## Monthly Expenses

### Creating a budget & living within your means

**NOTE: DO NOT DO NOT DO NOT DO NOT think you can complete this project in Google Sheets. The functions will not work, and you cannot make it work (thanks Google.)**

**Topic 1 - Housing:**

You need to look up the pricing of housing in 3 different cities (one out of the state of Colorado!) Pick cities that you would actually like to live in!

Step 1: Open the Budget Worksheet and **save TO YOUR H DRIVE!**

Step 2: Rentals: Go to [www.rent.com](http://www.rent.com) and search the cities you would like to live in. Choose an apartment in each city.

Step 3: Record the city and monthly rent for each apartment on your Budget Worksheet. Do your best to figure out the monthly cost. If you cannot find a monthly cost, just pick a new apartment. You are looking to Rent, not to own, so you need monthly costs.

Step 4. Home ownership: go to [www.remax.com](http://www.remax.com) and search the **same three cities** you looked for apartments. Choose three houses and write the total cost for each house on a scratch sheet of paper (you need to do calculations first before you put it in your Budget Worksheet. This is a total cost of the house (purchase price), not a rental/monthly value.

Step 5: Now go to <http://www.mortgagecalculator.org/>

Step 1: Enter the price of the home in the home value.

Step 2: Multiply the value from step 1 by .20 , this would be your down payment!

Step 3: Subtract the down payment from the home value and put that in the loan amount box on the website.

Step 4: **Leave all other spaces unchanged!**

Step 5: Hit Calculate.

Step 6: Go back to your Budget Worksheet and record each house city and monthly payment under the housing monthly payment columns. (Not the monthly budget table!)

Step 7: Choose which one of the six housing options you want (can be apartment or house) and enter the amount in the monthly budget table under the column that says “Housing”.

Step 8:…You’re almost done! There is one more step, and if you want a grade, you will do this step:

Open up a blank Word document, title it Monthly Budget, and save it to your H drive: write a brief explanation as to why you picked the housing option you did using at least 3 Economic Reasoning terms in your explanation. (for ex. renting an apt will allow you to save for a down payment on a house later.) If you choose a house you must consider the need for a 20% down payment and your explanation should include the steps you took in order to save that money.