

Task: Maya's Spending Plan

NAME: **KEY**

DATE:

Scenario:

Maya is a senior in high school. She earns \$8 an hour working approximately 25 hours a week at the local grocery store. An estimated 30 percent of her pay is deducted for taxes. Maya also earns approximately \$15 each month in interest on savings.

Maya still owes money on her used car (\$235 a month), but she doesn't pay rent because she lives with her parents. She is responsible for the following expenses every month: cell phone (\$35–\$45), gas (\$40–\$60), and auto insurance (\$50). Maya likes to play video games and listen to music, so she frequently buys games and music. Maya typically buys her own clothes and electronic gadgets, but she also receives gifts from her family for special occasions.

One of Maya's short-term goals is to take a trip to visit her grandparents right after graduation. She expects this to cost \$1,000, and she has already saved \$500. A long-term goal is to attend college over the next four to five years at the local state school. She plans to pay part of the tuition with scholarship money and from her savings. So far she has set aside \$7,000 for her college fund.

Directions:

Create a monthly spending plan for Maya using the information provided. Use this Spending Plan worksheet to build the plan. (Option: Download the spreadsheet file from www.hsfpp.org to easily adjust the income and expense amounts.)

Task: Maya's Spending Plan

Step 1: List Maya's anticipated monthly income sources and amounts. Calculate the total income she expects to receive in a month.

Maya's Monthly Income:	Amounts
Paycheck (\$25 x 8 hours x 4 weeks) minus 30% taxes	\$560
Savings interest	\$ 15
Maya's Total Income:	\$575

*The marked expenses indicate where responses will vary based on the limited details provided in the scenario. Regardless of the specific expense amounts assigned to each category, the Total Expenses should equal the Total Income (\$575).

Step 2: Add expense categories and insert predicted amounts for each category. Remember to include "pay yourself first" amounts to build up Maya's trip fund and college fund. Calculate the predicted total amount needed to cover expenses and savings goals.

Maya's Monthly Expenses and PYF:	Amounts
*PYF – Trip Fund	\$ 40
*PYF – College Fund	\$ 70
Car loan (fixed)	\$235
Auto insurance (fixed)	\$ 50
*Gas	\$ 50
*Cellphone	\$ 40
*Clothing	\$ 40
*Games/Movies/Electronics	\$ 30
*Gifts	\$ 20
Maya's Total Expenses:	\$575

Step 3: Compare the total income to total expenses. Make adjustments to the expense amounts to ensure that Maya can cover the expenses with the income she expects each month.

Total Income:	\$575
Total Expenses:	\$575
Difference:	\$ 0