Survive on Your Salary

Draw a career, build a realistic monthly budget, and survive what life throws at you.

Unit 2: Budgeting & Spending | 3–4 class periods | Individual (best) or pairs

Name(s) _____ Period ___ Due _____

Introduction

Your first full-time paycheck is coming. Before the excitement wears off, rent, a car, groceries, and a dozen small bills will compete for every dollar. In this project you will receive a fictional career, figure out what you actually take home, build a budget for life in the fictional city of Riverton, and then respond to the surprises that real life brings.

> You have just moved to Riverton for a new job. You have $1,500 in savings, no furniture, and big plans. Your employer withholds taxes, a 3% retirement contribution, and a $100 monthly health premium from every paycheck.

Learning goals

- Convert an annual salary to monthly take-home pay and explain each deduction.
- Build a balanced monthly budget using realistic local costs.
- Classify expenses as fixed/variable and needs/wants and compare with the 50/30/20 guideline.
- Model savings goals and constraints with inequalities.
- Adjust a budget in response to unexpected events and defend your choices.

Supporting documents and data

Career Cards (fictional employers; Course Tax Table)

Career	Annual salary	Gross monthly	Est. take-home monthly*
Pharmacy technician	$39,000	$3,250.00	$2,462.60
Electrician apprentice	$44,000	$3,666.67	$2,766.18
Paralegal	$50,000	$4,166.67	$3,130.48
HVAC technician	$52,000	$4,333.33	$3,251.92
Graphic designer	$54,000	$4,500.00	$3,373.35
Registered nurse	$82,000	$6,833.33	$4,945.58

*AFTER FEDERAL TAX (COURSE TAX TABLE), 7.65% FICA, 5% STATE TAX, 3% RETIREMENT, AND A $100/MONTH HEALTH PREMIUM.

Riverton Cost Guide (monthly)

Category	Choices
Housing	Room in shared house $725 · Studio $1,150 · 1-bedroom $1,425 · 2-bedroom (split) $910
Utilities & internet	Shared $70 · Own place $135
Transportation	Bus/transit pass $90 · Used car: payment $265 + insurance $150 + gas $140 · Bike + rideshare $55
Groceries	Thrifty $260 · Moderate $350 · Generous $450
Phone	Prepaid $35 · Standard $65 · Premium unlimited $90
Health premium	Already deducted from pay (see career card)
Entertainment & dining	Your choice; minimum $50
Clothing & personal	Minimum $60
Savings	At least 10% of take-home pay
Student loan (if your career needs one)	Nurse $310 · Paralegal $185 · Designer $240 · Others $0

Life Happens Event Cards (teacher deals three)

#	Event
1	Your car needs new brakes: $640 (if no car: phone screen repair $180).
2	Your hours are cut: take-home pay drops 10% for 3 months.
3	Your rent increases 6% at lease renewal.
4	A friend’s wedding: $350 for travel and a gift in 2 months.
5	Medical bill after urgent care: $275.
6	You earn a $1,200 bonus (before taxes; keep 72%).
7	Your roommate moves out — you must cover their $725 share for 1 month or find a new roommate.
8	Annual car registration and inspection: $165 due next month.

Tasks

Task 1: Know your paycheck

1. Record your career, annual salary, and gross monthly pay.
2. Using the career card, record your monthly take-home pay.
3. Explain in two sentences why take-home pay is less than gross pay. Name at least three deductions.
4. Rent guideline check: what is 30% of your gross monthly pay? Write and solve the inequality $r \leq 0.30 \times$ (gross monthly).

Deliverable: Paycheck summary with the rent inequality.

Task 2: Build your budget

1. Choose one option in every category of the Riverton Cost Guide.
2. Complete a budget table with columns: Category, Amount, Fixed/Variable, Need/Want/Savings.
3. Find total expenses and monthly cash flow (take-home − expenses). Your cash flow must be ≥ $0.
4. Compute the percent of take-home pay for needs, wants, and savings, and compare with 50/30/20.

