000	6.5%	5
Package #2	\$1,500	6.5%	5
Package #3	\$1,000	4.5%	5

**Loan Worksheet**

Fill out the following tables for each loan package, and determine which one gives you the lowest monthly payment.

**NOTE: YOU MUST USE BOTH CURRENCY SYMBOLS AND PERCENT SYMBOLS CORRECTLY. ALL MONEY MUST BE ROUNDED TO THE NEAREST HUNDREDTH.**

**Loan Package #1:**

Total Cost of Your Car:	
Down Payment:	
Principal Balance:	
Interest Rate:	
Amount of Interest:	
Principal + Interest:	
Total Months of Loan:	
Monthly payment:	

**Loan Package #2:**

Total Cost of Your Car:	
Down Payment:	
Principal Balance:	
Interest Rate:	
Amount of Interest:	
Principal + Interest:	
Total Months of Loan:	
Monthly payment:	

**Loan Package #3:**

Total Cost of Your Car:	
Down Payment:	
Principal Balance:	
Interest Rate:	
Amount of Interest:	
Principal + Interest:	
Total Months of Loan:	
Monthly payment:	

### Step III: Furnishing your apartment

You're going to hit the sales to furnish your apartment. Calculate the % discount for each item, and put a \* next to the 3 items that have the highest discounts.

Item	Original Cost	Sale Price	% Discount
Sofa	\$400.00	\$280.00	
Loveseat	\$150.00	\$75.00	
Coffee table	\$65.00	\$45.00	
2 end tables	\$25.00	\$20.00	
Bed	\$200.00	\$190.00	
Bureau	\$65.00	\$35.00	
Dinner table & chairs	\$100.00	\$88.00	
52" TV	\$350.00	\$250.00	
Lamp	\$35.00	\$20.00	

**NOTE: YOU MUST USE THE PERCENT SYMBOL CORRECTLY, AND ROUND ALL NUMBERS TO THE NEAREST WHOLE.**

### Step IV: Shopping for Supplies

During your senior year, you have been saving some money to get you started. At Goodwill, items are posted, and discounted just for you! All red dot items are 20% off, yellow dot items are 30% off, and blue dot items are 50% off. Fill out the following table so that you can easily see what the best deals are.

Item	Cost	Dot Color	Amount of Discount	Price After Discount
Towel Set	\$48.00	Red		
Trash Barrel	\$45.00	Blue		
Pots and Pan Set	\$100.00	Yellow		
Dishes	\$80.00	Red		
Silverware	\$100.00	Red		
Towel Set	\$62.00	Yellow		
Trash Barrel	\$55.00	Blue		
Pots and Pan Set	\$130.00	Yellow		
Dishes	\$160.00	Yellow		
Silverware	\$104	Red		
Towel Set	\$100.00	Blue		
Trash Barrel	\$75.00	Red		
Pots and Pan Set	\$300.00	Yellow		
Dishes	\$200.00	Red		
Silverware	\$200.00	Blue		

**NOTE: YOU MUST USE THE CURRENCY SYMBOL CORRECTLY, AND ROUND ALL NUMBERS TO THE NEAREST HUNDREDTH.**

## Step V: Monthly Expenses

So, you have your job, car, furniture and supplies. It's time to choose a place to live, and make sure you have what it takes. Using the 3 housing options provided, choose a place to live.

<b>Option# 1: Rent a room</b>	
Monthly Rent:	\$200.00
Monthly Utilities (electricity, gas, water):	\$50.00

<b>Option# 2: Split an apartment with a roommate</b>	
Monthly Rent:	\$300.00
Monthly Utilities (electricity, gas, water):	\$80.00

<b>Option# 3: Rent your own apartment</b>	
Monthly Rent:	\$600.00
Monthly Utilities (electricity, gas, water):	\$160.00

**So, now let's put it all together. What will it take?**

Fill in the following table to calculate if you can afford this lifestyle on your salary.

<b>Monthly Budgeted Expenses</b>	
Rent:	
Car Payment:	
Insurance:	\$100.00
Utilities (electricity, gas, water):	
Cable:	\$100.00
Phone:	\$65.00
Food:	\$300.00
<b>Total:</b>	

Monthly take home pay:

Monthly budgeted expenses:

Do you have enough money?:

Find the difference between take home pay  
and your monthly expenses:

**NOTE: YOU MUST USE THE CURRENCY SYMBOL CORRECTLY, AND ROUND ALL NUMBERS TO THE NEAREST HUNDREDTH.**



# Final Reflection

Please write a one page paper (**6 paragraphs total**) detailing the spending decisions you made. You need to defend your point of view using the numbers that you calculated. This is a paper based on facts, not your opinion.

## Paragraph #1/Job, Salary, and Income:

In your introductory paragraph, please write detailed and thoughtful responses for the following:

- What job was assigned to you?
- What is your income, pre-taxed and post-taxed
- How you determined your salary for your specific job
- Reflections about spending and finances in the “real world”

## Paragraph #2/Buying Your First Car:

In your second paragraph, please write detailed and thoughtful responses for the following:

- The car loan you chose
- Your reasons for choosing this car loan
  - Were you able to afford this loan, with your income?
  - What affected your monthly car payment more; the amount you put down, or the interest rate?

## Paragraph #3/Furnishing Your Apartment:

In your third paragraph, please write detailed and thoughtful responses for the following:

- Which 3 items have the best discount?
- Which 3 items have the worst (lowest) discount?
- With the salary that you earn, do you always need to look for the best deal, or can you afford to splurge?

## Paragraph #4/Shopping for Supplies

In your fourth paragraph, please write detailed and thoughtful responses for the following:

- Which towel set was the best deal (give the original price, the color dot, and the price after the discount)?
- Which trash barrel was the best deal (give the original price, the color dot, and the price after the discount)?
- Which pots and pans set was the best deal (give the original price, the color dot, and the price after the discount)?
- Which set of dishes was the best deal (give the original price, the color dot, and the price after the discount)?
- Which set of silverware was the best deal (give the original price, the color dot, and the price after the discount)?

### Paragraph #5/Monthly Expenses:

In your fifth paragraph, please write detailed and thoughtful responses for the following:

- Which of the 3 monthly housing options you chose
- Why you chose this housing option
- What your monthly expenses were
- What struggles or concerns you had, with your income, budget, and expenses

### Paragraph #6/Conclusion:

In your concluding paragraph, please write detailed and thoughtful responses for the following:

- Your thoughts or ideas about a budget, before the project
- Your thoughts and ideas about a budget, after the project
- Your biggest concerns or struggles throughout the project
- How this impacts the way you see spending, or, “the real world”

Name \_\_\_\_\_

## Grading Sheet: Real World Percentages Project

Step 1 Calculating your income \_\_\_\_\_/15

Step 2 Buying your first car - sales tax \_\_\_\_\_/10

Step 2 Buying your first car Loan Worksheet \_\_\_\_\_/20

Step 3 Furnishing your apartment \_\_\_\_\_/10

Step 4 Shopping for supplies \_\_\_\_\_/20

What will it take? \_\_\_\_\_/10

Final Reflection \_\_\_\_\_/15