## Monthly Expenses

### Creating a budget & living within your means

**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:** 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

**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.

**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 excel document 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!

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.