

## ANALYZE: A Salary-Based Budget

Now that you've completed your first full budget (activity [here](#)), answer each of these reflection questions.

### Part I: Net Salary

1. How did you choose your career?

I chose the career of public relations specialist because it is what I did my career exploration presentation on. I chose to do my presentation about it because it seems interesting and I could see myself doing it.

2. Now that you've seen your preliminary budget, reflect on your career choice and the lifestyle you may be able to live as a result. What might be the benefits or challenges?

I think I will be able to live decently. At first, I won't be making a lot of money, but it is still a living amount. I won't be able to live that much of a lavish lifestyle, but I'll be able to treat myself if I budget well. I will have to have a roommate because I won't be able to afford living by myself in a comfortable way until I start to make more money. However, I can easily still live a decent lifestyle.

### Part II: Savings Strategy

3. How much did you decide to save (in savings and in retirement), and why did you make these choices?

I saved \$215 a month for both. I saved 10% of my net wage because I wanted to and knew I could save more than just 5%. I also didn't think I was making enough money to save 15% yet, so I settled for 10%.

4. After seeing how your final budget turned out, do you think you should be saving more or less than you originally chose?

I don't have that much left over per month but it isn't a small amount either. I think my current amount of saving is good because I definitely didn't have enough left over to save 15%. I would eventually like to bump it up, but that will only happen when I start to make more money.

### Part III: Spending Habits

5. When you look at your overall spending, which category are you spending the least on? Does this surprise you? Why or why not?

I am spending the least on transportation. I plan on living in a city, so I won't need a car. I am not surprised at all because transportation is fairly cheap if you don't own a car. Public transportation is easily available in most cities, so I save a lot of money there.

6. Which category are you spending the most on? Does this surprise you? Why or why not?

I spent the most on the cost of living. I am not surprised because rent is expensive even when you have a roommate and there are a lot of other things that factor into it like cable, phone, internet, electricity, etc. I am not upset about it because I would rather live in a nice place and not have that much money left over than live in a very small, crappy place with one roommate.

7. What is one category you know you could spend less on? What sacrifices would you have to make if you were to spend less on this category?

I spent a pretty reasonable amount on everything, but I could spend less on rent. If I got another roommate, I could spend even less. I would rather not live with 2 other people, but if I had to I could. It wouldn't be fun, but it would definitely save money.

8. What is one category you wish you could spend more on? What would need to happen for that to be possible?

I would like to spend more on wants. I have no idea how much money I would spend in a month on things I don't need, but it is probably more than I have saved at the moment. Doing fun things is the point of living, so I would like to have the ability to go out and do things. I would have to cut down on some things. I would probably cut down on dining out and just always cook for myself.

### Part IV: Surplus or Deficit

9. In the end, does your budget end with a surplus or a deficit?

I had \$97 left over, so, surplus.

10. What decisions did you make about your budget that led to that final outcome?

**NOTE:** If your budget ended with a deficit (you were spending more than you were taking home each month), this is not sustainable. You would need to redo your budget until your net income covers all of your monthly expenses.

I tried to not spend that much on any one thing. Having a roommate definitely helped keep the cost of living down. I also can't cook very well, but I rarely eat out and when I do, it's at chick-fil-a. I just tried to stay within my budget and not go over on anything.

## Part V: Summary

11. Identify two lessons you learned by completing this salary-based budget.

I learned that rent costs a lot and that I will probably live with roommates for a while. It kind of sucks that I won't be able to live by myself for a while. However, I would much rather live with people in a relatively nice apartment than in a one room place by myself that probably doesn't even have air conditioning. I also learned that not having a car saves people a lot of money. Even if I still have to pay for public transportation, it's a lot cheaper than if I had a car.