Deliverable: Completed budget table with totals, cash flow, and percents.

Task 3: Plan for the irregular

1. List at least three irregular costs you expect in a year (gifts, car registration, renters insurance, etc.) with estimated amounts.
2. Calculate the monthly sinking-fund amount and add it to your budget.
3. Set an emergency-fund goal of 3 months of essential expenses. Starting from $1,500, how many months will it take at your savings rate? Show the inequality.

Deliverable: Sinking-fund table and emergency-fund timeline.

Task 4: Life happens

1. Your teacher will deal you three Life Happens cards.
2. For each event, calculate its effect on your cash flow or savings.
3. Revise your budget to absorb the events. Describe every change and its tradeoff.
4. Compare your original and revised budgets in a side-by-side table.

Deliverable: Event calculations and revised budget.

Task 5: Compare two spending decisions

1. Pick two choices you made (for example, car vs. transit, studio vs. shared house).
2. Calculate the annual cost difference of each choice.
3. Describe the opportunity cost: what else could that money do in a year?
4. Decide whether you would keep each choice and explain why.

Deliverable: Comparison table with annual costs and opportunity costs.

Task 6: Present your plan

1. Create a one-page budget summary or 4-slide mini presentation: career, budget breakdown chart, events and adjustments, final advice.
2. Write a 150–200 word reflection: What surprised you? What will you do differently when you start your career?

Deliverable: Summary or slides + reflection.

Reflection

1. What surprised you most about the cost of living on your own?

2. Which expense would you be most willing to cut, and which would you protect? Why?

3. How did the Life Happens events change your thinking about emergency funds?

4. What advice would you give a friend starting their first job?

Submission checklist

- ☐ Paycheck summary and rent inequality
- ☐ Budget table with all categories classified
- ☐ Cash flow ≥ $0 and percent breakdown
- ☐ Sinking fund and emergency-fund timeline
- ☐ Three event calculations and revised budget
- ☐ Two spending comparisons with opportunity costs
- ☐ Summary page or slides
- ☐ Reflection (150–200 words)

Scoring rubric

Category (points)	Exemplary (100%)	Proficient (~80%)	Developing (~60%)	Beginning (~30%)
Financial understanding (20)	Correctly explains deductions, fixed/variable and need/want classifications, sinking funds, and emergency funds with precise vocabulary.	Mostly correct explanations with minor vocabulary errors.	Partial understanding; several classifications or explanations incorrect.	Little evidence of understanding.
Mathematical accuracy (25)	All totals, cash flow, percents, inequalities, and event calculations correct and labeled.	1–2 minor errors that do not change conclusions.	Several errors or missing calculations.	Calculations largely missing or incorrect.
Analysis of events & comparisons (20)	Accurately quantifies every event and comparison, including annual costs and opportunity costs.	Analyzes most events/comparisons with minor gaps.	Analysis superficial or incomplete.	Little analysis.
Justification of decisions (15)	Every adjustment is justified with numbers and a tradeoff; considers non-financial factors.	Most adjustments justified.	Some justification, mostly opinion.	No justification.
Communication & presentation (10)	Organized, clear, well-labeled tables and	Clear with minor organization issues.	Hard to follow in places.	Disorganized.

Category (points)	Exemplary (100%)	Proficient (~80%)	Developing (~60%)	Beginning (~30%)
	visuals; reflection is thoughtful.			
Completion (10)	Every checklist item complete.	One item missing or incomplete.	Two or three items missing.	Most items missing.

Total: 100 points. Alternative recommendations earn full credit when supported by accurate evidence.

ALL PEOPLE, BUSINESSES, PLACES, AND NUMBERS IN THIS PROJECT ARE FICTIONAL. RATES AND COSTS ARE ILLUSTRATIVE ASSUMPTIONS.