

Owning a Car

Maisie's grandmother offered to give Maisie her old car—for free! Yes! But Maisie will need to pay for the expenses that come with owning it. She can't afford to do so with her current budget and needs your help.

Login to **Banzai**, click **High School Personal Finance**, scroll down to the library section, and read the **Making and Spending Money** article. Use it and the **Budget Calculator** to answer the questions below.

Monthly After-Tax Income \$2,000

Monthly Expenses

Rent	\$700
Food	\$300
Entertainment	\$150
Phone	\$50
Utilities	\$100
Internet	\$70
Clothing	\$150

Yearly Expenses

Medical	\$3,000
Gifts	\$500
Emergency	\$1,500

Add Maisie's new car expenses: Gas: (\$100), Car Insurance (\$70), & **Car Repairs** (\$50). Maisie's **Monthly Savings** is now a negative number; this means Maisie is spending more money than she's saving.

1. In order to afford a car, Maisie needs the Monthly Savings amount to be \$0 or more. Why?

If monthly savings is negative, that means there's not enough money to cover expenses.

2. Adjust Maisie's budget in the **Food**, **Entertainment**, **Utilities**, and **Clothing** categories to get \$0 or more in **Monthly Savings**. Be realistic. You can't slash Maisie's **Food** budget to \$10 or delete **Entertainment**. How much is left in each of the four categories? **Hint:** It's possible that the way you lower the budget in these categories will differ from the way a friend does it.

Answers will vary for all.

Food \$ _____ Ent. \$ _____ Utilities \$ _____ Clothing \$ _____

3. What is a practical way Maisie can lower her Food budget?

Answers will vary.

4. What is a practical way Maisie can lower her Entertainment budget?

Answers will vary.

5. What is a practical way Maisie can lower her Utilities budget?

Answers will vary.