

Jenny Hu

Professor R. Tsang

Personal Finance

24 Feb 2021

### Personal Budget Summary

As a first-year student, I haven't decided my major yet, but I am considering an economics major. According to The *Balance Career* website: "Economic Consultant is one of the Jobs for Economics degree. *PayScale* estimates that the average annual salary for an economic consultant is \$74,630. The bottom 10% earn up to \$55,000 and the top 10% earn at least \$110,000." (Profita). Since the budget is based on my career upon graduation, I would consider myself less than the median because it would be my first year working, but slightly higher than the bottom 10% with my Bachelor Degree from Agnes Scott, so my projected salary would be \$63,000 a year, which is \$5,250 per month. Besides my regular income from working as an Economic Consultant, I would also get extra income from the stock market. It is pretty unpredictable, we never know what's going to happen the next day when the market opens; however, my goal would be to earn \$500 per month, given that my parents had given me \$10,000 as my 18th birthday gift for stock investing purpose only, so I don't need to worry about my buying power. Overall, \$5,750 would be my projected income per month.

Here is the detailed explanation for my projected expense. According to the *Apartment Home Living* website, the cheapest single bedroom apartment would be \$396 per month (CoStar Group, Inc.) The cell phone service plan I am having right now is \$30 per month. I have never lived alone, so I searched utility bills for one person per month online. According to the

*MoveBuddha* website: “ Electricity Bill: \$65; Gas Bill: \$80; Water Bill: \$17; Trash Bill: \$12; Internet Bill: \$56.60” (Wood). I will just use these statistics as my projected expense for house utility. According to the *credit karma* website: the average monthly loan for a used car is \$397 for an average loan term of 65.3 months (Ward). According to Car and Driver: “ a 22-year-old female pays an average of \$3,983 per year for car insurance” (Autos). That means I need to pay \$331.9 per month. I had fuel, maintenance, and parking fees, so I just set these numbers based on my current experiences. My current health insurance plan is \$97 per month. All the rest categories of expenses are based on my current living standard.

My personal financial goal is to have more than \$200,000 liquid assets before the age of 30, get retired around age of 45, and travel once every year. With my projected income and expense budget, I think these goals aren't unreachable. I will deposit \$200 to my savings accounting every month no matter what; after that, my actual balance for this particular project will be around \$3,090. Of course I wouldn't get as lucky every single month, roughly I would save around \$2,500 to \$3,000 after my expense and that \$200 fixed deposit. This means I would have approximately \$35,000 saved per year, to reach my \$200,000 liquid assets goal, I need 6 years, which is less than the time it takes from my graduation to the age of 30. As I am getting more work experience, my salary will also increase, maybe it will eventually reach \$100,000 when I get to age of 45. I can save \$35,000 per year for the first few years of working. Let's suppose this amount increases by \$10,000 every 5 year, that means I will have approximately \$1000,000 liquid assets for my balance (meaning salary mins expense) after working for 20 years. As a millionaire, I can just retire and invest my money to fund and gain passive income every month, so I can travel around the world.



# Personal Monthly Budget

## Projected Monthly Income

Income 1	\$5,250.00
Extra income	\$500.00
<b>Total monthly income</b>	<b>\$5,750.00</b>

## Actual Monthly Income

Income 1	\$5,250.00
Extra income	\$300.00
<b>Total monthly income</b>	<b>\$5,550.00</b>

HOUSING	Projected Cost	Actual Cost	Difference
Rent	\$396.00	\$396.00	\$0.00
Phone	\$30.00	\$30.00	\$0.00
Electricity	\$65.00	\$58.00	\$7.00
Gas	\$80.00	\$75.00	\$5.00
Water and sewer	\$17.00	\$20.00	-\$3.00
Cable	\$56.60	\$56.60	\$0.00
Waste removal	\$12.00	\$12.00	\$0.00
Maintenance or repairs	\$50.00	\$0.00	\$50.00
<b>Subtotal</b>	<b>\$706.60</b>	<b>\$647.60</b>	<b>\$59.00</b>

TRANSPORTATION	Projected Cost	Actual Cost	Difference
Vehicle loan	\$397.00	\$397.00	\$0.00
Insurance	\$331.90	\$331.90	\$0.00
Fuel	\$50.00	\$40.00	\$10.00
Maintenance	\$100.00	\$0.00	\$100.00
Parking fees	\$40.00	\$10.00	\$30.00
<b>Subtotal</b>	<b>\$918.90</b>	<b>\$778.90</b>	<b>\$140.00</b>

PERSONAL CARE	Projected Cost	Actual Cost	Difference
Health Insurance	\$97	\$97	\$0
Medical	\$100.00	\$18.00	\$82.00
Hair/nails	\$100.00	\$25.00	\$75.00
Clothing	\$200.00	\$80.00	\$120.00
Cosmetic	\$100.00	\$70.00	\$30.00
<b>Subtotal</b>	<b>\$597.00</b>	<b>\$290.00</b>	<b>\$307.00</b>

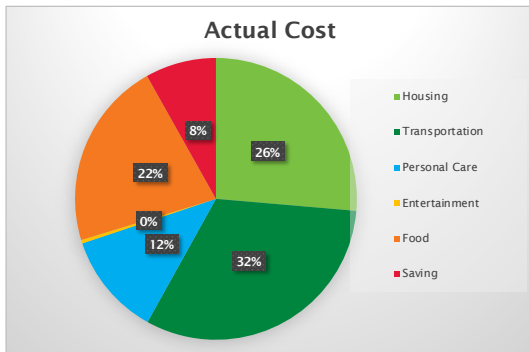
ENTERTAINMENT	Projected Cost	Actual Cost	Difference
Movies	\$20.00	\$10.00	\$10.00
Concerts	\$200.00	\$0.00	\$200.00
<b>Subtotal</b>	<b>\$220.00</b>	<b>\$10.00</b>	<b>\$210.00</b>

FOOD	Projected Cost	Actual Cost	Difference
Groceries	\$300.00	\$350.00	-\$50.00
Dining out	\$100.00	\$180.00	-\$80.00
<b>Subtotal</b>	<b>\$400.00</b>	<b>\$530.00</b>	<b>-\$130.00</b>

SAVINGS OR INVESTMENTS	Projected Cost	Actual Cost	Difference
Investment account	\$200.00	\$200.00	\$0.00
<b>Subtotal</b>	<b>\$200.00</b>	<b>\$200.00</b>	<b>\$0.00</b>

Total Projected Cost	<b>\$3,042.50</b>
Total Actual Cost	<b>\$2,456.50</b>
Total Difference	<b>\$586.00</b>

Projected Balance (Projected income minus expenses)	<b>\$2,707.50</b>
Actual Balance (Actual income minus expenses)	<b>\$3,093.50</b>
Difference (Actual minus projected)	<b>\$386.00</b>



## Work Cited

Apartment Home Living. *1 Bedroom Apartments in Atlanta, GA under \$600*. (2021).

<https://www.apartmenthomeliving.com/atlanta-ga/apartments-for-rent/1-bedroom/to-600>

Profita, M. P. (2020, June 25). *10 Jobs for Graduates With an Economics Degree*. The Balance

Careers. <https://www.thebalancecareers.com/top-jobs-for-economics-majors-2059650/w>

Ward, P. (2020, November 10). *What is the average car payment?* Credit Karma.

<https://www.creditkarma.com/auto/i/what-is-average-car-payment>

Wood, T. (2020, August 11). *What's The Average Cost Of Utilities?* MoveBuddha.

<https://www.movebuddha.com/blog/average-utilities-cost-guide/>