

## ANALYZE: A Salary-Based Budget

Now that you've completed your first full budget (activity [here](#)), answer each of these reflection questions.

### Part I: Net Salary

1. How did you choose your career?

I chose this career due to my interest in engineering and science, as well as my care for the environment. I presented on this career as well.

2. Now that you've seen your preliminary budget, reflect on your career choice and the lifestyle you may be able to live as a result. What might be the benefits or challenges?

The career I have chosen has a starting salary that does not exactly meet the lifestyle I would like to live. The salary leaves little room for increased spending on travel and other luxuries. I am willing to live a more modest life, but in the longterm I may need a larger salary to eventually live on my own and provide for others.

### Part II: Savings Strategy

3. How much did you decide to save (in savings and in retirement), and why did you make these choices?

I decided to save 15% of my salary as savings, and 10% for retirement. I made these choices due to the fact that saving early on is often the most important part of ensuring a healthy amount of money being left for old age and/or emergencies.

4. After seeing how your final budget turned out, do you think you should be saving more or less than you originally chose?

I believe that I should probably be saving more than I initially chose, as I had more money left in my balance than I actually chose to save. This means that I had room to save more, but did not do so. It is much better for money to be stored away where it will grow rather than sitting in a checking account.

### Part III: Spending Habits

5. When you look at your overall spending, which category are you spending the least on? Does this surprise you? Why or why not?

I spent the least on the Total of Transportation, which did not surprise me as I chose not to own a car and take public transport. Public transport is usually not excessively expensive so I expected it would not be a costly category.

6. Which category are you spending the most on? Does this surprise you? Why or why not?

My Total Costs of Living were my biggest expense which does not surprise me, as there are the most expenses in this category and they are all relatively large such as rent, internet, and utilities.

7. What is one category you know you could spend less on? What sacrifices would you have to make if you were to spend less on this category?

I know that I could spend less on cable as I chose the middle package, but could easily spend significantly less with slight sacrifices. I would simply have to not watch cable television which I do not often do anyways.

8. What is one category you wish you could spend more on? What would need to happen for that to be possible?

I wish that I could spend more on housing, as living in a 3 star apartment with two roommates is not an ideal living situation. For this to be possible my overall salary would need to be higher as I have little wiggle room in any of my categories as I for the most part chose the most modest options available.

### Part IV: Surplus or Deficit

9. In the end, does your budget end with a surplus or a deficit?

My budget ends with a surplus.

10. What decisions did you make about your budget that led to that final outcome?

**NOTE:** If your budget ended with a deficit (you were spending more than you were taking home each month), this is not sustainable. You would need to redo your budget until your net income covers all of your monthly expenses.

In order to finish my budget with a surplus I chose the most modest financial options for a majority of my expenses.

**Part V: Summary**

**11.** Identify two lessons you learned by completing this salary-based budget.

Completing this salary based budget has made me realize simply how expensive being an adult is. There are so many expenses that I never considered, and I was genuinely shocked to think about the cost of every minor thing adding up. Also I learned how much money can be saved by living at home with parents, or with roommates. The cost of living on your own is extremely costly to a point I never realized.