During our first unit you decided upon a career that you would pursue after graduation from high school. Imagine that you have earned the required education and/or training for this occupation and are back living with your parents. Create a 50/20/30 budget that will help you calculate how much you might have to spend on housing, transportation, and food.

Remember:

* ***Your* needs** should be limited to **50%** of your net income.
* ***Your* savings** should equal **at least 20%** of your net income.
* ***Your* wants** should only take up **30%** of your net income.

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| What is your monthly net income for this job in your chosen career path? |

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| According to the 50/20/30 rule, how much should you be allocating to:needs [50]:savings [20]:wants [30]: |

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| Imagine you have been living with your parents and spending only what you have allocated to your “wants” category. You have been putting both the “savings” and “needs” allocations in your savings account. After living at home for a year how much money have you saved? |

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| You have now decided it’s time for you to think about living on your own. Based on the information for the Northeast on the “Average Annual Expenditures” sheet, how much would you be likely to spend on these “needs” each month?housing:transportation:food:Total:Does this fall within your 50/20/30 guidelines for “needs?” |

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| What is the combined total of your monthly “needs” and “savings?”According to the 50/20/30 rule, does this allow you to allocate an accurate amount to your “wants?” |