

## Culminating Activity 2: Build a Complete Budget

When you finish high school, you may go to college / university or start working full time. If you decide to continue your education, you won't have much money to save - school is expensive and time consuming. If you work full time, you should be saving part of each paycheque.

Which path will you take when you graduate high school? Find a partner amongst your class. One of you will build a working budget, the other a student budget. Afterwards, you'll present your budget to your partner and write a page-long (double-spaced) reflection about the budget you didn't do, based on your partner's presentation. Make sure to explain the advantages and disadvantages of both budgets in your reflection.

### 1. Calculate your income

*What income sources will you have when you graduate?*

**WORKING BUDGETS:** *Come up with at least 3 sources of income. Make sure you give specific examples. Are they regular or irregular sources?*

**STUDENT BUDGETS:** *Assume you have money from scholarships, RESP withdrawals, ongoing family support, a summer job, part-time jobs during the school year, and a student loan (you can treat it as type of income). If it comes in small, predictable intervals, treat it as regular income. If you only receive it occasionally, treat it as irregular income in your budget.*

Calculate the after-tax figures for each of your income sources (assume a \$10,000 personal exemption; anything above that is taxed at a flat rate of 10%). Create a table with 3 columns - one for your income sources, one for their after-tax value, and one for when the money becomes available (if it's irregular). At the bottom of the table, calculate your total income.

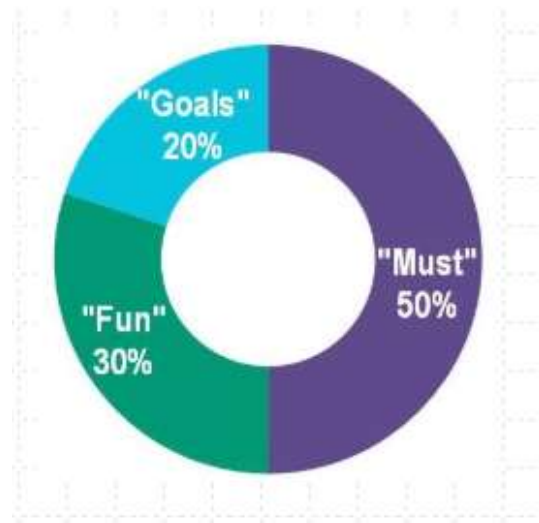
### 2. Manage your expenses

**WORKING BUDGETS:** *Put at least 20% of your total income towards your financial goals (these include insurance, savings, investments, and debt repayment - for those who borrowed money). Your budget should reflect this.*

**STUDENT BUDGETS:** *You may not be able to save any money. Most students are in debt. Fortunately, government student loans don't need to be paid until you graduate. As such, your budget may not have much room for financial goals.*

Once you've allocated part of your budget towards your financial goals, calculate your ongoing expenses for any given month - they're the most predictable. Come up with 10 ongoing and 3 irregular expenses you may have in the future. Make two lists, one for 'must' and the other for 'fun' spending - each list should have at least 5 expenses. Create a table with 3 columns. In the first column, list all your expenses and add them to find their total. For each expense, calculate what % it makes up of your total expenses. List these percentages in the second column. In the third column, describe the expense - is a 'must' or 'fun' spend?

Create a graph of your expenses based on the table you just created. Focus on financial goals, 'must', and 'fun' spending. It should look something like this:



Move on to your 'big ticket' items - irregular purchases that could make a dent in your budget. Come up with 3 big ticket purchases you may make in the future. Create a table with 2 columns, one for your purchases and the other for when you plan to make them. The money for these purchases comes from your savings and short-term investments. You keep it there to earn additional income until you need to withdraw it for a big purchase.



## Terms of Service

FinStart's goal is to educate.

The information on the Site is provided for general information only and is not exhaustive. We aim to update the Site as needed. However, the information can change without notice we cannot guarantee that it will always be accurate and error-free. Please do your own research to verify for yourself the ideas you find on this Site.

FinStart © not a financial services firm. The information on this Site does not constitute advice of any kind and does not nor should it replace competent financial services, legal, accounting and other professional advice. Please do not rely on this information to make financial or investment decisions and seek independent advice as required for your purposes.

We do not warrant that your use of the Site, the operation or function of the Site, or any services offered through or from the Site, will be uninterrupted, that defects will be corrected, or that this Site or its server are free of viruses or other harmful elements.

