



Alicia recently graduated from the Illinois Institute of Art in Schaumburg, Illinois (a suburb of Chicago) with a bachelor's degree in Media Arts specializing in web design and interactive media. She accepted a temporary, eight-month job at Neptune Web in Boston, Massachusetts.

Although Boston is a very expensive city to live in, she decided not to look for a roommate and found a small one-bedroom apartment for \$1,175 a month. Now she has to see if she can make it on her own.

1. Use the directions (A-D) to calculate Alicia's monthly net pay. Already Done

2. On page 2 is a one month calendar of Alicia's spending. Use the spending calendar to complete the budget table below.

Spending Category	Amount
Rent (includes water, sewer, trash)	
Electricity	
Cell Phone	
Cable TV / Internet	
Car Insurance	
Car Maintenance	
Gas	
Groceries	
Dining Out or Bringing Food In	
Entertainment	
Clothing	
Student Loan Payments	
Credit Card Payments	
Personal Care	
Household Items	
Medical Costs	
Miscellaneous	
Savings (amount not spent)	
Total	

She will be paid \$34,000 for the eight months with no benefits.

Biweekly Gross Pay	\$ 2,000.00
Withholding:	
Fed Income Tax (13.8%)	\$ 276
State Income Tax (5.95%)	\$ 119
Social Security (6.20%)	\$ 124
Medicare (1.45%)	\$ 29
Total	\$ 548
Biweekly Gross Pay	\$ 2,000
Minus Total Withholding	- \$ 548
Biweekly Net Pay	\$ 1452
Monthly Net Pay	\$ 2,904

A. Multiply her biweekly gross pay by each of the withholding percentages. (i.e. \$2,000 x 13.8%)

B. Add the total withholding.

C. Subtract the total withholding from her biweekly gross pay.

D. Multiply her biweekly net pay by 2 to determine her monthly net pay.

3. Is Alicia living within her means? Explain why or why not.

Name:

Period:

Date: