

Workplace Mathematics 11

Unit 1: Learning Guides 1, 2 & 3

BUDGET UNIT PROJECT

Total /25

STEP 1 - Define your income

(5 marks)

- State a job that you have or want. (It can be real or made up...but be realistic.)

- State your hourly rate and hours worked per week (40 hours or less).

\$ / hour
HOURLY RATE

hours
HOURS WORKED PER WEEK

- Find out your ANNUAL **GROSS** PAY.

\$ / hour X hours =

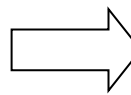
HOURLY RATE HOURS WORKED PER WEEK

\$
GROSS WEEKLY PAY

X 52 (WEEKS IN A YEAR)

\$
GROSS ANNUAL PAY

THIS IS YOUR **GROSS PAY**
(BEFORE DEDUCTIONS)



- Work out your deductions.

(5 marks)

Income Tax Deductions Reference:

Earn \$0 to \$47 630	→ 15% → _____ DECIMAL
Earn \$47 631 to \$95 259	→ 20.5% → _____ DECIMAL
Earn \$95 260 and up...	→ 26% → _____ DECIMAL

C.P.P. & E.I. Deductions Reference:

6.7% → _____
DECIMAL

\$
GROSS ANNUAL PAY

X =
Tax Deduction DECIMAL

\$
Amount of **INCOME TAX** deducted

\$
Amount of **E.I. & C.P.P.** deducted

\$
GROSS ANNUAL PAY

X =
C.P.P. Deduction DECIMAL

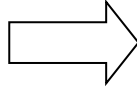
\$
TOTAL DEDUCTIONS

- Find out your ANNUAL **NET** PAY.

\$	-	\$	=	\$
GROSS ANNUAL PAY		TOTAL DEDUCTIONS		NET ANNUAL PAY

- Find out your MONTHLY **NET** PAY.

**THIS IS YOUR NET
MONTHLY PAY**
(AFTER DEDUCTIONS)



\$
NET ANNUAL PAY
÷ 12 (MONTHS IN A YEAR)
\$
NET MONTHLY PAY

- Create a budget for yourself. The suggested ranges of income to spend on each area is provided. There is a Low Range and a High Range.

(See Next Page)

See Next Page

Record your net monthly pay here for your reference:

\$

NET MONTHLY PAY

USE your NET MONTHLY PAY (Above) to work out how much money you should budget for each area below. Find the amounts for each. (10 marks total)

LOW RANGE means you are setting aside the bare minimum earnings.
HIGH RANGE means you are setting aside the highest level of earnings.

BUDGET AREA		Low Range (\$)	High Range (\$)
Housing Costs (Rent, mortgage...)	25%-35% <small>of your NET MONTHLY INCOME</small>		
Transportation (Transit, Car, Gas, Insurance...)	10%-15% <small>of your NET MONTHLY INCOME</small>		
Food (Food, Condiment, Baking supplies...)	5%-15% <small>of your NET MONTHLY INCOME</small>		
Utilities (Rent, mortgage...)	5%-10% <small>of your NET MONTHLY INCOME</small>		
Medical/Health (Rent, mortgage...)	5%-10% <small>of your NET MONTHLY INCOME</small>		
Personal (Hygiene, Cleaning products...)	5%-10% <small>of your NET MONTHLY INCOME</small>		
Clothing (Work and recreational...)	2%-7% <small>of your NET MONTHLY INCOME</small>		
Entertainment, Charity, Other... (Restaurant, Movies, Vacation...)	10%-15% <small>of your NET MONTHLY INCOME</small>		
Savings (Education, RRSP, Long-term purchase goals...)	5%-10% <small>of your NET MONTHLY INCOME</small>		

CIRCLE the amount (above) that you think you will need for each budget area (either the LOW RANGE amount or the HIGH RANGE amount).

- Answer the following questions on separate paper. (5 marks total)
1. A) Add up the amounts that you circled above to get a total for your monthly budget (show your calculations for adding up the circled amounts on a separate page)
 B) Is your monthly budget above, below or equal to your NET monthly pay? Explain what this means.
 2. What changes might you make to how you budget your spending? Be specific and refer to the different spending areas.