

Lesson 4: Budgeting and Saving Math Problem Practice Examples:

1. You are saving \$30 each month. You have a goal to accumulate \$700 in savings. How long will it take you?

- a. About one year
- b. About two years
- c. About three years
- d. About four years

Step 1: How many months in a year _____
\$30 a month x _____ months in a year
How much you can save per year = _____
How many years will it take you to accumulate \$700
Above number _____ divided by _____ months per year
= how many years it will take = _____
It is more than _____ year(s) but less than _____ year(s)

2. Your job pays you \$1,600 per month. All taxes combined reduce your pay by 25%. Your current expenses are \$1,200 per month. You want to join a swim club for \$75 per month. Can you afford it?

- a. Yes
- b. No
- c. Can't tell

Jobs Pay per month	\$ _____
Taxes convert 25% to decimal	X . _____
\$1,600 per month x _____ tax amount in decimal form	= _____
Pay per month less taxes = net pay (pay after taxes) (\$1,600 - _____)	= _____
Current Expenses	\$1,200.00
Net pay – current expenses = cash remaining	= _____
Can you afford swim club yes/no	\$75.00

3. You set your entertainment budget to \$100 per month. High school sporting events cost \$20, movies cost \$15, and concert cost \$60. Can you go to sporting events, go to the movie, and go to Concert in the same month, while staying within your budget?
- Yes
 - No
 - Can't tell

Monthly Budget		\$100.00
Eating out	\$35.00	
Movie	\$15.00	
Concert	\$60.00	
Total expenses (add all above expenses together)		= _____
Money left over (\$100.00 - _____) = cash at end of the month		Yes/no
If the number is positive you have money left over and can afford to do these activities and stay in your budget Negative number and you cannot afford all of the expenses above.		

4. Your poor health causes you to miss one work day every two weeks. You do not get paid when you are out sick. You normally work 8 hours a day and get paid \$9.20 per hour. How much pay are you losing each year?
- \$1,193.06
 - \$1,366.87
 - \$1,823.33
 - \$1,913.60

Normal days' work	
8 hours a day	8 hours
Days per year you are sick	
Days sick per two weeks	2 days
Weeks per year	52
52 weeks divided by 2 days per two weeks (52/2)	= _____
Pay per hour	\$9.20
Hours per day (8 hours) x days per year miss _____ x \$9.20 pay per hour	= _____
Total lost pay	

5. Your goal is to have an emergency fund equal to 3 months living expenses. Your living expenses are \$700 a month. Your take-home pay per month is \$1,100, and you plan to put 10% toward your emergency fund each month. How long will it take you to reach your goal?

- About one year
- About 1.6 years
- About 2 years
- About 2.5 years

\$700 per month	3 months living expenses	x	Emergency Fund needed	= _____
10% of take home pay toward emergency fund	$= \$1,100.00 \times 10\% =$ Convert 10% to decimal	x	Emergency fund savings per month	\$ _____
Take the "emergency fund needed" and divide it by the "Emergency fund saving per month"			= _____	months
Months calculated above _____ divided by how many months per year _____			= _____	years

How long will it take to save the amount of money necessary for emergency fund

= _____