Therefore, FinStart or its contributors shall not be liable for any damages related to your use or inability to use this Site, including without limitation direct, indirect, special, compensatory or consequential damages, lost profits or loss of or damage to property.

If you are dissatisfied with the Site, any of its contents, or any of our terms, kindly contact us directly.

**Proprietary Materials.** The website and all associated educational resources are owned and operated by FinStart.ca. The visual interfaces, graphics, design, compilation, information, computer code (including source code or object code), software, services, content, educational videos and exercises, lesson plans, and all other elements are protected by Canadian and international copyright, patent, and trademark laws, international conventions, and other applicable laws governing intellectual property and proprietary rights. Except for any user content provided and owned by users, all content and trademarks, service marks, and trade names, contained on or available through the website are owned by or licensed to FinStart.ca.

**Licensed Educational Content.** FinStart.ca may make available on the Website certain educational videos, exercises, and related supplementary materials that are owned by it or its third-party licensors. FinStart.ca may grant to you in writing a non-exclusive, non-transferable right to access and use such content solely for agreed-upon one-time non-commercial use in a specified classroom setting.

**Crediting FinStart.ca.** If you distribute, publicly perform or display, transmit, publish, or otherwise make available any licensed educational content or any derivative works thereof, you must also provide prominently the following notice: "**All FinStart content is available for free at [www.finstart.ca](http://www.finstart.ca)**".

**Third-Party Sites, Products and Services.** The website may include links or references to other web sites or services solely as a convenience to users. FinStart.ca does not endorse any such reference sites or the information, materials, products, or services contained on or accessible through them. Access and use of reference sites, including the information, materials, products, and services on or available through reference sites is solely at your own risk.

**No Warranties.** The website, and all data, information, software, website materials, content, user content, reference sites, lesson plans, additional educational resources, services, or applications made available in conjunction with or through the website, are provided on an "as is", "as available", and "with all faults" basis. To the fullest extent permissible pursuant to applicable laws, FinStart.ca and its affiliates and licensors, disclaim any and all warranties and conditions, whether statutory, express or implied, including, but not limited to, all implied warranties of merchantability, fitness for a particular purpose, title, and non-infringement. No advice or information, whether oral or written, obtained by you from FinStart.ca or through the website will create any warranty not expressly stated herein.

**Content.** FinStart.ca, and its suppliers, licensors, and affiliates, do not warrant that the website or any data, user content, functions, or any other information offered on or through the website will be uninterrupted, or free of errors, viruses or other harmful components, and do not warrant that any of the foregoing will be corrected.

**Harm to Your Computer.** Users understand and agree that their use, access, download, or otherwise obtaining of content, website materials, software, or data through the website (including through any APIs) is at their own discretion and risk, and that they will be solely responsible for any damage to their property (including their computer systems) or loss of data that results therefrom.

**FinStart for Teachers.** FinStart makes available certain resources to teachers who register with us such that they can use them to work with students in order to provide such students with tutorial or educational services as part of the school's curriculum or as an extra-curricular activity, and to review and evaluate educational achievement and progress of such students. If you are accessing our resources on behalf of a school, school district, or any educational institution, the following terms apply to you:

(a) **Limitations on Use.** FinStart's website and resources are provided to you for educational purposes as part of the school curriculum. You must use them in compliance with all applicable laws, rules, and regulations. You agree not to reproduce, duplicate, copy, sell, resell or otherwise exploit for any commercial purpose, any portion of our website or any resources we share with you.

(b) **Responsibility for Consent and Notices.** You and your school assume sole responsibility for obtaining any consents required from parents or guardians, and for providing appropriate disclosures to users and their parents regarding their use of our resources and our terms of use. You agree to be bound by these terms. Specifically you agree, individually and on behalf of the institution, that:

(i) You assume sole responsibility for providing appropriate notices and disclosures to students accessing our resources for classroom use and their parents regarding the students' use of our website and any resources we share with you and our terms.

(ii) You assume sole responsibility for obtaining any consents required from parents or guardians in connection with accessing our website and other resources for classroom use. You represent and warrant to FinStart that, prior to using our website and resources with students, you have either obtained all necessary parent or guardian consents, or have complied and will comply with all applicable requirements of an exemption from or exception to parental consent requirements.

(c) **Use of Integrated Services.** If you choose to allow your students to use another service, such as Google Classroom, in conjunction with using FinStart's website and other resources, you are responsible for educating your students on the proper use of integrated services.