**Scenario**

You and your significant other have decided to move in together. You have a combined net monthly income is $1700.

Your monthly budget of **Planned Expenses** is as follows:

Rent 425

Savings 340

Car Payment 225

Car insurance 50

Medical Care 30

Telephone 35

Electricity 30

Gas 45

Heating Oil 100

Groceries 260

Clothing 65

Entertainment 65

Gifts 30

List each amount in the “**Planned”** section of the **“Budget Form.”**

After your first month living together, you discover that your “**Actual”** monthlyexpenses are as follows:

Rent 425

Savings 250

Car Payment 225

Car insurance 50

Medical Care 70

Telephone 45

Electricity 35

Gas 55

Heating Oil 110

Groceries 240

Clothing 40

Entertainment 135

Gifts 55

List each amount in the “**Actual”** section of the **“Budget Form.”**

After all items have been listed, determine how much your “**Actual”** budget went over or under in each expense category. Enter that information in the columns marked **“Amount Over”** and **“Amount Under.”**

Total the **“Planned”** and “**Actual”** columns.

If the **“Planned”** total is more than the “**Actual”** total, you have that much extra money to spend this month; decide with your partner where you will add those funds.

If the “**Actual”** total is more than the **“Planned”** total, you need to take that much money from one or more of the variable expenses, which are Electricity, Gas, Heating Oil, Groceries, Clothing, Entertainment, and Gifts; decide with your partner where you will subtract those funds.

Write the proper amounts for each expense in the **“Revised Budget”** column.

Total the **“Revised Budget”** column; this budget should be the $1,700 plus the difference that existed between the “**Actual”** and the **“Planned”** budgets.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **This Month’s Planned Budget** | **Actual Budget** | **Amount Over (+)** | **Amount Under (-)** | **Next Month’s Revised Budget** |
| **Fixed Expenses** |  |  |  |  |  |
| Rent |  |  |  |  |  |
| Savings  **(20% of net income)** |  |  |  |  |  |
| Car Payment |  |  |  |  |  |
| Car Insurance |  |  |  |  |  |
| Medical Care |  |  |  |  |  |
| Telephone |  |  |  |  |  |
| Electricity |  |  |  |  |  |
| Gas |  |  |  |  |  |
| Heating Oil |  |  |  |  |  |
| Groceries |  |  |  |  |  |
| Clothing |  |  |  |  |  |
| Entertainment |  |  |  |  |  |
| Gifts |  |  |  |  |  |
| **Total** |  |  |  |  |  |

You and your significant other would like to take a vacation. You have found a 3-day trip to Disney World that includes hotel and airfare for $1200. You would like to take an additional $500 for meals and entertainment expenses. How many months will you have to save for this on your **“Revised Budget?”**

**# of months: \_\_\_\_\_\_\_\_\_\_\_\_**