Homework Assignment 1:
LET’S MAKE A BUDGET!
EECS 496 Fall 2016

Due Friday, September 23, 2016: 11:55pm

This assignment is worth 15% or your total grade - it will be scored on a 100 point scale.

Submit your responses before the deadline via Gradescope (you’ll get instructions separately) in a PDF format. Late homework assignments will be penalized at a rate of 10% per day; no special treatment for weekends. Homework will not be accepted more than 4 days after the due date.

You must work individually. If you copy answers from another student (including from previous semesters), that is an Honor Code violation. Don’t do it! This is a professionalism class after all. You cannot discuss your specific answers with other students, however, you can share websites, etc. that you use in the assignment.

CREATE A MONTHLY BUDGET FOR LIFE AFTER GRADUATION.

• **KEY THING #1:** The budget must be based on where you plan to live. If you don’t know that yet, then choose where you want to live. Your expenses should be based on the expected cost of living of where you are going to live.

• **KEY THING #2:** The last three digits of your yearly salary must be the last three digits of your student number.

• **KEY THING #3:** This is not a game to see how little you can budget for your expenses. Be realistic. Your grade is not dependent on saving lots of money, etc.

• **KEY THING #4:** Provide references to support the cost of living for where you will be living, and any other costs that aren’t obvious (such as the income tax of where you plan to live, the cost of the Tesla you plan to buy, etc.). This is where people lose points – so don’t forget it.

We recommend you do this as a spreadsheet (such as Excel). We also recommend keeping a log this coming week to help you get some estimate of your “irregular” expenses.

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Below is a list of what you must include if applicable to you.

**Overall COST OF LIVING:** Where are you going to live and what is the cost of living compared to Ann Arbor? [provide a reference!]

**INCOME:** Regular, monthly sources (this does not include gifts or one-time dips into saving, etc.)
- Expected pay from your job(s). This is before taxes, etc.
  - If you have a job lined up, use that.
  - If you don’t have a job, use the median salary for your major as listed in lecture #1.
  - The last 3 digits of your yearly salary must be the last 3 digits of your student number.
  - If you have an offer of $75,200 and your student number is 4895-8433, list $75,433.
- Interest from investments, trust funds, etc. that you plan on using monthly.
- Allowance from parents (?)
- Other?

**LIST TOTAL MONTHLY INCOME**

**EXPENSES:** (theses expenses must be based on the cost of living where you will be living)
- Taxes
  - Federal, State, and Local Income Tax [provide a reference for state and local]
  - FICA (your share of social security)
- School loan payments
- Money sent home
- Savings (recommend 10% but not required)
- Housing and Utilities (list the major components)
  - Rent
  - Gas and electric
  - Internet/TV
  - Cell phone
- Car: (if you plan on owning one, list the details below)
  - Car payments
  - Insurance
  - Gas
  - Maintenance
- Transportation (especially if you don’t own a car)
- Food (depends on whether you eat out or cook)
- Medical coverage (your contribution)
- Medicine and cosmetics
- Entertainment
- Vacation
- 10% for unforeseen expenses 10%!
- OTHER?

**TOTAL EXPENSES**

**NET of Income and Expenses should be $0.00! (Savings are part of expenses.)**